CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY-NINTH PARLIAMENT

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HOUSE OF COMMONS

Monday, April 1, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NEWFOUNDLAND

CONGRATULATIONS AND BEST WISHES ON TWENTY-FIFTH ANNIVERSARY OF UNION WITH CANADA

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, today Newfoundland completes 25 years as a province of Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is obvious that all hon. members join me in expressing congratulations and offering best wishes to the people of Newfoundland on this happy and historic occasion.

[*Translation*]

At midnight on March 31, 1949 that old dream of the Fathers of Confederation finally came true. The oldest settlement in North America became the newest Canadian province and we then understood the meaning of the words "A mari usque ad mare."

Newfoundland has made appreciable progress during its first twenty-five years as a Canadian province and this is a source of satisfaction for all of us. It is also a source of satisfaction to have the irrefutable proof that Newfoundlanders have considerably enriched our national life.

[*English*]

With their rich traditions, their centuries old distinctive culture, their strong, independent spirit and their many talents, Newfoundlanders have made a very significant contribution in virtually every sphere of Canadian endeavour. I am sure this will continue to be the case for during the past 25 years Newfoundlanders have been loyal and dedicated Canadians. They have a deep commitment to national unity. Yet, no group offers clearer proof that it is possible in Canada for people of varied and differing backgrounds who have common objectives to work for the advancement of national purposes, while at the same time maintaining their individuality and their affection for their special and unique heritage. We all hope that Newfoundlanders will never lose these qualities and, knowing them as we do, there is scant likelihood that they will.

● (1410)

[*Translation*]

Several among us have enjoyed from time to time the generous hospitality for which Newfoundlanders are so rightly known. A greater number of Canadians will undoubtedly make that experience during the year of their 25th anniversary. Among them will be the members of the federal cabinet, because we have decided to underline that important event of Canadian history by holding a meeting of the cabinet in St. John's on June 24, 1974.

[*English*]

This celebration affords yet another opportunity for us to remind ourselves of our great good fortune in this richly diversified land. During the past few years we have observed our national centennial, as well as similar anniversaries in Manitoba, British Columbia and Prince Edward Island.

Now, our youngest province has very much come of age and all members will join with me in saying to the people of Newfoundland that we wish them well in the future, and that it is good to know that we will continue to work together to achieve a stronger, more united Canada of which Newfoundland now forms such an important part.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this is a great anniversary in the history of our nation, and I join with the right hon. Prime Minister (Mr. Trudeau) in expressing the appreciation of all Canadians for what it has meant to our nation to have Newfoundland, as he said, complete Canada from sea to sea.

It is worthy of note that 25 years ago in this House the Right Hon. Louis St. Laurent spoke of what it would mean to Canada to have Newfoundland join with us. Only two members in the House of Commons today were here when confederation was indeed completed, the hon. member for Winnipeg North Centre (Mr. Knowles) and myself.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: At that time Mr. St. Laurent became, as it were, a belated Father of Confederation. It was his leadership that made possible the agreement that was entered into some months before the terms of union. At that time he said:

> We are taking a major step in the life of Newfoundland and of all Canada. The people of the nine older provinces and those of Newfoundland are equally aware that one circumstance that has contributed to union is our common loyalty to His Majesty the King. That common loyalty will continue to be one of the most important forces in the life of our united nation.

I mention that as the only living Canadian who is a member of Her Majesty's Imperial Privy Council. Indeed, what the then Prime Minister said was pregnant with thought and powerful in its prophesy, for Newfoundland has been associated with the British Crown since Sir Humphrey Gilbert proclaimed the sovereignty of Elizabeth the First. Through all those centuries the loyalty and devotion of Newfoundlanders to the Crown have become a byword.

My mind goes back to July 1, 1916, when Newfoundland, on that historic occasion at the opening of the battle of the Somme, wrote its name on the records of valor for all time to come. In the intervening years, as the Prime Minister has said, all of us have enjoyed something of the fervour, the strength, the character and the frankness of the Newfoundlander.

Others had a dream of confederation with Newfoundland. Sir John A. Macdonald, Georges-Étienne Cartier and George Brown strove to bring it about. The representatives for Newfoundland at the conference in Quebec in 1864 were Frederick Carter, afterwards Sir Frederick, and Ambrose Shea, afterwards Sir Ambrose Shea. They strove to bring about confederation, but in consequence of an election campaign in 1869 their hopes and those of the rest of Canada for the entry of Newfoundland into confederation were rendered of no avail.

Canada earned much with the entry of Newfoundland. I think I can do no better than to quote from one whom I have always regarded as Canada's greatest poet, a Newfoundlander, E. J. Pratt. I was able to obtain this quotation only a moment ago. He said of Newfoundland:

This is their culture, this—their master passion
Of giving shelter and of sharing bread,
Of answering rocket signals in the fashion
Of losing life to save it. In the spread
Of time—the Gilbert-Grenfell-Bartlett span—
The headlines cannot dim their daily story,
Nor calls like London! Gander! Teheran!
Outplay the drama of the sled and dory.

In the modern world but still maintaining the traditions of the past I join with the Prime Minister in saying it was good for Canada to have the Dominion of Canada finally completed in accordance with the hopes of the Fathers of Confederation. God bless Newfoundland.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, one of the joys of our parliamentary system is to listen to the right hon. member for Prince Albert (Mr. Diefenbaker) agreeing with the right hon. member for Mount Royal (Mr. Trudeau).

Mr. Diefenbaker: With you joining in.

Some hon. Members: Hear, hear!

Mr. Lewis: The right hon. gentleman from Prince Albert anticipates me, Mr. Speaker—with me rising on behalf of my colleagues and myself to agree with both of them.

I would find it somewhat presumptuous of me to sing the praises of the Newfoundlanders or, indeed, the praises of any people in any other region of Canada. But it is a fact that as one travels across this country one of the impressive parts of that kind of experience is the indigenous culture, habits and traditions that one finds in each area of Canada, and there is no doubt at all that Newfoundland added a tradition and a culture that were distinct and are distinct in this great country of ours.

• (1420)

I want to make only one other point. The Prime Minister said on behalf of all in this House, and the right hon. gentleman from Prince Albert echoed him, that all of us wish the people of Newfoundland well—and so we do. As we wish them well I suggest that we in the parliament of Canada ought to keep in mind that their future welfare will in large measure depend on the success this parliament has in eliminating inequalities in this country and giving people in a province like Newfoundland the same conditions of life and the same opportunity for progress as other parts of the country enjoy.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): I always find it comforting, Mr. Speaker, to be able from time to time to congratulate fellow citizens for wise decisions they have made. In the world of politics, it is easy to criticize the doings of our fellow Canadians, but after 25 years in the Confederation, Newfoundland has shown its dedication and its ever-increasing contribution to Canada.

I would not certainly be able, as the right hon. member for Prince Albert (Mr. Diefenbaker) did, to remind the House of Newfoundland's entry into Confederation especially since I did not live through it. But before I came to this House I had the opportunity on several occasions, through my work, to communicate rather closely with Newfoundlanders. I can say I gave a bit of myself in Newfoundland in the development of its micro-waves system. But, most of all, I have learned there the joy of living of its people. I think that we, Canadians of the other provinces, can look up to Newfoundlanders, because they are hard workers and do not shun work. Despite the hardships they have experienced at times, Newfoundlanders have managed to remain joyful, and this should be a lesson to us.

* * *

[*English*]

NATIONAL DEFENCE

CONGRATULATIONS TO AIR FORCE ON FIFTIETH ANNIVERSARY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I would move, seconded by the hon. member for Halton-Wentworth (Mr. Kempling), the following motion:

That on the occasion of the fiftieth anniversary of the founding of the Royal Canadian Air Force, all members of this House join in congratulating the past and present members of this great service on the contribution they have made to making the Canadian Air Force one of the outstanding air forces in the world, and in so doing have brought great honour to themselves and to their country.

Some hon. Members: Hear, hear!

Mr. Speaker: The motion proposed by the hon. member for Prince Edward-Hastings is suggested under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There is unanimity. The motion is carried.

Motion agreed to.

* * *

ADMINISTRATION OF JUSTICE

ALLEGED INVESTIGATION OF CERTAIN ALBERTA JOURNALISTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I seek the unanimous consent of the House to propose a motion on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that certain journalists in the newspaper business in the province of Alberta are reported to be under investigation by the RCMP, and in view of the fact that some of these reporters have been involved in attempts to organize employees of Alberta newspapers into a trade union organization, I would move, seconded by the hon. member for Brant (Mr. Blackburn), the following motion:

That this House call upon the government to establish a one-man judicial inquiry into the activities of the RCMP in their reported investigation of these individuals and to report to the government on all matters concerning this case and its affects on the civil rights of the citizens of Canada.

Mr. Speaker: Under the terms of Standing Order 43 the hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

FINANCE

TABLING OF PRELIMINARY REPORT ON PRIVATE AND PUBLIC INVESTMENT IN CANADA, 1974

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I would like to table, in both official languages, the preliminary report concerning private and public investment in Canada, 1974.

* * *

HEALTH

MEDICAL RESEARCH GRANTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I rise pursuant to Standing Order 43 on what I consider to be a matter of very urgent and pressing necessity. Inasmuch as it has been revealed that medical research grants have been reduced, thus seriously undermining research and medical development within this country, with grants to deans of medical colleges having been reduced by 25 per cent, research scholarships by 35 per cent, and awards to visiting scientists by 50 per cent, and also in view of the fact these grants have not kept pace with the inflation caused by this government, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this government immediately take steps to refund medical research grants within this country so that we keep up at least to present medical research.

Mr. Speaker: The Chair has some doubts as to whether this motion is in order because of the fact it is not accompanied by a royal recommendation. Motions, even those under Standing Order 43, are subject to all the rules of the House. Because a motion is moved under Standing Order 43 does not mean it can escape the constitutional requirements, particularly the one to which I have just alluded. However, I will simply inquire whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

INTER-AMERICAN DEVELOPMENT BANK

PARTICIPATION BY CANADIAN DELEGATION IN MEETING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Harney (Scarborough West): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity. In view of the fact a Canadian delegation is taking part in a meeting of the Inter-American Development Bank in Santiago, Chile, thereby lending moral as well as financial support to the military regime in Chile, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House protest Canadian participation in the meeting of the Inter-American Development Bank in Santiago, Chile, and instruct the government to follow the example of the British government and withhold all aid to Chile until the regime in that country accepts common standards of humanity in regard to fundamental human rights.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

INFORMATION CANADA

PROPOSAL THAT ORGANIZATION BE PHASED OUT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. In light of recent remarks

made by the Prime Minister (Mr. Trudeau) that increases in government expenditures are brought on by public pressure, opposition pressure and pressure from the media, and noting that there has been no public pressure, no opposition pressure and no media pressure to sustain the operations of Information Canada, and in light of the fact that there are 747 current information officers who are already duplicating the work of Information Canada, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the Prime Minister consider the immediate phasing out of Information Canada.

● (1430)

[*Translation*]

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

Some hon. Members: Yes.

Some hon. Members: No.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

NATIONAL DEFENCE—EMPLOYMENT OF EX-MILITARY PERSONNEL AS PUBLIC SERVANTS

Question No. 12—**Mr. Rowland:**

For each Canadian Forces base, station or other installation, how many ex-military personnel now receiving service pensions are currently employed as public servants in the Department of National Defence and, of these, how many are war veterans?

Hon. James Richardson (Minister of National Defence): The information required by this question is not readily available and would necessitate a search of thousands of files. In view of the continuing heavy commitments and workload of departmental personnel officers, additional staff would be required in a large number of CF bases, stations and other installations to compile the data. The department does not have the resources that would be required to employ such additional staff.

NUMBER OF ARMED FORCES PERSONNEL IN RECEIPT OF PENSIONS

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

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

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

3. What is the total number of retired Armed Forces personnel and also the number of widows of Armed Forces personnel or of retired Armed Forces personnel presently residing in each province?

4. In respect of how many orphans or Armed Forces personnel are pensions being paid and what is the average amount thereof?

Hon. James Richardson (Minister of National Defence): 1. As of February 28, 1974, the number of retired Armed Forces personnel receiving monthly pensions totalled 41,849 as follows: (a) Less than $20.00, 42; (b) $20 to $29.99, 70; (c) $30 to $39.99, 136; (d) $40 to $49.99, 252; (e) $50 to $59.99, 248; (f) $60 to $69.99, 207; (g) $70 to $79.99, 288; (h) $80 to $89.99, 379; (i) $90 to $99.99, 499; (j) $100 to $149.99, 3,257; (k) $150 to $159.99, 6,496; (l) $200 to $249.99, 7,962; (m) $250 to $299.99, 6,313; (n) $300 and over, 15,700.

2. The number of widows receiving monthly pensions totalled 4,069 as follows: (a) Less than $20.00, 63; (b) $20 to $29.99, 52; (c) $30 to 39.99, 45; (d) $40 to $49.99, 52; (e) $50 to $59.99, 97; (f) $60 to $69.99, 133; (g) $70 to $79.99, 196; (h) $80 to $89.99, 240; (i) $90 to $99.99, 228; (j) $100 to $149.99, 1,117; (k) $150 to $199.99, 830; (l) $200 to $249.99, 502; (m) $250 to $299.99, 231; (n) $300 and over, 283.

3. Retired Armed Forces personnel and widows residing in each province:

Provinces	Personnel	Widows
Newfoundland	174	14
Prince Edward Island	337	33
Nova Scotia	3,744	348
New Brunswick	1,376	145
Quebec	3,598	417
Ontario	16,867	1,778
Manitoba	1,764	176
Saskatchewan	531	75
Alberta	3,406	274
British Columbia	8,775	665
Territories	78	4
Outside Canada	1,199	140

4. Number of orphans, 91. Average monthly amount, $45.59.

DISTRIBUTION OF COPIES OF SPEECHES MADE BY MINISTER OF AGRICULTURE

Question No. 84—**Mr. Cossitt:**

With reference to the answer to Question No. 2,827 of the First Session of the 29th Parliament, what are the names and addresses of the 1,845 people to whom copies of addresses by the Minister of Agriculture to Liberal Party meetings were printed and distributed at public expense?

Hon. E. F. Whelan (Minister of Agriculture): The 1,845 copies of addresses by the Minister of Agriculture to all public meetings are distributed as follows to: News media, 376; Members of Parliament, 307; Senators, 102; Provincial government and their employees, 283; Agriculture Canada

employees (including extra copies to fill requests), 224; Other federal departments and agencies, 72; Individual members of the general public, 269; Organizations and associations, 82; Businesses, 62; Universities, 29; Diplomatic Corps, 22; Libraries, 17; Total, 1,845.

CONSTRUCTION OF MULTI-PURPOSE EXHIBITION PROGRAM

Question No. 112—**Mr. Gleave:**

1. How much of the $10 million program for the construction of multi-purpose exhibition buildings, announced by the Minister of Finance in the House on October 14, 1971, has been allocated?

2. What is the provincial allocation of money under this program?

Hon. E. F. Whelan (Minister of Agriculture): 1. There were $5,561,150 committed by signed loan agreements during the fiscal years 1971-72 and 1972-73.

2. There was no stipulation under the program that specific amounts be set out for each province.

TENDERS FOR CONTRACTS FOR LIFEBOATS

Question No. 123—**Mr. Crouse:**

1. Were public tenders called for the contract awarded to Eastern Equipment Limited of Lachine, Quebec, for the supply of four 44-foot shorebased lifeboats, as required by the Department of Transport and, if so, how many companies tendered for this contract?

2. What were the names of the companies and the amounts of their bids?

3. What was the value of the contract as awarded to Eastern Equipment Limited of Lachine, Quebec?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Tenders were called on July 27, 1973 (closing date October 17, 1973) and three companies submitted tenders.

2. The tenders were publicly opened in Ottawa on October 17, 1973, the bids were as listed below:

Company	Bid (evaluated Total) $	(vessels only) $
Eastern Equipment Ltd. Lachine, Que.	1,062,000	1,032,000
P.E.I. Lending Authority, Georgetown Shipyard, P.E.I.	1,216,332	1,187,132
Caraquet Marine Industries Ltd., Caraquet, N.B.	1,221,985	1,198,000

3. Value of the contract awarded to Eastern Equipment Ltd., $1,039,271.32 as detailed below:

Cost of Ships Tender Price	$1,032,000.00
Less: Design Check (cancelled)	17,000.00
	$1,015,000.00
Plus: One Set of Machinery and Electrical Spares	5,452.32
Four Sets of Electronic Spares	18,819.00
	$1,039,271.32

ACCIDENTS INVOLVING FEDERALLY SUPERVISED BUS TRAFFIC

Question No. 151—**Mr. Forrestall:**

For each of the past five years, what has been (a) the number of accidents involving federally supervised bus traffic on Canadian highways (b) the number of such accidents that involved fatal injuries (c) the number of fatalities?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): There are no federally supervised bus services. The Motor Vehicle Transport Act (1954) assigns federal responsibility in this area to the provincial motor carrier regulatory boards.

ACCIDENTS INVOLVING SHIPS IN CANADA'S COASTAL WATERS

Question No. 152—**Mr. Forrestall:**

For each of the past five years, what has been (a) the number of accidents involving ships in Canada's coastal waters (b) the number of such accidents that involved fatalities (c) the number of fatalities?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport):

Total Marine Accidents Involving Commercial and Fishing Vessels in Canadian and Adjacent Waters as Reported to the Canadian Ministry of Transport

	1969	1970	1971	1972	1973
(a) Number of vessels involved	401	438	420	460	417
(b) Number of accidents involving fatalities	20	17	13	13	9
(c) Number of fatalities	36	50	62	34	15

Note: The foregoing total number of vessels involved in accidents include all incidents in which a vessel reported any degree of damage.

Order Paper Questions

ACCIDENTS INVOLVING FEDERALLY SUPERVISED TRUCK TRANSPORT

Question No. 153—**Mr. Forrestall:**

For each of the past five years, what has been the (a) number of accidents involving federally supervised truck transport (b) number of such accidents that involved fatal injuries (c) number of such fatalities?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): There is no federally supervised truck transport. The Motor Vehicle Transport Act (1954) assigns federal responsibility in this area to the provincial motor carrier regulatory boards.

NATIONAL DEFENCE—GROSS TAKE HOME PAY

Question No. 183—**Mr. Forrestall:**

By rank, for officers and men, what percentage of gross pay to Canadian Armed Forces personnel was actually taken home by CAF personnel in 1963, 1968, 1972, and 1973?

Hon. James Richardson (Minister of National Defence): To provide the information as requested by rank, would entail heavy expenditure in terms of man hours and dollars, and in view of the heavy commitments and workload of the department, these resources are not available. However, the following information may provide the required comparison.

	Officers percent	Men percent
1963	84	88
1968	77	83
1972	74	79
1973	73	79

Note: The above data represents gross pay less deduction for income tax, pension, supplementary death benefits and unemployment insurance.

AMOUNT PAID INTO CONSOLIDATED REVENUE FUND BY CANADIAN COMMERCIAL CORPORATION

Question No. 221—**Mr. Forrestall:**

With reference to Article 47 of the Auditor General's report for the fiscal year ended March 31, 1973 (a) where is the $2,724,000 which the Auditor General feels should have been paid into the Consolidated Revenue Fund by the Canadian Commercial Corporation (b) to whom is that money available now (c) is that money currently gaining interest and, if so, at what rate?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) The money was disbursed by the Canadian Commercial Corporation in repayment of authorized advances from the Defence Production Revolving Fund. (b) To the Department of Supply and Services, responsible for the administration of the Defence Production Revolving Fund in accordance with the Defence Production Act. (c) No.

[Mr. Guay (St. Boniface).]

TAX REVIEW BOARD PUBLICITY EXPENDITURES

Question No. 263—**Mr. Nystrom:**

1. What were the amounts of money spent by the Tax Review Board on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Hon. Otto E. Lang (Minister of Justice): 1. 1972-73, none; 1973-74 to date, $237.22.

2. St. Catharines *Standard*, St. Catharines, Ontario, $54.72. Notice of sittings for appeals. Kitchener-Waterloo *Record*, Kitchener, Ontario, $65. Notice of sittings for appeals. *The Spectator*, Hamilton, Ontario, $117.50. Notice of sittings for appeals.

3. Not applicable.

MILK SUBSIDY

Question No. 329—**Mr. Reynolds:**

With reference to the Prime Minister's statement of September 4 as recorded at page 6,184 of *Hansard* that there will be a milk subsidy of five cents per quart, for what reason has there been a recent one cent a quart increase in the Province of British Columbia, with a further one cent increase to be put in effect January, 1974?

Hon. E. F. Whelan (Minister of Agriculture): The agreement between Canada and British Columbia regarding the federal consumer milk subsidy provides for price changes to the consumer only when the cost, as determined by the legal formula under the British Columbia Milk Industry Act, changes by about one cent per quart. Such a cost change occurred and the consumer price thus changed by one cent. Thus throughout the life of the agreement the consumer will be paying five cents less per quart than would have been the case had the federal government not put this program in place.

INVOLUNTARY STERILIZATION OF PSYCHIATRIC PATIENTS

Question No. 355—**Mr. Rowland:**

1. Is the involuntary sterilization of persons undergoing psychiatric care permitted and, if so, is consideration being given to amending the Criminal Code so as to render such practices illegal?

2. Has the involuntary sterilization of persons under psychiatric care been carried out in Canada in the past five years and, if so, in what jurisdictions and in what numbers?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Justice and National Health and Welfare as follows: 1. This question seeks a legal opinion and, therefore, may not be answered.

2. Only the provinces can provide a reply to this question as they have sole jurisdiction over the treatment of those under psychiatric care. Sterilization performed in National Health and Welfare hospitals occurs after the written and signed consent of the patient and the spouse has been obtained. This consent is granted by the person affected and the spouse only after a full explanation has been given them.

DEPARTMENT OF AGRICULTURE EXPENDITURES AND NUMBER OF EMPLOYEES

Question No. 369—**Mr. Nystrom:**

1. For the fiscal years 1971-72 and 1972-73 what amount of the total expenditures for the Department of Agriculture were spent (a) outside of Canada (b) within Canada (c) in each of the 10 provinces, the Yukon and Northwest Territories?

2. (a) What was the total number of employees in the Department of Agriculture as of March 31, 1973 (b) how many of those employees would be considered employees of the headquarters and are employed on the (i) Quebec side of the national capital (ii) Ontario side of the national capital (c) how many employees does the Department have in each of the 10 provinces, the Yukon and Northwest Territories?

Hon. E. F. Whelan (Minister of Agriculture): 1.

	1971-72 ($000s)	1972-73 ($000s)
(a)	615	487
(b)	255,498	281,887
(c) Newfoundland	865	1,169
Prince Edward Island	3,868	4,218
Nova Scotia	3,370	3,455
New Brunswick	6,411	7,088
Quebec	60,653	80,122
Ontario	89,970	102,530
Manitoba	17,130	18,945
Saskatchewan	14,716	17,014
Alberta	22,772	27,234
British Columbia	11,396	13,360
unallocated as to province	24,347	6,752

2. As of February 28, 1973: (a) 10,614 (b) (i) 135 (ii) 2,536 (c) Newfoundland, 95; Nova Scotia, 279; Prince Edward Island, 207; New Brunswick, 397; Quebec, 1,341; Ontario, 4,511; Manitoba, 882; Saskatchewan, 846; Alberta, 1,115; British Columbia, 941.

FEDERAL-PROVINCIAL AGRICULTURE MANPOWER AGREEMENT

Question No. 412—**Mr. Laprise:**

Is there any agreement between the government and the government of the province of Quebec concerning farm manpower and, if so, on what date was this agreement signed and for what period of time?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Yes, there is such an agreement concerning farm manpower. The federal-provincial Agricultural Manpower Agreement for fiscal year 1973-74 was entered into by signature of the Quebec Minister of Agriculture and Colonization on June 29, 1973, for the period covering April 1, 1973 to March 31, 1974.

IMPORT OF TURKEYS

Question No. 433—**Mr. Howie:**

What was the volume of turkeys imported into Canada from the USA during the period January 1 to March 1 in each year 1972, 1973 and 1974?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Statistics on imports of turkeys are not tabulated separately in the Canadian trade totals but are included in a "basket" category entitled "Live poultry not elsewhere specified". This class includes ducks, geese, guinea and other fowls but excludes baby chicks, turkey poults and game birds (partridges, pigeons, wild ducks). Shown on the table below are figures for the above class as well as for the turkey poults which were imported from the United States in January and February of 1972 and 1973 and January 1974. The statistics for February 1974 are not yet available.

"Turkey poults"	Number Imported from U.S.A.
January and February 1972	27,390
January and February 1973	89,650
January 1974	150,268
"Live poultry n.e.s."	
January and February 1972	133,690
January and February 1973	198,284
January 1974	140,810

AVAILABILITY OF REFRIGERATOR CARS

Question No. 436—**Mr. Howie:**

1. How many refrigerator cars were available for rail transportation of agricultural products on January 1 in each year 1972, 1973 and 1974?

2. How many refrigerator cars were purchased by CNR or CPR from January to December 31, 1973?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. CNR and CP Rail combined inventory of mechanical refrigerator freight cars is 1529; 1513 and 1506 as of January 1 of years 1972, 1973 and 1974 respectively. However, this does not include the rail fleet used exclusively to move agricultural products requiring heat protection in the winter and/or ventilation in the summer.

2. Nil.

*BEEF IMPORTS

Question No. 441—**Mr. Diefenbaker:**

How many pounds of beef have been imported from (a) the United States (b) Australia (c) elsewhere month by month since July 1, 1973?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, in view of the lengthy reply I have to give, I would like to ask that it be considered as read into our official report.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

[*Editor's Note: Text of foregoing reply reads as follows:*]

Statistics Canada reported as follows:

Statistics on imports of beef by month since July 1, 1973 from the United States, Australia and elsewhere are shown in the table below. The figures include fresh and frozen beef and veal, cured beef, canned corned beef and

other canned beef and veal. Imports of sausage are not included since a distinction is not made in the data between the pork and beef variety.

Imports of Beef

July-December, 1973

— pounds —

Month	U.S.	Australia	Others	Total
July	3,422,600	7,830,500	108,347,600	119,600,700
August	4,091,800	4,451,800	84,018,100	92,561,700
September	3,010,800	4,959,900	77,346,400	85,317,100
October	6,312,900	6,866,600	94,376,000	107,555,500
November	4,362,900	26,222,700	113,695,600	144,281,200
December*	3,205,900	9,274,300	60,624,300	73,104,500

*Most recent data available.

Mr. Diefenbaker: Provided the answer is to appear in *Hansard*. If it is to be shunted off *Hansard*, I object.

Mr. Speaker: I believe the question asked by the right hon. member was whether the answer would appear in *Hansard*. The answer to that inquiry is yes.

DISTRIBUTION OF ADDRESS MADE BY MINISTER OF AGRICULTURE AT STE. ANNE, MANITOBA

Question No. 467—**Mr. Cossitt:**

Was a political address made by the Minister of Agriculture to the meeting of the Provencher Liberal Association, Ste. Anne, Manitoba on Monday, March 11, 1974 reprinted at public expense and, if so (a) how many copies were printed (b) how many copies were distributed (c) what specific individual authorized this expenditure of public funds?

Hon. E. F. Whelan (Minister of Agriculture): No. (a) to (c) not applicable.

VETERANS AFFAIRS—PENSIONS IN EXCESS OF 48 PER CENT

Question No. 521—**Mr. Dick:**

1. What percentage of the veterans receiving a disability pension have been getting more than 48 per cent?

2. How many of that percentage have been called in by the Canadian Pension Commission and had their pension reviewed and increased?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. 19.69 per cent.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

RCMP—NUMBER OF RETIRED PERSONNEL IN RECEIPT OF PENSIONS

Question No. 25—**Mr. Knowles (Winnipeg North Centre):**

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

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

3. What is the number of retired RCMP personnel and also the number of widows of RCMP personnel or of retired RCMP personnel presently residing in each province?

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

Return tabled.

NUMBER OF CANADIAN ARMED FORCES PERSONNEL IN RECEIPT OF PENSIONS, 1959 TO 1973

Question No. 29—**Mr. Knowles (Winnipeg North Centre):**

1. In each year 1959 to 1973, both inclusive (a) how many personnel of the Canadian Armed Forces have commenced drawing pensions under the Canadian Forces Superannuation Act (b) how many widows have commenced drawing pensions under the said Act?

2. In each year 1959 to 1973, both inclusive, how many pensions under the Canadian Forces Superannuation Act (a) to retired Canadian Armed Forces personnel (b) to widows of such personnel, have been discontinued because of the death of the annuitant?

3. In each year 1946 to 1973, both inclusive, how many service personnel contributed to the pension or annuity account under the former Part V or under the provisions of the present Canadian Forces Superannuation Act?

Return tabled.

NAMES OF ADVERTISING AGENCIES USED BY DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Question No. 100—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of Consumer and Corporate Affairs since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of Consumer and Corporate Affairs during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Return tabled.

NATIONAL FILM BOARD BUDGET 1960 TO 1973

Question No. 110—**Mr. McKinnon:**

For each year 1960 to 1973 (a) how much was the budget for the National Film Board (b) how much were the sales receipts (c) how many employees has the National Film Board had for each year and, of these, how many were employed in the sales department?

Return tabled.

DEPARTMENT OF SUPPLY AND SERVICES PUBLICITY EXPENDITURES

Question No. 261—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Supply and Services on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

POST OFFICE DEPARTMENT RESEARCH EXPENDITURES

Question No. 286—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Post Office Department on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR TABLING OF NOTE TO UNITED STATES CONTAINING PROPOSALS RESPECTING OPERATION OF ALASKA-CHERRY POINT OIL TANKERS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Is the minister prepared to table in the House the Canadian note delivered to the United States State Department suggesting a program of alternative options and proposals aimed at keeping oil tankers away from the coast of British Columbia and particularly out of the Strait of Juan de Fuca?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is my intention to table this note. However, out of courtesy to the United States government I think they should have an opportunity to study its contents before I do so. It will be my purpose to table the note in a few days time.

Mr. Munro (Esquimalt-Saanich): In light of the fact that in reply to my question about tanker routes on February 23, 1973, the minister stated: "Whether the tankers should go to another point farther down the United States coast is a matter for the United States itself to decide", and noting that the Canadian government has now offered alternative routes to the United States for tankers unloading Alaskan oil for the refineries at Cherry Point, may I ask whether this recent action of the government in presenting a note to the U.S. State Department on this matter represents a change in government policy?

Mr. Sharp: No, Mr. Speaker. It will still be for the United States to decide. I have never said at any time that I would hesitate to make recommendations.

Mr. Munro (Esquimalt-Saanich): Can the minister confirm that one alternative for U.S. tankers off-loading oil for the Cherry Point refineries is the option of setting up a terminal site offshore with an undersea pipeline to the refineries?

Mr. Sharp: This has always been one possibility. When I table the note in a few days time, the hon. member and the House will be able to see the alternatives we have put forward.

* * *

INCOME TAX

REPORT OF CORPORATE TAX MEASURES REVIEW COMMITTEE—NAMES OF CORPORATIONS TO WHICH QUESTIONNAIRE SENT AND THOSE THAT REPLIED

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Finance arising out of the report he tabled on Friday, the so-called review of the corporate tax measures. Would the minister agree to table the names of the 1,088 corporations to which the questionnaire was sent and the names of those corporations that replied? I am not asking that any of the replies be tabled, because I understand they were given in confidence. I am asking merely that Members of Parliament be given the names of the corporations that replied and the names of those to which the questionnaire was sent. Perhaps the names could be grouped in accordance with the categories set up by Statistics Canada in its census of manufacturers.

Hon. John N. Turner (Minister of Finance): I see no reason why that cannot be done.

REQUEST FOR MEASURES TO END PROFITEERING BY CORPORATIONS—REVIEW OF TAX INCENTIVES

Mr. David Lewis (York South): In view of the fact that 47.2 per cent of the replies stated that the tax measures would have little or no effect on the prices of their products, and in view of a very recent report from Statistics Canada—I believe it was issued only last Saturday—that profits after taxes in 1973 increased by an astounding 42 per cent over 1972, I ask the minister whether he will present to parliament specific measures to end this profiteering at the expense of the consumer, despite the $1.5 billion in tax concessions he made available to the manufacturers in 1973 and 1974?

Hon. John N. Turner (Minister of Finance): By way of preamble, Mr. Speaker, may I say the hon. gentleman's figures are not right. It is true a proportion of the replies from corporations said that in the short term the measures would not have an immediate effect on their pricing policies. That would depend, of course, on capital investment

increasing the production base, thereby the supply, thereby lowering the unit cost, thereby moderately affecting the pricing base. As for the hon. gentleman's reference to profits, I believe an objective study of the figures which are being shown to the country every day would indicate that, while profits have increased, more funds than are represented by those profits are being reinvested by business in capital expansion. These are the figures, and those are the intentions. Dividends paid after tax have dropped sharply over the average for the past decade. In other words, profits are being used to increase the capital industrial base of this country, thereby increasing employment prospects and moderating the price structure.

Some hon. Members: Hear, hear!

Mr. Lewis: Every time the Minister of Finance is asked this kind of question he makes the reply of the Canadian Manufacturers Association, which does not surprise me. I wish to ask a supplementary question—a final supplementary, I suppose, for me. In view of the fact that some members of the opposition are hesitant about using the review procedure provided in the law, in order to win support for the legislation of the same members, would the minister himself initiate a review by the House of the tax measures before we continue to make hundreds of millions available to the corporations at the expense of the ordinary Canadian taxpayer?

Mr. Turner (Ottawa-Carleton): I am far more interested in the jobs these measures are producing. I want to say to the hon. gentleman that I am less interested in the business community than I am in the new jobs they are producing in this country. I want to say to him also that it would not have mattered what had appeared in that report: he and his party had already taken a position before they ever saw the report.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. May we have order, please. The hon. member for York South rises on a point of order. The hon. member for Peace River rises on a point of order. I suggest this is becoming a debate between the minister and the hon. member for York South. We should try to return to the question period. The hon. member for York South rises on a point of order.

● (1440)

Mr. Lewis: Mr. Speaker, I was merely going to say that if the minister was going to make a speech, I would demand equal time.

Mr. Speaker: The hon. member for Peace River has a point of order.

Mr. Baldwin: Mr. Speaker, my point of order is that this pillow talk should take place outside the House.

Mr. Speaker: Order, please. Perhaps we might return to this debate later.

[*Translation*]

If the Minister of Finance does not have any objection, we will now return to questions and answers and, for this purpose, the Chair will recognize the hon. member for Charlevoix.

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COMMUNICATIONS

CABLEVISION—INQUIRY AS TO AGREEMENT WITH QUEBEC

Mr. Gilles Caouette (Charlevoix): I thank you, Mr. Speaker. I should like to put a question to the Minister of Communications.

Can the minister tell us whether his department or himself have arrived at an agreement with Quebec concerning the request made by this province in respect of cable television? If so, what does it consist of?

Hon. Gérard Pelletier (Minister of Communications): No, Mr. Speaker, there is no agreement on this matter; moreover, I made a statement in this House on motions, about a year ago, concerning the federal government's views on the Quebec Act 35 and the orders that resulted from it.

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

Since there seems to be lack of agreement between Quebec and Ottawa on this matter, is the minister prepared to make it a test case before the courts?

Mr. Pelletier (Hochelaga): Mr. Speaker, we have chosen another avenue of agreement with the provinces. We have chosen to meet them one at a time. I am going to start tomorrow and then we will bring them together to see if it is possible to come to an agreement that both complies with federal government jurisdiction and meets provincial needs. I shall report to this House after the consultations have been concluded.

* * *

[*English*]

EXTERNAL AFFAIRS

NOTE TO UNITED STATES CONTAINING PROPOSALS RESPECTING OPERATION OF ALASKA-CHERRY POINT OIL TANKERS—ALTERNATIVE ROUTES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question to the Secretary of State for External Affairs is supplementary to the questions of my colleague from Esquimalt-Saanich. As the reports of the secret note indicate that the government is suggesting or recommending alternative routes to Cherry Point, and since you can only get to Cherry Point from the open sea by going either north or south of Vancouver Island, the southern route being very dangerous and the northern route impossible, what alternative routes is the government considering?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like, first of all, to correct what the hon. member has said. It is not a secret note; otherwise I would not be giving an undertaking to table it. The hon. member will see from the note when it is tabled that we have suggested changes such as those suggested

by his hon. friend in his own party. Perhaps he might consult him too.

Mr. McKinnon: Has the government recommended that a site other than Cherry Point should be considered, such as Neah Bay or Grays Harbour?

Mr. Sharp: Mr. Speaker, there are a number of alternatives that might be considered.

* * *

INCOME TAX

REPORT OF CORPORATE TAX MEASURES REVIEW COMMITTEE—REQUEST FOR STUDY BY STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question is supplementary to those asked the Minister of Finance by the hon. member for York South. Would the Minister of Finance direct that the report on the success of the corporate tax measures be studied by the Standing Committee on Finance, Trade and Economic Affairs so that the evidence he intends to file in terms of the companies that reported can be studied by the committee in order to find out whether the report has in fact made a proper assessment?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the standing committee is always free, of course, to call the public servants who put together that report. I will be appearing on my estimates before the standing committee in short order. The hon. gentleman, who is a member of that committee, will be free to put whatever questions he would like to ask.

Mr. Speaker: Order, please. I will recognize the hon. member for a further supplementary, but hon. members will appreciate that with all these supplementaries we are still on the first or second question. Perhaps we should try to move on a little more quickly. For the moment I will recognize the hon. member for Mississauga.

Mr. Blenkarn: Mr. Speaker, the minister is undoubtedly familiar with the fact that the standing committees of the House cannot just enter into anything they want without a direction from the minister concerned. Would the minister allow the committee the opportunity independently to study the report so it can find out whether the statements made therein are correct and the tax changes are in fact benefiting the economy and are not just political buffoonery between him and the leader of the New Democratic Party?

Mr. Speaker: Order, please.

Oral Questions

EXTERNAL AFFAIRS

NOTE TO UNITED STATES CONTAINING PROPOSALS RESPECTING OPERATION OF ALASKA-CHERRY POINT OIL TANKERS—PRIOR CONSULTATION WITH BRITISH COLUMBIA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a supplementary question to the Secretary of State for External Affairs. In view of his statement a moment ago that in the note which was sent to the State Department of the United States there is a proposal for an offshore terminal at Cherry Point with an underwater pipeline to the refineries, may I ask the minister whether consultations were held with the government of British Columbia before these various options were submitted to the government of the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker, we did have consultations with the government of British Columbia, which did not wish to associate itself with our note.

* * *

FINANCE

INQUIRY AS TO DATE OF PRESENTATION OF BUDGET

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the Minister of Finance. On March 27 the minister told the Leader of the Official Opposition that as soon as the energy question had been settled he would be presenting a budget to the House. Can the minister tell the House today, in light of the problems the country is facing and the need for a review of economic conditions, when we may expect the budget to come forward?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said at that time that a budget was not feasible until we analyzed the division of benefits and burdens across the country in fiscal and monetary terms. I also said to the House earlier, in response to an interjection by the hon. member for Crowfoot, that the budget would not be brought in before Easter. I will make an announcement some time after the House reassembles.

Mr. Gillies: May we reasonably expect that the budget will be brought down before the end of April?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman may have his own expectations but I will be making an announcement in due course.

* * *

GRAIN

WHEAT AND BARLEY—INQUIRY AS TO INTERIM PAYMENT TO FARMERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice who is in charge of the Canadian Wheat Board. All over the prairies today farmers are finding themselves in a position where they do not have sufficient money, except by borrowing at 10 to 12 per cent, to provide for needs in

advance of seeding, by the purchase of fertilizer and registered seed. They are asking when they may expect an interim payment on their wheat and barley delivered to the board.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we announced several weeks ago that an adjustment payment would be made subsequent to the raising of initial prices as of March 1. The Canadian Wheat Board informed me on Friday that they expect the cheques for the adjustment payments to go into the mail beginning April 8 and ending April 26. Over that 18-day period the total amount going into the mail by way of adjustment payments is likely to be between $500 million and $550 million.

Mr. Diefenbaker: Mr. Speaker, I am glad to have the minister's answer. Does the fixing of the date as up to April 26 indicate that the payments are to be made just in advance of an election?

Mr. Lang: No, Mr. Speaker. Following the announcement and the decision by the government on the initial payment increase, the timing of the adjustment payments is the total time required by the Canadian Wheat Board to accomplish the actual writing, preparation and mailing of the cheques. Even the mailing of these several hundred thousand cheques, with the most effective and efficient methods, takes several weeks. I am also frequently reminded that the right hon. gentleman and others find an occasion almost every two weeks to judge that there is going to be an election.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Red Deer on a supplementary, followed by the hon. member for Northwest Territories and the hon. member for Vaudreuil.

* * *

AGRICULTURE

REQUEST FOR SEVERE RESTRICTIONS ON IMPORTATION OF MEAT TREATED WITH DES

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is not a supplementary but is a question for the Minister of Agriculture. In view of the fact the province of Alberta has warned wholesalers that DES-tainted meat will be confiscated within its borders, would the minister consider the immediate implementation of severe restrictions on the importation of such meat?

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, both the Minister of National Health and Welfare and I have, in answers in the House and outside the House, stated that it is illegal to sell meat that has been implanted with DES or where the animal has had an additive added to its feed in a form of DES. To sell that meat in Canada is illegal.

Mr. Towers: Mr. Speaker, I have a supplementary question for the Minister of Finance. Would the minister be prepared to bring in legislation requiring importers of United States meat to post a $50,000 bond to be forfeited on conviction for the importation of DES-infected meat?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would certainly want to talk that over with my colleague, the Minister of Agriculture.

* * *

NORTHERN AFFAIRS

REQUEST FOR RECONSIDERATION OF DECISION TO PERMIT SEISMIC EXPLORATION ON BATHURST ISLAND

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. It concerns the proposed seismic operation on Bathurst Island by Panarctic Oils Limited. In view of the fact the people of Resolute Bay are clearly opposed to this project because of the effects they have observed of oil exploration on the migration of animals on which they depend for their livelihood, will the minister take into account the wishes of the people and reconsider his decision to allow the seismic work to go ahead?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, when the representatives of the Canadian Eskimo Association met me in this regard, they presented me with three requests. I was able to take two favourable decisions. Unfortunately, in the case of Resolute Bay, the opinion of experts did not support that of the Eskimos and, as the work is very limited, we felt that it was not dangerous to grant the permit to Panarctic Oils Limited authorizing them to proceed with a seismographic project of far lesser importance than those performed last year.

[*English*]

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary for the minister. Can the minister advise whether his decision to allow the winter seismic program by Panarctic Oils on Bathurst Island was made after approval by the Department of the Environment and subject to the environmental impact procedure announced by the Minister of the Environment recently?

[*Translation*]

Mr. Chrétien: Mr. Speaker, there is in fact considerable co-operation between my department and that of the Environment. We consult each other every time we are up against a problem, but decisions were taken, as they should, by my department and the Department of the Environment expressed no opposition.

[*English*]

Mr. Fraser: Can the minister advise whether the decision to allow exploration was made after consultation with and approval of the Minister of the Environment?

[*Translation*]

Mr. Chrétien: Mr. Speaker, as Minister of Indian Affairs and Northern Development, I make the decisions. Naturally, when problems come up, we have consultations with

the Department of Environment and in this case that department had no major objection to the work under progress.

* * *

[*English*]

LABOUR RELATIONS

SETTLEMENT OF STRIKE BY SEAFARERS INTERNATIONAL UNION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, in view of today's reports that technical interpretation was stalling settlement of the SIU strike, is the Minister of Labour continuing his efforts to settle the dispute?

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

An hon. Member: Give him a promotion.

Mr. Alexander: On a point of order—

Mr. Speaker: Order, please. The hon. member for Hamilton West rises on a point of order.

Mr. Alexander: Mr. Speaker, the Minister of Finance indicates that this is sour grapes. It is certainly not sour grapes. It is just a matter of seeing that parliament works as it should work. Rather than answer a planted question, the minister should have stood up and indicated that he wished to make a statement. He has the chance now to revert to motions and tell us what has happened.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: The hon. member for Vaudreuil on a point of order.

[*English*]

Mr. Herbert: Mr. Speaker, there are many reasons we ask questions in the House. One is for the purpose of receiving information. This question is asked for the purpose of receiving information. I therefore suggest I am perfectly within my rights in asking the question, and I request that the minister answer.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member has asked a question. He was recognized for that purpose, and certainly the minister has a right to reply to the question.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, if I interpret the point of the hon. member for Hamilton West correctly, I am more than happy to ask for the permission of the House to revert to motions. It will be a very short statement indeed, if I have that permission.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

LABOUR RELATIONS

ANNOUNCEMENT OF SETTLEMENT OF STRIKE BY SEAFARERS INTERNATIONAL UNION

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the parties met in intensive sessions since last Thursday night until this morning about ten o'clock almost non-stop. If I may report to the House, Mr. Speaker, I think there were intensive efforts by both parties. Mr. Roman Gralewicz of the SIU excelled himself, I believe, as leader of the union in the negotiations, and management did also. They certainly convinced each other, convinced me and I believe convinced the people of Canada of their desire for settlement and indeed they achieved one. To the degree that either myself or my officials were helpful in promoting this settlement, that is to be expected. I think the settlement was a good one for all concerned. It was 10 per cent in the first year of a two-year agreement and 12 per cent in the second year.

Before some hon. members start raising what may be an apparent argument to them, that this settlement is inflationary, I would point out that they should take into consideration that it is built on a conversion formula and built into a 40-hour week. I think everyone will agree that the hours of overtime were excessive. Also, the past agreement which expired on December 31, 1972 was a three-year agreement. There was a lot of catching up to be done. When one looks at the rates one will agree that these employees were certainly paid at a very low rate. That being the case, on a comparative basis I do not think the settlement can be regarded as an excessive one. Certainly I believe it was fair and equitable in every way.

Some hon. Members: Hear, hear!

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, we on this side of the House thank the minister for his statement which he was forced to make. We welcome the statement because a prolonged strike unquestionably would have been detrimental to the public interest, the interest that we as parliamentarians I think should have uppermost in our minds.

The whole question of the collective bargaining process certainly has been brought into question, and I think rightly so. It appears to me that the third party so vitally concerned about what happens in the collective bargaining process is not represented at the bargaining table. This is the reason we must be concerned about arriving at a happy balance between protection of the collective bargaining system, with the time-honoured right to strike and to lock out, and the public interest. There is a need to see that services are provided and goods are moved.

Therefore, Mr. Speaker, speaking personally and on behalf of my party may I say that we place a great deal of emphasis on and have an interest in and sympathy for the public interest and the need to have goods moved and services provided without interruption. This is why we believe we should continually be thinking about new methods whereby the collective bargaining process can work—

Some hon. Members: Hear, hear!

Mr. Alexander: I notice the Prime Minister is pointing. I do not know who brought him into the act.

Mr. Trudeau: I was asking if you support the agreement.

● (1500)

Mr. Alexander: We must continually look for new methods so that the collective bargaining process can work to the satisfaction of the Canadian people. This is why we have taken the position that a public interest disputes commission should be established which would not only assist the Department of Labour in bringing about new techniques in order to help the parties in dispute but would determine what are the essential aspects of services and how we can determine what are the best steps in order to bring about reasonable industrial peace. In closing, I would just say this—

Mr. Trudeau: Yes, take more time.

Mr. Alexander: I will take all the time I want until Mr. Speaker tells me to sit down. I appreciate the Prime Minister's intervention. It makes me look like a hot shot when he has to get involved with the hon. member for Hamilton West.

Some hon. Members: Hear, hear!

Mr. Alexander: In closing I would just remind the minister—I have every sympathy for him in his job—that he does not have to be too queasy or hesitant about personal intervention, which is what we asked him to do a week ago.

Mr. David Lewis (York South): Mr. Speaker, my comments will be very short. I have an ingrown suspicion of hon. members who say they want a new way of settling disputes but are all in favour of collective bargaining.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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

Mr. Speaker: Order, please. The hon. member seeks the floor on a point of order. The Chair has recognized the hon. member for York South. The hon. member should indicate why he is seeking the floor now.

Mr. Alexander: I rise on a question of privilege. I resent the leader of the NDP taking what I said out of context. I said we must devise new methods whereby we can make the collective bargaining process work better for the Canadian people. That is what I said.

Some hon. Members: Hear, hear!

Mr. Lewis: My suspicions were not at all allayed by the charming interjection of the hon. member for Hamilton West. I happen to know that such ways have been sought for at least half a century, if not longer, and that all these people who are searching for new ways end up in one place, namely, compulsory arbitration. That is why I have some justified suspicions.

I merely want to say on behalf of my colleagues and myself, without any reservation, that we congratulate the officers of the minister's department who have worked so hard to reach a settlement and the minister himself for the part he has played. The fact that a settlement has been reached which will avoid hardship for parts of our economy and for people in the west merely underlines the value of collective bargaining when all those involved do it with good faith and with hard work.

I am not the slightest bit outraged by the fact that there will be a reduction in the hours of work. At a time of considerable unemployment in the country, to reduce the weekly hours to 40 is desirable not only for humane reasons as the work affects those now engaged in it but also for the purpose of opening jobs for those who are unemployed. I am sure every member of the House is glad that a settlement was reached without the strike continuing but for a few days.

Mr. Speaker: We will now return to oral questions.

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

SUGGESTED ISSUANCE OF SENIOR CITIZENS IDENTIFICATION CARDS—GOVERNMENT POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Can the minister advise us whether he is giving sympathetic consideration to the very reasonable request of the National Pensioners and Senior Citizens Federation that a senior citizens identification card be issued, and will he give some thought to my humble suggestion that such a card could efficiently be issued with the first cheque sent to every recipient of the old age security pension?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have had a very fruitful meeting with representatives of the pensioners federation. I have had the opportunity of advising them that I asked my department several months ago to study the items they have put forward, and this is under consideration.

Mr. Speaker: The hon. member for Moose Jaw.

Mr. Neil (Moose Jaw): Mr. Speaker, my question was for the minister in charge of the Wheat Board but as he has left the House I should like to postpone it.

ELECTIONS

INQUIRY AS TO PREPARATION OF LIST OF CANDIDATES AND ENUMERATORS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Secretary of State. Has he instructed the Chief Electoral Officer to ask the returning officers of the constituencies to submit lists of potential candidates and particularly to submit lists of enumerators for those who have urban districts in their ridings?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, in the absence of the Secretary of State—I am acting for him—I take notice of the question of the hon. member and convey it to the Secretary of State.

* * *

ADMINISTRATION OF JUSTICE

ALLEGED INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE INTO ACTIVITIES OF CERTAIN NEWSPAPER REPORTERS—PROTECTION OF CIVIL RIGHTS

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the Solicitor General. In view of the fact six individuals involved in the media in the province of Alberta have supposedly been under investigation by the RCMP, can the minister now inform the House if in fact this is taking place and how this information gained the attention of a newspaper in Alberta? What action does the minister intend to take to protect the rights of these individuals?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I mentioned the other day, we do not confirm nor deny when investigations are undertaken by the police. However, I am continuing to investigate the story which appeared in the Calgary paper and I will report to the House as soon as I have that information.

ALLEGED INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE OF CERTAIN NEWSPAPER REPORTERS ATTEMPTING TO FORM UNION—GOVERNMENT POLICY

Mr. Bill Knight (Assiniboia): My supplementary is for the Minister of Labour. In view of the fact the individuals involved in this investigation by the RCMP were attempting to organize a trade union within the newspaper industry in Alberta, can the Minister of Labour inform the House whether it is the policy of the government to investigate those individuals who seek the right to form a trade union?

Hon. John C. Munro (Minister of Labour): Not that I am aware of, Mr. Speaker.

[*Translation*]

HEALTH

INCREASE IN DRUG PRESCRIPTION PRICES—POSITION OF GOVERNMENT

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

In view of the fact that the average price of medical prescription drugs increased by 140 per cent from 1949 to 1965, going from $1.38 in 1949 to $3.32 in 1965, can the minister say if he intends to take some measures enabling low income people and the whole population to buy prescription drugs at accessible prices?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I must tell the hon. member that a whole series of measures have already been taken in this regard. I would refer him to means made available under either the public assistance programs or the provincial health insurance programs.

* * *

[*English*]

NATIONAL DEFENCE

SUGGESTED RESTORATION OF RANKS AND TITLES IN AIR FORCE—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Defence but in his absence I will direct it to the acting minister. Having spent some time last weekend at the largest air force base in Canada, and having learned first-hand of the great dissatisfaction felt by the men and women in that service that their service should be the only one which remains deprived of its proper ranks and titles, is it the intention of the government in the very near future to restore their ranks and titles to the members of the Canadian air force and thus end this discrimination against a great service?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I will take this question as notice for the minister.

* * *

AIR CANADA

REQUEST THAT MINISTER ORDER CHANGE FROM USE OF JP-4 FUEL TO JP-1 FUEL

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Transport. Last June an Air Canada jet exploded at the Toronto international airport. The investigation which was ordered and which was completed nine months later could not determine the cause of this blast other than the fact that JP-4 fuel was in the tanks. Is the minister now in a position to state that the sole cause of the explosion was the use of JP-4 fuel, and is the government considering further studies of that fuel?

● (1510)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I regret that this is all wrong. The report we have does not indicate that the nature of the fuel was the cause of the explosion. I read the report just a few hours ago and the only reference is to the vent system around the tanks. It has nothing to do with the quality of the fuel.

Mr. Beattie (Hamilton Mountain): In light of the latest report by *Flight International* which states that JP-4 fuel presently used by Air Canada is a definite hazard, and in view of the fact that JP-1 is acknowledged worldwide as a safe fuel and is used by the Minister of Transport in its planes, will the minister now order that Air Canada use the safer fuel, JP-1?

Mr. Marchand (Langelier): Mr. Speaker, I regret that I do not accept the premise of the hon. gentleman's question.

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ADMINISTRATION OF JUSTICE

INVESTIGATION OF REPORTS CONCERNING ACTIVITIES OF CERTAIN NEWSPAPER REPORTERS—METHOD USED—INSTRUCTIONS OF SOLICITOR GENERAL

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I wish to direct a supplementary question to the Solicitor General. When he replied to the hon. member for Assiniboia, he indicated that his department is considering an investigation to determine how certain reports appeared in an Alberta newspaper. Would the minister advise what methods he is using to carry out that investigation, and particularly whether the RCMP are involved in the investigation?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I brought this matter to the attention of the Commissioner of the RCMP, and requested him to find out if there were any members of the force leaking either false or correct reports to the press. I intend to find that out in a few days.

Mr. Clark (Rocky Mountain): Are we to understand that the Solicitor General has issued no instructions to the RCMP to undertake investigations of journalists in Alberta in connection with this incident?

Mr. Allmand: That is right, Mr. Speaker. There is no investigation of journalists in Alberta, but we want to find out if there was an infraction of the Official Secrets Act.

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AGRICULTURE

STABILIZATION PROGRAM—DATE OF INTRODUCTION OF LEGISLATION—CONSULTATION WITH PROVINCES ON AID TO HOG PRODUCERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the emergency action he has taken with regard to beef and the new dairy policy he announced last week, can he tell the House when the legislation for an over-all farm stabilization program, which was forecast in the Speech from the Throne and which he has talked about on the hustings, will be brought before the House? I ask this in particular because of the present depressed hog prices, with the chairman of the Canadian Pork Council stating that producers are in real trouble.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I can say is that we are hoping to bring it before the House in the very near future.

Mr. Gleave: As a supplementary question may I ask the minister whether he has had consultations with his provincial counterparts in Saskatchewan, British Columbia and, indeed, in Quebec on how to give the hog industry some aid before the producers all go broke?

Mr. Whelan: Mr. Speaker, I can say this: I am consulting with them as much as or probably more than he consulted with me before they put their programs into effect.

BEEF CATTLE SUBSIDY—SUGGESTED WITHDRAWAL OF PROGRAM

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture. In view of the fact that grade A Hereford steers sold on Friday for as low as 38 cents a pound, and that there are many signs of discrepancies which indicate that the beef subsidy is not getting back to the producers, would the minister withdraw this program and let cattle trade in a free, open market until he comes up with a better system?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the market shows returning strength. It is returning to normality today, at least in Calgary and Winnipeg. I have not had the latest reports from Toronto today. I can say that there are many producers in real trouble and it would be no aid to them for me to withdraw this program at this time. As I said before, if everybody involved in this program wants to make it work and does not make unnecessary rip-offs, then it can work and be beneficial in assisting the industry to stay healthy, happy, and economically wise.

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INQUIRY OF THE MINISTRY

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is addressed to the Minister of the Environment and Fisheries. Is he in a position to inform the House and the Canadian people as to the number of foreign fishing vessels found in our north Atlantic waters by the Leader of the Opposition and members of his party during their recent expedition?

Some hon. Members: Oh, oh!

PENSIONS

RAILWAY EMPLOYEES—INQUIRY AS TO APPOINTMENT OF COMMISSIONER TO CONDUCT INQUIRY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister of Labour. In light of the fact that on March 11 he stated in the House that he would be making significant moves in the direction of appointing a commissioner to go into all aspects of railway pensions, may I ask the minister what is the current status of his position on this matter?

Hon. John C. Munro (Minister of Labour): The matter is under active consideration, Mr. Speaker.

Mr. McKenzie: Having regard to the grave and serious concern expressed by all parties in the House, will the minister immediately introduce a government bill to amend the Pension Benefits Standards Act to remove the CNR from the scope of that act in order that, without adding substantially to its annual deficit, it may improve its pension plan, noting that private member's Bill C-139, introduced by the—

Mr. Speaker: Order, please. Perhaps the minister might be allowed to reply to the hon. member's question, without the hon. member's additional notice.

Mr. Munro (Hamilton East): As I understand it, Mr. Speaker, the hon. member is referring to a private member's bill introduced by a member of this party, the hon. member for St. Boniface, who has been championing the cause of the railway workers for many years.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): The concept that is embraced in that private member's bill is under very active consideration with respect to measures the government can take to rectify the situation dealing with the pensions of railway workers. I have this matter under discussion with my colleague, the Minister of Transport. We hope to come up with a solution very shortly.

Mr. McKenzie: Would the minister not agree that a government bill would carry far more weight than a private member's bill, and would be—

Mr. Speaker: Order, please. This is of course, argument. The hon. member for Edmonton Centre.

Mr. Paproski: Mr. Speaker—

Mr. Speaker: Order, please. The Parliamentary Secretary to the Minister of Transport rises on a question of privilege. I will recognize the hon. member for Edmonton Centre in a moment.

Mr. Guay (St. Boniface): I would like to ask through you, Mr. Speaker, if the hon. member for Winnipeg South Centre would agree that we do the same with this bill?

Mr. Speaker: The hon. member for Edmonton Centre.

INCOME TAX

PURCHASE OF T4 SLIPS AT DISCOUNTS—INQUIRY AS TO LEGISLATION TO CONTROL

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct a question to the Minister of Finance. Would the minister advise the House whether legislation is proposed to curb the so-called income tax service firms that are buying T4 slips at fabulous discounts? These loan sharks are operating and preying on people who can ill afford—

Mr. Speaker: Order, please. Perhaps the minister might be allowed to reply to the question without the argument which the hon. member wished to add to it.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am consulting with my colleagues, the Minister of National Revenue and the Minister of Justice, about this question. I appreciate the hon. member bringing this point once again to our attention.

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PUBLIC SERVICE

GOVERNMENT POLICY RESPECTING HIRING OF TEMPORARY STAFF

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the President of the Treasury Board. Has his department made a decision to cease using private placement agencies for acquiring casual help in the Public Service here in Ottawa and, if no decision has been made, when can we expect a decision?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the use of private placement agencies is something done not by the Treasury Board but by departments to fulfil urgent, unforeseen needs. As long as there are no abuses from the taxpayers' and the government's point of view, the practice probably will continue.

Mr. Blackburn: Mr. Speaker, as a supplementary question I would like to ask the Minister of Manpower and Immigration if his department is considering taking over this operation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe I replied to the same question a few days ago by saying that while we are looking at it we are not now authorized to operate an overload system. We will explore and are in fact exploring this question with other departments of government.

* * *

● (1520)

ADMINISTRATION OF JUSTICE

REQUEST FOR INVESTIGATION OF CHARGES STANDING IN NAME OF PERSON WHOSE SOCIAL INSURANCE CARD STOLEN

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Solicitor General. Inasmuch as the

person who has been using the identity and social insurance number of one of my constituents is now in custody in Stratford, Ontario, and inasmuch as the Minister of National Revenue has stated in the House that it is not his responsibility to investigate fraudulent use of social insurance numbers, will the Solicitor General have his officials now investigate the various charges standing in my constituent's name, including outstanding income taxes?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will be pleased to bring that to the attention of the RCMP, and I will communicate with the hon. member to get more information on the case.

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POST OFFICE

PROPORTION OF EMPLOYEES WORKING ON MECHANICAL SORTING DEVICES RECRUITED FROM WITHIN SERVICE

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I wish to direct a question to the Postmaster General. Will he indicate to the House in general terms what proportion of the employees working on the mechanical sorting devices now established or to be established in the Post Office have been recruited from within the postal services?

Mr. Speaker: Order, please. The hon. member is seeking statistical information which normally ought to be given by way of a statement on motions or in reply to a written question. If there is urgency the matter can be considered at the time of adjournment.

* * *

[*Translation*]

AGRICULTURE

DAIRY POLICY, 1974-75—ASSURANCE THAT PRODUCERS WILL CONTINUE TO OPERATE

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

Since dairy producers have shown, with supporting evidence, that it costs $10.15 to produce 100 pounds of milk and since they have requested government assistance so that they may enjoy an increased income, can the minister tell the House whether he considers seriously that the new policy, which is effective today and guarantees only $8.50, is an adequate response to the dairy producers requests and that it will be such as to invite them to remain in business and invite young people to carry on with farming?

Mr. Speaker: The hon. member's question is most interesting, but he is inviting the minister to express a view or make a very general statement which, normally, should be done on motions.

[Mr. Kempling.]

[*English*]

HISTORIC SITES

SUGGEST DECLARATION OF RESIDENCE OF RIGHT HON. L. S. ST. LAURENT IN QUEBEC CITY AS HISTORIC SITE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. On a day on which such well deserved tribute has been paid to the late Right Hon. Louis St. Laurent, I wonder whether the minister in his capacity as the minister responsible for national historic sites can advise that the government is now prepared to take over the residence of the former Prime Minister in Quebec City and declare it a national historic site?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Historic Sites and Monuments Board of Canada has decided that the best way to honour the memory of the Right Hon. Louis St. Laurent was to buy the house where he was born in Compton. It is not the practice to buy two or three residences of former Prime Ministers.

* * *

[*English*]

CRIMINAL CODE

SUGGESTED AMENDMENT CONCERNING FIRE PROTECTION IN ROOMING HOUSES—GOVERNMENT POSITION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, in the absence of the Minister of Justice may I put my question to his parliamentary secretary. In view of the fact that some 13 people have died in rooming house fires in Toronto in the last three months and serious concern has been expressed by municipal administrations over inadequate fire protection in private rooming houses in Vancouver, Winnipeg, Montreal, Toronto and other Canadian cities, and in view of the fact there was a unanimous request last week by the city of Toronto executive committee that the federal government amend the Criminal Code to make it an offence to maintain a multiple occupancy dwelling without proper fire protection and exits, would the minister indicate whether in any criminal legislation that is to come forward this session there is an amendment planned along these lines?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will be pleased to bring that question to the minister's attention.

Mr. Speaker: The Chair will recognize the hon. member for Winnipeg North Centre, then the hon. member for Lanark-Renfrew-Carleton, and then call orders of the day.

PUBLIC SERVICE

PROTECTION OF COLLECTIVE BARGAINING RIGHTS OF CERTAIN DEFENCE RESEARCH EMPLOYEES—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the President of the Treasury Board. In view of the fact that the assimilation by the Department of National Defence of the Defence Research Board has had the effect of wiping out five bargaining units of employees, what steps is the President of the Treasury Board going to take to preserve the collective bargaining rights of these employees?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I do not think there is any sort of final conclusion yet as how these vested or earned rights will be adequately protected.

* * *

AGRICULTURE

BRUCELLOSIS—FORCED SALE OF INFECTED ANIMALS TO GOVERNMENT INSPECTED SLAUGHTER HOUSES—ALLEGED INADEQUATE COMPENSATION—REQUEST FOR REPORT

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Agriculture regarding brucellosis and the compensation paid in respect thereof. I understand that in the first place the government is willing to increase the compensation, but I direct my question to the second part having to do with the fact that the producers are being forced to sell to federal government inspected slaughter houses and that they have been taken advantage of in not getting a fair return for the slaughter of their infected cattle. Has the minister caused an investigation to be made in this field and, if so, when does he expect to receive a report and will he table it when he gets it?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have informed some hon. members, including members of the committee, that we have asked for a complete report on this matter. The report will be made public as soon as it is submitted to me.

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING DEFINITION, ADMINISTRATION AND OFFENCES

The House resumed, from Friday, March 29, consideration of the motion of Mr. Gray that Bill C-7, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Competition Bill

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I am pleased to continue the debate on the competition bill, C-7. Because of the numerous government interventions in the activities of the rural and agricultural society we are justified in examining the nature, the form and the result of such interventions. The mechanics of receiving and shipping grain from our country elevators to the terminal elevators have remained practically unchanged in western Canada. It is interesting to note that the most successful operation takes place when the deal between the buyer and the seller is by agreement. On the other side, the marketing of our grain products is now completely under the control of the federal government through its agent, the Canadian Wheat Board.

Over the years the grain industry in western Canada has complied with all the laws requiring standards of behaviour in almost everything it did. Market forces have required the industry to meet another set of standards, and to look to the efficiency of management and its ability to develop customers. These requirements were all well understood. However, within the last year there has been a new set of requirements imposed by various agencies and tribunals set up by the government, and we now learn there is a so-called "confidential" or "secret" set of proposals that will probably be taking effect on August 1 of this year. It appears to me that a number of proposals contained therein could be judged as restraint of trade and will cause our courts to be filled with grain officials.

It is interesting that after the close of the commodity market in Winnipeg every day a small group gets together to establish the prices at which flax, rapeseed and rye are bought from producers across the growing areas of western Canada. This fixing has been condoned by the government over the years. Surely here is a case of restraint of trade, but I must admit that it has been going on for years quite satisfactorily.

I know of no industry in Canada that is more controlled and regulated by the government than is the grain industry. It is worthwhile noting that no less than 15 royal commissions have investigated the exchanges, and marketing in general, but not even one has recommended any serious amendments to the system. However, in the present crop year the government effectively closed the market for feed grain in Winnipeg. The result has been complete chaos, bringing more foreign grain into Canada for feed, more United States cattle into Canada for slaughter, and emptying the feedlots across western Canada. The point I want to make is just how political grain marketing in Canada has become, and how politics play a part in that marketing.

In September 1943, the federal government took to itself, through its agent, the Canadian Wheat Board, the sole right to market and set the price for all prairie wheat. The problem we are now facing relates to the fact that the board has not remained flexible enough in its programs. Our grain industry people now must deal in a highly individualistic society. It is clear that interaction between the supplying companies and the market place has become a two-way street and the companies, through skilful product development, research, and marketing effort, must be able to steer a course that will be beneficial in the future.

It seems to me that as we move into a more intricate society, we shall have to depend more on the free marketing system to give producers clear signals about changing values and expectations of consumers.

● (1530)

Those who have been around for some time and worked for government, or, I should say, struggled with government, know that government cannot exactly tell the truth. The government says what it finds convenient to say. This very simple fact is not going to go away, because the government has to deal with problems like unemployment, inflation, strikes, and taxes. This means, simply, Mr. Speaker, that our business community must be given flexibility of operation and not disjoined change that will disturb and confuse.

I should like to return to the report of the House of Commons Standing Committee on Agriculture of June, 1960. It reads in part:

1. The feeds industry is an integral and essential part of the livestock industry, and feed mills perform necessary social and economic services, expansion of which—is desirable in the interests of economical and efficient production of livestock and poultry and the products thereof.

2. The feeds industry has grown, and aided the general prosperity of local regions under a system of flexibility and the Committee finds that too much inflexibility in the allocation of quotas to feed mills is not in the best interest of either the producer or consumer of grains for feed. We, therefore, recommend that the former practice be continued.

Following the tabling of the report in the House of Commons, the Canadian Wheat Board took it upon itself to consider the message in this report as a dictum that instructed them how to deal with the marketing of feed grains in the local markets of the western provinces. In other words, it was parliament, the Parliament of Canada, that set up the system of non-quota, non-board marketings in western Canada. That way of doing things lasted from the beginning of 1961 until the end of July, 1973, when the present minister in charge of the Wheat Board brought in his decrees; as a result, confusion has reigned supreme. For example, we have at least seven different prices for feed barley in western Canada.

The argument that the Canadian Wheat Board is a government board stems from the fact that it is the government which appoints the commissioners to the board; the producers virtually have no say in these appointments. I suggest that no grain producers in western Canada would choose civil servants to be commissioners on their board. The government's habit of instructing the board to do this and to do that, to set initial prices and even the final payments, is just a facade, I suggest. It makes it appear that the government is controlling the board, but again I would say that in most routine matters the instructions given to the board by the government really originate with the board in the first place.

The increased interference by Ottawa in board affairs since about 1968 lends a bit more credence to the notion that the Wheat Board is now a government board. A quick review of the origin of the Wheat Board explains the situation a little bit more. Some here, at least, will remember that during the dark days of the depression the three pool organizations in western Canada, along with many other corporations and co-ops in North America and the rest of the world, found themselves in deep financial trouble. The pools, for they were then called pools, in each province pooled the purchases and sales of farmers' grain, on a voluntary basis, of course. The three pools formed a central selling agency to merchandise all pool grain that farmers delivered to them.

History tells us that in the beginning the pools set initial payments and hedged their purchases on the exchange; however, as the philosophical poolers grabbed power within the organization, they determined to overthrow the Exchange and refused to hedge their purchases. As the depression deepened, the pools found themselves in a most awkward position, having set the initial payments higher than world selling prices, or higher, at least, than the price that their grain could command when sold by the central selling agency. This couldn't last very long, and soon the pools had to appeal to the provincial governments for help in guaranteeing the loans of the pools and in assuring the chartered banks that their advances would be covered.

In return, the federal government said they would appoint all the officials on this Canadian Wheat Board which was to take over from the pool's central selling agency. I think it is important to note that the impetus for the establishment of the Canadian Wheat Board originated right inside the pool organizations, and those producers who preferred to deal with the line elevator companies really played no part in the establishment of the central selling agency or its successor.

Whether the government took over from the producers their marketing board in 1935, 1943 or 1968 does not really matter at this stage. It is still difficult to reconcile the fact that the government does not pay the expenses of operating this board. It leaves this completely to the producers. What happened as a wartime measure in 1943 in essence transferred producers from the tyranny of the market place to the tyranny of the Wheat Board.

The government in Ottawa brought in a partial answer to this when it passed the Grain Futures Act early in 1939. The act was proclaimed and came into force on August 1, 1939. The top position of director was provided for under the act. However, the war came along and the act was left inoperative. It would have been interesting to see how the director who, under this act, was to be appointed to supervise and police the activities of the exchange, would have carried out his job. It would have been very difficult for the supervisor to carry out his duties under the act, as the most consistant violator of the terms of the Grain Futures Act was the Canadian Wheat Board, the government agency itself. A reading of Bill C-7, makes it apparent that the government is still exempt from the provisions of this bill. This, of course, brings up a question that was pondered 2,000 years ago, namely, who will guard the guards? The Latin Phrase is, *quis custodiet ipsos custodes*, which, translated, means, who will keep the keepers. We sometimes wonder if the government and its agencies are beyond justice, beyond the law.

Insisting that everyone should be subject to a mandatory marketing board just for the sake of making sure that one farmer does not obtain more for his product than another is, to my mind, quite unrealistic. Certainly, there is a place for the great farmer-owned companies within

our marketing system. One of their legitimate functions is that of to keeping the market honest.

In the bill before us, Mr. Speaker, the implications for the present system of moving goods to market are so far reaching as to be beyond my comprehension. There is an apparent determination to substitute the judgments of government appointed administrators for the judgment of the market, that is, the forces of the market, in what is acceptable and what is not. It seems to me that the key word to all this is flexibility. Inflexibility is manifest in marketing quotas, formula pricing, adherence to rigid agreements and arrangements. It interferes with orderly marketing. Surely, flexibility leads to beneficial growth.

Unless the philosophy of this government is turned aside, we will end up with an economy in which virtually every business decision will be subject to approval of the government's appointees. There has been a lot of criticism of our grain industry and our transportation industry of late, and probably it can be partly justified in light of today's situation. However, I would ask you to look back on the infamous "task" force on Agriculture of several years ago, which really forecast no future for agriculture. I think it is reasonable to say that industry, the railways in particular, took their cue from this report, made their decisions, and are now being blamed for a shortage of equipment and a lack of foresight, all because of the government's tunnel vision.

● (1540)

The real problem is the same old story. The senior government officials, disdainful of trade, have steered our industry down the wrong track. In this whole question before us today of what is right and what is fair, it seems that we must have some reference to the courts with the accompanying right to appeal. At least this will develop some precedents which are fairly consistent and lay down the guidelines required to keep our business practices under reasonable restraint.

There has to be co-operative consultation between business and all levels of government before and not after policy is determined. Forward planning will become sterile if there are conflicts in and between governments. I fear there is plenty of room for conflicts in the bill before us. We need a competition policy which will permit growth and a restructuring of business according to the market forces, by encouraging flexibility and adaptability in the economy. We will not get it with legislation such as is proposed here. The committee studying this bill will have their work cut out.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I could hardly have asked for a more fitting introduction to the comments I have to make than those provided by my colleague, the hon. member for Swift Current-Maple Creek (Mr. Hamilton). He talked about the problems the committee will have when it is faced with this particular bill. My misgivings about this bill are many, but I propose to concentrate my attention on one particular aspect of the measure, an aspect which is absolutely fundamental to the process of governing, to the philosophy of government. I am moved to contribute to this debate because of my experience as a public servant and because of my understanding of what public servants should and should not be asked to do.

This bill is directed toward extending the powers of the Restrictive Trade Practices Commission, created under the Combines Investigation Act. The powers now to be granted to the commission by the terms of the bill before us are to be executive powers. They differ considerably from the powers of the commission as created under the earlier bill. The commission, after investigation, can rule on the practice it has investigated and, depending on the outcome of that investigation, shall rule whether or not that practice is legal and may be allowed to continue or, alternatively, is illegal and shall therefore cease. This is what I mean by the grant of executive powers. The commission is no longer an advisory body. It is first a judicial body and then an executive and operational body in an area of activity where economic and political factors have a strong inter-play. In other words, the government is asking this parliament to delegate powers to a quasi-independent body to take action in an area that is properly the government's sphere of action, the political arena, the determination of the public interest defined in economic and competitive terms.

We have seen this before. We have seen what happens when these quasi-independent bodies get to work with their delegated powers. I will come back in a minute to look at some of the consequences of this kind of delegation of parliament's proper powers, but first I would like to look at some of the philosophy which underpins two of the principal parties in this country.

According to an article which appeared on page 7 of the March 29 edition of the Ottawa *Journal*, in a newsletter being circulated in the Liberal caucus, an assessment is made of the recent convention of my party which was held in Ottawa 10 days prior to the article being written. Among the "conclusions"—I insist that *Hansard* put quotes around that word—that are drawn in this letter, of the resolutions presented during the convention, the following was considered of key importance, according to the article. I quote:

> "The Conservative party is not, as it claims, the standard bearer for individualism and free enterprise except for the big corporations and those already rich. It is now, more even than the New Democrats, the most government-interventionist party in the Commons.
>
> "The Conservative party would intrude government departments, agencies, commissions and boards into every area of Canadian life, into areas where even angels, much wiser beings, fear to tread.

If these are actual quotes from the Liberal caucus newsletter, I must say that I have to admit to amazement. Such allegations, which were presented as "conclusions"—again in quotes—for the Liberal caucus and presumably the Liberal faithful to read, mark, learn and inwardly digest, are to be explained in only one way. If you are yourself guilty of an offense, the best way to obscure the fact is to charge your opponent with that offense.

Intervene in government departments? Intrude into government departments? Can anyone in this House honestly look at government operations these days and say that there is not now a deep, deep and virtually ineradicable Liberal intrusion into government departments, agencies, commissions and boards? Where are the defeated Liberal candidates from the last election? Are there any left without federal employment? Where are the executive

assistants of earlier Liberal regimes? Where are the personal nominees of prominent members of the government? I do not propose to put names to each of these categories, but if we were adept at ESP at this moment, can you just imagine the catalogue of names and faces flashing through people's minds as I asked those questions. Some late starters may still be showing up. Therefore, let us have none of that nonsense about intrusion by the Conservatives into areas where angels fear to tread. The Liberals are no angels because there is no area where they fear to tread.

I have been a civil servant, a public servant. My role, as I conceived it, was to serve the public, as the name given to my employment indicated. The manner in which I did that was to advise the government in the area of my professional competence, namely foreign affairs. I could formulate suggested lines of action, suggested policies and even urge that some of these policies be adopted. However, I was not occupying an executive role in the largest sense of that word. I could not put into execution my recommended courses of action, the advice I offered. One time I recall being sternly reprimanded for having fired a cook. I was not even permitted, though head of post at the time, to execute even that sort of a recommendation.

● (1550)

There are limits within which public servants can act. The line is not easy to draw but a good public servant, properly motivated, knows where it lies. In the administrative field over which he has been given jurisdiction there should be no need to question his executive powers, provided, of course, he has been properly chosen for the job on the basis of proven competence. If, however, he is allowed to assume he is more powerful than he actually is, he may draw the line in the wrong place. He is then obviously not fitted for the job to which he is assigned. He can act on his own if he is acting within an area which has no political implications. He can act in the political area, however, only when specifically instructed to do so, and instructions in this instance must issue from the servant's political master, his minister. But here, in the bill before us, is a case of parliament being asked to approve a measure which will authorize the government to deprive itself of a power which it ought to retain, power to decide whether this or that activity ought to cease or be allowed to continue in a modified form. This is the area of the public marketplace.

Why do I say the government should retain the power to act in this area? I take this view because I believe in maintaining the power of parliament to hold governments responsible for their actions, and unless this power is retained, the government itself cannot be called to account. Let us consider this measure more closely. In clause 12 we find such expressions as "The Commission may order...", "The Commission may make an order prohibiting...", "The Commission may direct that no measure be taken in Canada...", "The Commission may by order direct..." and so on. Then, in the proposed amendment to 31.1, the bill indicates quite clearly that failure to obey an order of the Commission becomes an actionable offence, because 31.1 makes provision for collecting damages from those who have failed to comply with an order.

[Mr. Munro (Esquimalt-Saanich).]

Perhaps I might read from the bill itself at page 14:

> Any person who has suffered loss or damage as a result of conduct contrary to any provision of Part V, or the failure of any person to comply with an order of the Commission or a court under this Act may... sue for and recover from the person who engaged in the conduct or failed to comply with the order...

There is no doubt but that the government is striving to empower a body of appointees, backed up with public servants, with authority to make their decisions stick, and this in areas of the most complex economic and political interest, without at the same time making provision for the agency responsible for those decisions and orders to be answerable to this House—not even through a minister, if I read the bill correctly.

Are we sure that this is the way in which we want to bring harmful competitive practices under control? No one questions that from time to time such practices are being followed. But is this the way in which we want to deal with the situation? Let us be sure on this point before we give approval to the measure before us.

I should like to quote briefly from an editorial which appeared this morning in the Toronto *Star*, dealing with this very subject.

> Amendments to the Combines Investigation Act now before parliament would give the Restrictive Trade Practices Commission vast new powers to regulate all business.

Including, presumably, the football business.

> The problem is that the commission, now an advisory body to the government, would function as an arbitrary authority with virtually no restriction or precise guidance from the law. In effect, it would make its own law...
>
> No businessman would be able to tell from looking at the amendments what constitutes adequate competition. If the bill passes in its present form, the philosophy of the people appointed to the Commission will determine what the phrase means, and until that meaning is spelled out by a series of decisions, no one will be able to determine what he has to do to obey the law. That is the wrong way to go about things.

I agree fully.

> The rule of law requires that parliament, not an appointed Commission, determine the public interest, which in this case means providing guidelines as to what is meant by adequate competition. If the public does not agree with the law, then in an election it can replace the people in parliament; but if it does not agree with the rules of the men on the Commission, the public has no recourse.

The last paragraph of the editorial is also worth putting on record. The minister is not in the House, but may I quote?

> There are good intentions in Gray's bill and the consumer needs better protection against unscrupulous operators in business. But it is wrong to try to achieve this by infringing basic principles of justice in a free society. The ordinary citizen has a right to know what is expected of him under the law, and parliament has an obligation to spell out what the law means rather than delegate that right to an appointed body.

This, Mr. Speaker, is the burthen of my argument. Once it has conceded this point and granted to the Commission the power the bill would have us confer upon it, parliament has completely lost control of that Commission except by way of amendment of the Commission's statute, an initiative normally reserved to the government in power. Parliament, as such, will have been excluded from any further voice in the matter.

Before we proceed further, I submit we should examine the whole philosophy of the bill most carefully. Do we want to see the mess which now admittedly exists in transportation extending to the whole area of marketplace competition? This is what could happen if we were to hand over to the Restrictive Trade Practices Commission the full powers for which the bill provides. In the same way, a previous parliament handed over extensive executive powers to the Canadian Transport Commission. Parliament, and the people of Canada, cannot really get at the CTC via the committee structure. Although the President of the Commission deigns to appear before the appropriate committee from time to time, he cannot be hailed before the committee and required to defend his activities in the same way as the government can be compelled to do on the floor of the House, in committee and at the ballot box to justify actions it has taken.

So we must be very certain, before we finally give this bill our approval, that it extends to the Commission only those powers we want to see extended. In order to be sure of this, we need time in which to hold hearings, to hear witnesses, to obtain reactions from those who may find themselves affected by the provisions of this measure. Let us not be tempted into precipitate action by the impatience of the minister. Let us be sure we are doing the right thing. The government may want to pass the buck in this area of competition; it has done it before. Let us be quite certain that we agree that they should be permitted to pass this particular buck before we let them do it.

● (1600)

Does the minister, or the government for that matter, have detailed terms of reference for his commission? To my understanding, they do not. Is the commission, then, to be assembled—as the Foreign Investment Review Board is now being recruited, with 50 economists, I am told, at pretty high wages—and asked to write its own terms of reference, as the Foreign Investment Review Board is about to be asked to do? Is this the way to govern a country? Here, surely, is abdication of responsibility by the government. Governments in this country must continue to be answerable for actions of boards and commissions created by statute. Nineteen eighty four is only ten years off, Mr. Speaker. Let us not hasten the process.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House proceeded to the consideration of Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973 to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications.

The Acting Speaker (Mr. Laniel): Order, please. Before we proceed to the consideration of the report stage of Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada, perhaps I should communicate some comments to hon. members on the different motions that are to be moved. It is not my intention at this time to invite hon. members to participate in a procedural debate, but I think we should proceed in an orderly way.

It is suggested that motions Nos. 1, 2 and 4 are acceptable to the Chair from a procedural point of view. This will permit the House to proceed immediately with motions Nos. 1 and 2, which might be grouped together for debate, if hon. members agree. A decision on motion No. 1 will also dispose of motion No. 2. Motion No. 4 could be considered separately. It has been suggested that motions Nos. 3 and 5 are out of order in that they seek to introduce a provision that is outside the provisions of the clause and the bill that they purport to amend. Motion No. 6 also appears to be defective in that it is consonant neither with the provisions of the recommendation accompanying the bill nor the title of the bill.

When the House proceeds with the examination of these motions, the Chair in due time will invite hon. members to comment. It is not the intention at this time to render a decision on motions Nos. 3, 5 and 6, which will give hon. members time to look at the procedural aspect of these motions.

I will now put to the House motions Nos. 1 and 2.

Mr. Don Blenkarn (Mississauga) moved:

That Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be amended in paragraph 3(1)(a) by (a) deleting the figure "$225,500,000" in lines 3 and 17 on page 2 and substituting therefor the figure "$211,021,000" and (b) deleting lines 13 and 14.

That Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be amended in paragraph 3(1)(b) by deleting line 22 on page 2 and substituting therefor the following:

"lines but excluding any amount in respect of hotels or C.N. Tower Limited) in the calendar year 1974, prior to"

● (1610)

He said: Mr. Speaker, you will recall that the amendments are precisely the same amendments that were before this House when this House was apprised of them with regard to Bill C-164 during the last session on January 7. Since January 7, I have had an opportunity to travel across Canada and look at some of the activities of the Canadian National Railways, particularly in respect of hotels. While I do not intend to bore the House with a repetition of what I said on January 7, I believe it is only

fair that I should bring to the attention of the House some of the activities of our national railway with regard to its operation of hotels, and indeed with regard to its operation of a number of activities, although hotels and a tower are referred to in these amendments. I say to you, Sir, and to this House that this Crown corporation is spending much of its efforts and energies on the great and grandiose and is not concentrating as it should on supplying proper rail transportation to those who need rail transportation in Canada.

With regard to hotel operation, the activities of this railroad over the past many years have been a horror show. The railway became involved in the hotel business after it was organized because it decided it would like to emulate the Canadian Pacific. It proceeded to acquire and build a number of hotels throughout Canada. At one time it had hotels in Brandon, Thunder Bay, or Port Arthur, and in Charlottetown. It had lodges in Ontario and in Quebec. It still has a lodge, as you know Sir, in Jasper. The result of its management of hotels over its entire history has been that it has been one great big loser.

With regard to the 1972 statement, it became apparent in the committee that the five hotels managed by the Canadian National Railways have a book value of some $43 million and that the total profit generated was only some $400,000 or a return of less than one per cent on the capital investment. Looking at the income or revenue from these five hotels we find the revenue was $23.9 million. So, the profit of $400,000 received on revenue is a return of less than two per cent on the total turnover of cash. This is bad enough, but when we compare it with the Canadian Pacific, we find that the Canadian Pacific has a return of 5.7 per cent after taxes in the management of its hotels.

This railway continues its desire to go further into the hotel business. Indeed, when the President of the railway was asked in committee about the new project in Moncton, he said he hoped this new project would provide the railway with a return of 12 per cent on the money invested. If this should occur it would be the first time this railway ever returned 12 per cent on anything. But even if it did return 12 per cent on money invested, is that a realistic return when one looks at the fact that the rates on first mortgages are now 10½ per cent and 11 per cent. There is ample private money to build hotels and provide hotel accommodation and this is no longer necessary to the operation of the railways. People do not, as a practical matter, travel between cities by train. They travel by air. Private concerns like Commonwealth Holiday Inns of Canada and so on have been building hotels and hotel facilities all across Canada through the use of private funds. Hotels are really organized to serve conventions and to serve the public generally in the cities in which they exist.

Hotels are not a necessary adjunct to the transportation system. There are sufficient hotels. They are being built by private concerns as investments. They are built through the use of private capital. Public capital must be preserved for the provision of service to the people of Canada. Yet, Sir, the railway decides to come to this House of Commons and ask for appropriation of some $5.6 million to expand its hotel business. It is a disgrace that this should happen. I am glad the Minister of Finance (Mr. Turner) is here today because when he appeared before the committee he said he looked at the problems of the railways in terms of the global aspect and did not go into the detail of hotels. I am sure that had he thought about the money of the people of Canada which goes into hotels he would at least have read the glorious account of the Canadian National Railways as related by the author G. R. Stevens in his book that was published in 1970. Mr. Stevens talks about the losers in the hotel business and the fact that the hotel operations of the railways do not work and do not produce a profit.

When appearing before the committee, the minister asked what about the Queen Elizabeth Hotel in Montreal. When one examines the figures one finds, in fact, that this hotel does produce a return of about 10 per cent on the money involved. The Hotel Vancouver produces a return of 6.7 per cent on the money involved. These hotels, however, while they might be owned by the railways are not really Canadian National Railways hotels at all but are Hilton hotels. The Canadian National Railways realized it could not manage hotels, at least these two structures, and turned them over to that American hotel chain management company. When one looks at the profits of the railway in its operation of hotels one gets the picture that on, $43 million of public money invested as a minimum we receive a measly $400,000 return in the form of a profit.

Let us look at these hotels. First, we have the Hotel MacDonald in Edmonton. The Hotel MacDonald is a huge hotel in the city of Edmonton. It is a well-built structure; it is an impressive building. It has ample rooms and facilities for conventions and the like. This hotel returned to the railway $15,000 in 1971. In 1972, it had a good year and showed a profit of $32,000. The investment in that hotel is $8.9 million. In such a situation, I suggest that it is the responsibility of the government to say to the railway that it is not doing a good job in this regard and that it should get out of the field because it is not competent in it. Yet the government is prepared to bring to this House an appropriation that would enable the railway to use $5.6 million to expand its hotel operations.

● (1620)

For a moment I want to relate to the House a horror story that is almost as bad as the story of the *Bonaventure*. You remember that famous aircraft carrier, Mr. Speaker. I want to recount the horror story of the Hotel Bessborough. The Bessborough was built in the depression with good, hard brick and was well trimmed out. It has fine panelling and it is located in what is probably the best site for any hotel or any structure in the city of Saskatoon. It is between the two bridges and it owns all of the property there. It is right in the main business section of the town. It is a glorious site. In 1971, the hotel lost $400,000. In 1972, it lost another $400,000. Then, in 1972 we spent $214,000 on renovating the hotel.

Then, the CN decided to sell the hotel and they scratched around for a buyer. A promoter from the province of Saskatchewan went down to Montreal, sat at a table with the directors of the railroad and asked them what they wanted for their hotel. He was prepared to pay a fair dollar for it, even despite its losing history. They said: "We don't know; make us an offer". So, he lowballed them, by his own admission. He made them an offer of $1.6

million. They snapped at it like a large fish going after a small one because they did not know any better. They spent $214,000 on fixing the place up. They did not know that you could make money on hotels in Saskatoon, and yet the Sheridan Hotel chain has a hotel right across the street from the Bessborough, a swinging place where the liquor flows, and they are making a fortune. The site of that hotel is not even comparable to the site on which Bessborough stands.

Did you know that the Bessborough has two floors in its building that were never opened up? The original broadloom is still on these floors and some of the original furniture is still there. Yet, a new hotel can be built across the street and make a profit, while the hotel operated by the railroad can suffer loss after loss. That is because the railroad is not a competent manager of hotels. Yet, they come again before this House of Commons and ask for $5.6 million to pour into some more liquor lounges and into some more bedrooms. I do not know what it is for, because we really do not need to use the money of the public of Canada to finance the grand hotels that the railroad insists on building.

These hotels are not for poor people. A week or so ago this party had a convention at the hotel down the street, the Chateau Laurier. I will tell you that the service was not as good as it might be, but the prices certainly were. That hotel is not designed to care for the poverty-stricken traveller. Yet, this is where public money is going to be put, not into social housing or into the necessary things for the ordinary working men, but into building hotels in competition with private people who can make them pay and who pay income taxes. This operation run by our national railway system cannot even earn one per cent on its money invested. It is very nice for us to own Jasper Park Lodge. It is very nice for the people of Canada. But is Jasper Park Lodge something that the ordinary constituent in your riding and mine can visit and for which he can pay the bill? Not at all. Yet, we are able to earn 2.5 per cent on our money invested in Jasper Park Lodge.

Here again when I talk about money invested, the properties that this railroad has covered with hotels are very valuable properties but they are in the books at their original book value, that is the value of those properties when the land was given to Mackenzie and Mann and to Grand Trunk. The land is not properly valued there—it is of historic value—in some cases $10 or $15 an acre. If you only sold the land on which the Bessborough stands you would get a heck of a lot more than $1.6 million. Yet, the railroad does not value this in the true sense of what the investment really is worth. When they value it at $43 million, they get less than 1 per cent of their money, but if you valued it at the real value, of what the money invested by the people of Canada is really worth, then you would get even less, .1 per cent. Yet, they come to us and ask us for $5.6 million. Of course, it is not very much to this government.

This government does not look at $5 million or $6 million as anything to worry about. The government says: if the railroad wants more money for another venture, they are entitled to it; let them have it. Let us not cross-examine them and tell these fellows that they must account for their management. This is not an operation to move grain, potatoes or corn. It is not moving oil but rather looking after the privileged. It is an unnecessary public service, although hotels are necessary in our organized communities, but this is an activity that can be undertaken by any private investor. Is it fair to the people of Canada that they should be putting their money in four per cent, no-payment-ever shares in a national railroad so that it can build another hotel, especially in view of its history and the way in which this national railroad operates its facilities?

I want to leave that subject for a moment and go on to the matter of a tower, because this is also part of this amendment. The Canadian National, together with Canadian Pacific, own some 186 acres in the downtown part of Toronto. There is a partnership agreement between the two railroads for the development of what is called the Metro Centre. It will be a very good development. Somewhere along the line the CNR had the idea that the way to make the development successful was to build a communications tower. I am quite sure, having examined Mr. McMillan in committee, that the reason for that tower is not to attract people to the site as much as to supply facilities for the CBC. So, indirectly, we would have the CNR financing the CBC. We have enough problems with the CBC asking this House for $300 million a year without having the CNR also kick into the CBC.

But be that as it may, we have a project that was estimated to cost $29.5 million. The CPR, as a partner, in the project wanted a breakdown of the costs of that project; it wanted a projection of profits. A projection was taken on the basis of a cost of $29.5 million. They found that the project would return 7 per cent if it were amortized over 25 years, or perhaps 12 per cent if we were really lucky and the people went up the tower to do various things, including enjoying the 400 seat revolving restaurant. Again, this is a restaurant not for the poor and the under privileged and not for the rail traveller, but nonetheless the railroad will be involved in using public funds to build a revolving restaurant. This leads one to consider whether the railroad is really interested in supplying the people of Canada with transportation or in building towers in the sky for their own edification.

● (1630)

This project is supposed to yield 12 per cent on investment. I inquired in committee, and received confirmation that they did not base that calculation on the cost of the land. Of course, land in the Metro central region is very valuable. Conservatively, it can be estimated at $50 a square foot, and it is probably worth more than that today with land prices as they are now in Toronto. But just at $50 a square foot, the tower will occupy $7 million worth of land, so you would not calculate the return on the basis of $29.5 million but on the basis of $35 million or so.

Then, of course, the estimate was based on 1970 construction costs. And they estimated the fares they could charge people to go up the tower—$3 a crack—on a 1973 basis. I say the construction costs of this tower in Toronto, including the value of the land, will probably exceed something in the neighbourhood of $45 million. Here we are asked to use the scarce social capital of the people of Canada to build a tower, to which the partner in the real estate venture, CP Railway, said, "No way." They said "No

way" because the tower is economic idiocy. Of course, I am sure the tower will be a fine, a marvellous place, and I might have enough money one of these days to take my wife up there for dinner. But really, Sir, there is a place for the use of social capital. We have a housing problem. We need more serviced land. We have a transportation problem. We need more boxcars and a rationalization of our transportation system. But do we need to use public money to build what are clearly speculative ventures, that have nothing to do with transportation, and are just for the glory of the directors of the Canadian National?

I suggest it is time the government called on the railway to halt these ventures, and to perform its proper function in our society. It should not continue to get involved in one scheme after another. Remember, Sir, at one time this railroad had a bunch of steamships. It lost a fortune on them. Then, it got into the radio business, and later peddled that off to the CBC. Now, it is getting more into the hotel business. It lost money on almost every hotel it owned, yet it continues to build new hotels, while selling the old ones off so that someone like the promoter in Saskatoon will make a bundle, as he undoubtedly will through his purchase of the Bessborough Hotel.

It is a disgrace that I, as a member of the opposition, should have to present these amendments to the House. It is especially a disgrace that this bill should be back for debate today since less than a week and a half ago the Minister of Transport (Mr. Marchand) declared that he could not control the railroads, that he wanted a full investigation into the way the railroads operated, and that he was disturbed about the lack of transportation planning in this country. That was a tremendous admission that the government has no policy in transportation, and clearly, Sir, it has no policy in connection with hurdygurdys in the sky, or in connection with hotels.

Why are we again being asked today to approve this bill without saying to the Canadian National Railways, "Fellows you have no right to continue to use the people of Canada as a well from which to grab more money for more of your grandiose schemes." Until it can operate transportation properly, until it can move freight and passengers, which is the prime duty of the railroad, then surely it has no right, no licence to come to this House and ask for money for schemes of dubious value, schemes that are not likely to assist in the transportation of people or goods, and schemes for which its management is inept, according to the history of the railroad in this class of activity ever since its inception.

The Minister of Finance should amend this bill and tell the Canadian National, "Here is enough money to carry on with track laying, and to provide the necessary additions to rolling stock that are required. We are going to have a full investigation into railroading, but here is the money in the meantime. But also in the meantime, just get out of a business you do not know the first thing about." "You are losing the people of Canada money on hotels. You are not making a profit. You are building fancy bedrooms and fancy lounges. That is not the business of Canadian National."

There is no excuse for this railway to be in the hotel business, to be building towers and the like, since its management in past years has indicated how inept it is in looking after this class of business.

[Mr. Blenkarn.]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I wish to speak on motions Nos. 1 and 2 pertaining to Bill C-5, and to deal not only with the financial aspects but also with the internal operations of Air Canada. An immediate investigation must be launched into the operations of Air Canada, especially at the Dorval base. It would seem that instead of spending money on towers and hotels we should be directing our efforts to improving our national transportation systems, including our national airline, Air Canada.

To say why there should be an investigation into Air Canada's operations may I point out that morale and safety are two of the company's major problems. I would like to quote from a recent publication of the airline's "Lodge News" as follows:

> Unfortunately the shop stewards in customer service have to deal with first level Air Canada supervisors that are not interested in resolving grievances or applying the collective agreement. The supervisor's only concern is trying to run a schedule operation at all costs. The result of this attitude causes one of our largest problems and most frequent violation of the collective agreement, i.e. safety. The collective agreement is quite clear in that management is specifically charged with the duty of initiating and monitoring all practices necessary to ensure the safety and health of employees as well as ensuring the safety of all equipment.
>
> Because of the attitude of first level supervision and their refusal to initiate safety, the shop committee is presently handling the problem at the second level of the grievance procedure which is the regional vice president or his designated representative.

I would like to give an example of what I am talking about in regard to air safety in Air Canada. Last Tuesday flight 531 out of Quebec was climbing at 14,000 feet. The plane lost cabin pressure. Masks were deployed, but only 40 per cent supplied oxygen. This is a condition that has been prevalent with Air Canada planes for some time. It is a matter which I brought up before the Standing Committee on Transportation last spring, and apparently nothing has been done about it. At that time I read this letter into the record:

> On November 23, 1973, I boarded Air Canada's flight 280 to attend an archeological symposium at the University of Calgary. Within 20 minutes of take-off I experienced that sense of continuous "ear popping" (for want of a proper medical term). The aircraft became instantly chilled, and to my horror the oxygen cabinets opened and we were instructed to use the orange masks. You can well imagine the anxiety, especially among the more aged passengers. In addition, not all the masks produced oxygen. The man sitting next to me tried in vain to operate his, but without success.

As I say, I quoted this letter last spring, and apparently nothing has been done since. That is why I am calling for an investigation into the operations of Air Canada. I saw a recent news release which informed us that the vice president of maintenance for Air Canada is being replaced by an American who is being brought in to take over, so obviously there are problems at Dorval.

● (1640)

I brought another matter to the attention of Mr. Pratte last spring at transport committee meetings, and drew his attention to a document signed by eight Dorval employees. I should like to read this letter into the record as follows:

Attached to this letter, please find a Submission related too the Unit and Support Shops Inspection functions. It is a critical report presented in the interest of achieving a more effective Inspection program and hopefully to create an awareness of an existing low morale condition.

Copies of this Submission have also been forwarded to Messrs. J. B. Russell Chief Inspector and G. Belanger Inspection Foreman.

It is our hope to have a full discussion on the report and we hereby request a meeting with Messrs. Russell and Belanger in the near future, to review it in detail.

We also request a subsequent meeting with you, at your convenience, in order to clarify and review this Submission.

This might seem a little off base, having regard to these amendments, but this is the reason we should be taking a serious look at the funds we are allotting Air Canada. I should like to read some of the comments made by these eight employees who signed and presented this document to Air Canada. They stated that in their opinion the quality development program has not been thoroughly and adequately developed and that—

The Acting Speaker (Mr. Laniel): Order, please. I always hesitate to interrupt hon. members or prevent them from expressing their views, but at this time the House is considering the report stage of the bill before us and two specific amendments. I am sure if the hon. member for Winnipeg South Centre (Mr. McKenzie) takes the time to read the amendments he will see they both refer directly to the CNR and not Air Canada, and that the objective of the two amendments is to reduce the sums of money requested by the bill in respect of hotels and the CN Tower Limited in Toronto. I would hope that the hon. member will defer these remarks to a later debate in respect of further amendments that might be related to this particular point, or until the debate on third reading when he will have the latitude to bring forward his points and complaints about Air Canada.

Mr. McKenzie: Mr. Speaker, will I be able to speak on this point under Motion No. 3 which pertains directly to Air Canada?

The Acting Speaker (Mr. Laniel): The Chair is not inclined to give advice on a judgment that might be rendered later, but I am sure the hon. member will have more latitude then as the amendment is related more specifically to Air Canada. The two amendments now before us for consideration relate to the CNR and, particularly, to hotels that are administered by the CN.

Mr. McKenzie: Thank you, Mr. Speaker. I will wait until you make a ruling on Motion No. 3 in respect of Air Canada.

Hon. Paul Hellyer (Trinity): Mr. Speaker, this is an unexpected pleasure.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): For us too, Paul.

Mr. Hellyer: I listened with great interest to the speech made earlier this afternoon by the hon. member for Mississauga (Mr. Blenkarn), and I was impressed by his remarks.

An hon. Member: You are easily impressed.

Mr. Hellyer: As a matter of fact, I am not easily impressed; I am a realist, but I thought the hon. member's speech was very well documented and very thoughtfully prepared. It is for that reason I listened to his remarks with considerable interest.

I notice the Minister of Finance (Mr. Turner) stroking his chin, Mr. Speaker, as well he might, as he of all people in this Chamber should be concerned with the expenditure of public funds. Had he been as careful in his attention and as impressed by the arguments put forward by the hon. member as I feel he would have been had he been paying full attention I think he too would be on his feet expressing grave reservations about the proposal of the Canadian National Railways, as did the hon. member for Mississauga.

As pointed out by that hon. member, the CNR experience in railway hotel management has been an unhappy one. One would have hoped that over the years the management would have learned that you have to keep up-to-date with the times. A matter of considerable regret to many of us, and to many members of the travelling public, has been the fact that CN hotel management has not been aware of changing conditions. The examples one can cite in this field are many.

For years now in most well run hotels one has been able to expect to have nicely coloured towels in the bathrooms, something which adds an element of warmth to the reception of an hotel, yet in so far as CNR hotels are concerned, years after everyone else has departed from the sterile white, and sometimes not quite white because of the lack of sufficient soap, chlorine or bleach in the wash, these same old bedraggled towels have appeared giving many people the impression that the CNR hotel management just does not care.

An hon. Member: They don't.

Mr. Hellyer: So, it has been with other furnishings and with the quality of soap. Long after most first-class hotels decided to improve the quality of soap, and sometimes for the ladies to have little bars with just a little French perfume added, or something of that sort, the CNR was still back in the age of hand-laundry and outside laundries, just not keeping in touch with the times. This is indicative of the failure on the part of CN management to pay attention to changing times and to details which are important to the travelling public.

An hon. Member: The old soap and towel operation.

Mr. Hellyer: The furnishings in the rooms were often not well kept, and the artifacts were not as tastefully chosen and assembled as one would find in an hotel run, say by Western International, which has developed a level of expertise that offers a standard which other hotel chains, including the CNR, might well attempt to emulate.

One finds, when travelling, a whole range of small details which seems somehow for one reason or another to have escaped the attention of CN management. I know there are many people who believe that television sets are an unnecessary luxury and that they really have some intrinsic evil property which no government organization should associate itself with, but on the one hand we have

these vast estimates before us in respect of the Canadian Broadcasting Corporation for the production and distribution of television programs, and on the other we find that years after most hotels and motels in this country began installing television sets the CNR was a holdout, and came along well after the others in providing what has become virtually standard equipment in most hotel chains in Canada.

● (1650)

As for the insignificant little key, that grotesque little red abomination which CNR hotels hand you every time you go in to register, I do not know who dreamed it up. Whoever it was, he should get a special award. For that the corporation should have its estimates cut to $1. And, speaking of all the hundreds of attachments to keys I have seen in travelling across Canada and in many parts of the world, I have never seen one anywhere in the world which can match closely that of the CNR in sterility of design. No other attachment has aroused in me such feeling of coldness and lack of appreciation with regard to design. Without doubt, some great study was undertaken in arriving at a design which would be appropriate, attractive to potential CNR hotel customers and, in some way, enhance business. If that was the object of the exercise, it failed miserably, I have talked to a number of people about this minor item, and they share my view. The question is often asked, how can anyone do a study and then come up with something which is as basically ugly and unattractive as the CNR hotel key?

Mr. Foster: Now, start on the door mats.

Mr. Hellyer: I am glad the hon. member opposite mentioned door mats. I might have overlooked them. In my experience, many door mats were unsatisfactory. They were threadbare. So, too, were blinds and drapes in some cases. They gave you the feeling that you were going backward in time, not forward to some new and enlightened age. The impression was that you were going back in time, to an age when society could not afford and had not developed what is essential in the field of hotel accommodation, to the time when there were not standard products, unattractive as they are, which are available today. That this is so is tragic. I feel let down and disappointed as a Canadian taxpayer.

I felt, and still feel, that many of the natural locations of these hotels are extraordinary. As the hon. member for Mississauga said, the lands on which these hotels stand today are worth many times book value. They stand on very valuable pieces of real estate, in many cases real estate which should be put to better use. So, Mr. Speaker, I think we should look carefully at any proposal of Canadian National Railways for extending their hotel business. This is not their primary business. Their primary business is moving passengers and freight. Heaven only knows, they have enough trouble with that.

The Minister of Transport (Mr. Marchand) reminded us recently of the difficulties he has encountered in making sure grain moves to markets. As I pointed out the other day when I was so rudely interrupted by the Prime Minister (Mr. Trudeau), five or six years ago the CNR was doing a study on how grain might more efficiently be moved to market. The study looked into whether new terminal facilities are required, whether changes are required in methods of grading and cleaning, whether new equipment is required, and whether we should move to the adoption of unit trains for moving grain across the country. These are matters which are ultimately the concern of Canadian National Railways and their primary raison d'Être. One would think the company would turn their attention to things with which they are primarily charged. If they relieve themselves of responsibility in other areas which are peripheral, they can concentrate on establishing a first class transportation system in this country.

A few years ago when I was in Japan I had the honour of riding on that famous train, "The Bullet." I admit I was favourably impressed with the technological advance of those very up-to-date people. The Bullet was designed to provide comfortable, fast transportation for the Japanese. It is a decade ahead of any Canadian ground transport system for moving passengers. I think that organizations like Canadian National Railways and Air Canada should not be involved in fields which are not their primary concern. They should not attempt functions which can better be carried out by others, such as the operation of hotels, such as, in the case of Air Canada, going into the aircraft manufacturing business. We shall touch on this later.

The hon. member for Winnipeg South Centre (Mr. McKenzie) told us this afternoon that Air Canada finds it difficult to maintain its aircraft. How much more trouble would it experience if it found itself in the aircraft manufacturing business about which it knows nothing. As Canadian National Railways has been declared by Parliament to be a work for the general advantage of Canada, I hope it will live up to its responsibilities, concentrate on those functions which are legitimately within its purview and provide the Canadian people with the kind of extraordinarily good service they have a right to expect from their nationally owned railway.

[Mr. Hellyer.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Huron (Mr. McKinley)—Sports—Establishment of camps to train athletes for Olympics—Suggested use of abandoned Canadian Forces base at Clinton, Ontario; the hon. member for Brant (Mr. Blackburn)—Penitentiaries—Government action to alleviate shortage of psychiatrists.

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

PRIVATE MEMBERS MOTIONS

[*English*]

OLD AGE SECURITY ACT

SUGGESTED AMENDMENT TO COUNT OVERSEAS SERVICE OF VETERANS IN ESTABLISHING ELIGIBILITY FOR OLD AGE PENSIONS

Mr. G. H. Whittaker (Okanagan Boundary) moved:

That, in the opinion of this House, the government should give consideration to bringing in an amendment to the Old Age Security Act to ensure the Canadian veteran with overseas service that such service be counted for time in Canada for the purpose of the Old Age Security Act whether or not he has resided full-time after discharge in Canada.

He said: Mr. Speaker, I am presenting this motion to the House today in order to correct what I believe to be a discriminatory situation. This is caused by an interpretation of the rules and regulations by the officials of the Minister of National Health and Welfare (Mr. Lalonde) in Victoria. On January 7, I received a copy of a letter written to one of my constituents by the regional director of Old Age Security in Victoria. I quote from the letter:

● (1700)

For our purpose we cannot consider you as physically present in Canada when we have confirmed that you were overseas with the Canadian armed forces from June 8, 1940 to March 1946 and in addition left Canada again in November of 1946. The Old Age Security Act does not permit us to consider overseas service as physically present in Canada for Old Age Security purposes.

I think we must emphasize the phrase "physically present". I immediately thought it was an outrage that this government actually wishes to, and does, discriminate against proud veterans who served overseas. Why should there be a difference in interpreting the rules as they apply to me, who never went overseas, and one who did? If after the war I had gone out of the country under similar circumstances, presumably when I came back I would be eligible. Surely, that is discrimination against those veterans who served overseas.

Under the present legislation, there are three ways a person may qualify for an Old Age Security pension. First, if he has resided in Canada after reaching the age of 18 for periods which total at least 40 years; second, if he has resided in Canada for 10 years immediately before approval of his application, and third, if he has been present in Canada after reaching the age of 18, and prior to the 10 years mentioned above, for periods which equal when totalled at least three times the length of his absences during the 10 year period and has resided in Canada for at least one year immediately preceding the approval of his application.

The legislation then states that some types of absences from Canada during the qualifying periods referred to above may, under certain circumstances, be considered not to interrupt residence in Canada. These include, among others, absences while employed by the Canadian government, as a member of the Canadian armed forces, as a missionary, by a Canadian firm or by an international agency. It was the decision of the Old Age Security pension board that my constituent's overseas service would not be counted as physical presence in Canada. It would appear that this ruling was based on the third provision which states:

Have been present in Canada after reaching the age of 18 and prior to the 10 years mentioned above for periods which equal when totalled, at least three times the length of your absence during the 10 year period and have been a resident in Canada for at least one year immediately preceding the approval of your application.

It does not refer to physical presence. It is on this basis that I believe the whole problem stems from a misinterpretation of this rule. The Canadian government defines a resident of Canada for the purpose of Old Age Security under rules and regulations, one of which is Section 15(1)(i):

a) A person resides in Canada if he makes his home and ordinarily lives in any part of Canada.

Subsection 3(b) reads:

b) That any interval of absence from Canada of a person that is a member of the Canadian armed forces pursuant to act in connection with the requirement of his duties shall be deemed not to have interrupted that person's residence in Canada.

Under Section 20(f) the government claims:

c) The right of defining residence in Canada and in defining intervals of absence from Canada that shall be deemed not to have interrupted residence in Canada.

This, I believe, strengthens my argument that the interpretation of my constituent's case is incorrect and that he is being discriminated against.

When my constituent applied to join the service, he did not choose to be sent overseas. If he had been stationed here in Canada, as I was, there would be no trouble. However, he went where his country sent him and for this he is being penalized today. This is discriminative and unjust. I do not think a man's courageous war service in defence of this country should be used against him. My constituent did not choose to go overseas. He was sent; he returned home, was discharged in Canada in March 1946, and did not leave again for England until November of 1946. I cannot find any rule or regulation that gives the government the right to define presence. I am, however, satisfied in my own mind that the rules and regulations give a member of the armed forces the same status and rights as a resident of Canada, whether he is servings overseas or not.

Look at the income tax laws. They treat him the same when in the armed forces, whether he is in Canada or overseas. Family allowances are paid to members of the armed forces whether they are serving in Canada or overseas. An overseas member of the armed forces has a vote in Canadian elections. In other words, he is treated as a Canadian citizen. We now find, by an interpretation, that his overseas service does not count as presence in Canada for the purpose of Old Age Security. What discrimination.

The minister has not, however, seen fit to have these rules and regulations interpreted any differently from that which was set down by his officials in the letter of December 18 to my constituent. This letter even goes so far as to use the phrase "physically present." I have been unable to find the word "physical" in any of the statutes, rules or regulations. Our proud overseas veterans are being discriminated against. We are denying them the rights and privileges they fought so valiantly to earn and preserve.

The minister has said that an amendment to the act would be necessary so that overseas veterans in this category could receive their old age pensions. The minister stated in a speech on January 10 and, I quote:

Let me assure you that I am indeed looking at this particular matter and I have asked for even the legal opinion to be reviewed. If this can be done without any amendments to the act, I would certainly try to do it if the appropriate regulations could be amended.

However, I am afraid that the advice I will get is that the legal opinion which was given to the government must be maintained, and I will have to come before parliament with an amendment to the legislation in order to provide for cases such as this one. I waited until after the Speech from the Throne, fully expecting an announcement of amendments to the act to which the minister referred. The minister claimed to be sympathetic and interested in veterans of Canada, but still an amendment was not proposed.

It is for these reasons I have taken the initiative and am proposing this motion as well as bringing forth a private members' bill on the same subject. I believe this motion is straightforward and self-explanatory. It simply asks the minister to amend the act so that my constituent, who served this country overseas from June 1940 to March 1946, and others I have heard from, can receive their Old Age Security pension.

It should be pointed out that time is of the essence because my constituent would qualify on April 1, 1974, if the interpretation of the act had been different. I believe the amendment should be brought forth immediately, and that it should be backdated so there is definitely no discrimination in this case. If the minister and the government are serious about this, I am sure they will let this motion pass and not endeavour to talk it out. To talk it out on the basis that the minister is bringing in a bill to take care of the problem is, in my opinion, not valid. This matter could be disposed of very quickly. The minister, I am sure, is going to bring in the amendment embodied in a bill that has many more proposals in it. It will be necessary to have them all analysed so none can be taken in isolation. This is bound to take time and my constituent will have to wait because of an interpretation pronounced by a section of the minister's staff.

● (1710)

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I commend the hon. member for Okanagan Boundary (Mr. Whittaker) for bringing before the House a motion whose purpose is to improve the Old Age Security Act by means of an amendment. Improving the Old Age Security Act has been an on-going policy of Liberal governments, and the present government in particular has introduced several additional measures which, in total, have given us one of the finest old age security programs in the world. It is, however, not perfect. Hon. members recently came upon an anomaly in the regulations which govern the existing act. The government is in complete agreement with the intent of the hon. member's motion to allow time spent overseas by a resident of Canada while a member of the Canadian Armed Forces to be deemed as not to have interrupted presence as that is presently defined by regulation. It could be done through an amendment to the act, so that a person will be deemed not to have interrupted

presence in Canada if he returns to Canada at the conclusion of his duties.

That is a complicated technicality, and one which for a long time I did not understand myself until I spoke recently with officials of the department. The question before us is a confusing one. It concerns regulations but certainly, no question of principle is involved here. The hon. member, along with other hon. members, is now aware of the difficulty and we all wish to improve the Old Age Security Act to correct the problem. The hon. member has certainly brought his representation to the right place because he will find a ready response from this side of the House.

Ever since 1908, successive steps have been taken to enact old age security legislation in which we can all take much pride. Income security measures directed to older persons developed gradually in Canada over a considerable number of years. The first legislative action of the Canadian parliament in this field was the passage, in 1908, of the Government Annuities Act, which was designed to promote habits of thrift so that Canadians might be encouraged to provide for their old age. In succeeding years, a series of committees studied the problems of the aged and an old age pension system was recommended to provide assistance on the basis of a means test to British subjects with at least 20 years of residence in Canada, under a federal-provincial cost-sharing arrangement.

Resolutions were submitted to the provincial governments for approval in 1925, and in 1927 parliament approved the Old Age Pension Act. Under this legislation the federal government was to pay 50 per cent of the cost of the program, which was administered by the provinces. Between 1927 and 1949 the federal share of the cost was increased to 75 per cent and benefits were increased to a maximum of $480 annually. Admittedly, by today's standards that is not a princely sum. By 1950 this program provided benefits under restrictive eligibility rules to over 40 per cent of Canadians aged 70 and over. In 1950, a joint parliamentary committee was appointed to look into the matter of pensions for older persons and to make recommendations to the government. This committee was composed of members of the Senate and of all parties in the House of Commons. As a result of the study, it was decided to adopt a universal flat-rate type of pension, with eligibility based solely on age and residence in Canada, to be administered by the federal government. Legislation was then introduced to bring into being the present Old Age Security Age, which became effective on January 1, 1952.

The Old Age Security Act provided for a universal flat-rate pension of $40 monthly to all persons who could fulfil the age and residence requirements. The eligible age was 70 years. The basic period of residence was 20 years in Canada immediately preceding the approval of the application for pension. A person who had not resided in Canada for the full 20 years could make up for the absences by presence in Canada prior to those 20 years on a two-for-one basis. In addition, the applicant must have resided in Canada for the year immediately preceding the approval of the application for pension. The requirement of the one year's residence was introduced because it was felt that persons who had been absent from Canada for

some years should have a recent attachment to the country in order to be able to obtain the pension. It was also intended to discourage former residents from returning to Canada solely for the purpose of receiving the pension.

The joint parliamentary committee which examined old age security in 1950 pointed out, with respect to residence requirements, that for a program such as the old age security plan, which had no citizenship requirements and under which no record of contributions had to be demonstrated, it was not unreasonable to expect an applicant to live in Canada for a substantial part of his productive years. The committee suggested a period of 20 years, which was written into the original legislation.

It was recognized that some persons would be required to be absent from Canada in connection with their employment. It was felt that for a resident of Canada who was absent from the country for specified reasons and who returned to reside in Canada at the termination of his employment, such period of absence should not interrupt his residence in Canada. A resident of Canada is defined, for the purposes of the Old Age Security Act, as one who makes his home and ordinarily lives in Canada. The original regulations provided that certain periods of absence from Canada of a resident of this country would be deemed to be periods of residence in Canada if the specified conditions were met. This covered members of the Canadian Armed Forces, federal, provincial and municipal employees, employees of Canadian firms abroad, Canadians employed by the United Nations or engaged in missionary work, and so on. It also covered married women accompanying their husbands in these circumstances. If a resident of this country absented himself under such conditions and returned to Canada at the termination of his duties, the period of his absence could be counted as residence in Canada. A little later on, the regulations were amended to provide that these periods of absence in prescribed circumstances, could also be considered as not interrupting presence in Canada.

In 1957, the basic period of residence in Canada required for eligibility was reduced from 20 to 10 years. The purpose of this amendment was to provide for persons who came to Canada late in life but who, nevertheless, had become permanent residents and were considered to have some claim to benefits on reaching pensionable age. The amendment had, however, a further result: since the two-for-one make-up formula remained unchanged, the maximum amount of earlier presence that could be required was decreased from 38 to 18 years. Thus, a person who had resided in Canada for the first 18 years of his life and had then left the country and spent all of his productive years elsewhere, could return one year prior to his seventieth birthday and qualify for pension at age 70.

Later, the Old Age Security Act regulations were amended to provide that where a resident of Canada was absent from the country in specified circumstances, including service with the Canadian Forces, his absence would not interrupt his residence in Canada if he returned to Canada at the end of his service or if he reached pensionable age while so engaged. The provision for counting the period of absence as presence in Canada—that almost sounds like double talk, Mr. Speaker, but it really does make sense—was rescinded because it was felt that the change in the amount of make-up time under the two-for-one requirement brought about by the reduction in the basic period of residence in Canada from 20 to 10 years would make it possible for a person to qualify for the pension on the basis of a very short period of actual presence in Canada if a period of absence could be counted as presence.

● (1720)

In 1965 also the Old Age Security Act was amended to reduce the age at which pensions could be paid from 70 to 65. This was done by reducing the eligible age one year at a time over a five year period from 1966 to 1970, so that in January 1970 it reached age 65. Effective from December 1971 the two-for-one requirement became three-for-one, with presence in Canada only after the 18th birthday to be counted. This increased to 27 years the maximum amount of presence that could be required to make up for absences in the 10 years immediately preceding the receiving of the pension; that is, the 55 to 65 years of age period. If you were absent during that 10 year period, you had to make up for that time by actual presence in Canada on the basis of three-for-one. So simply put, if you were away two years, you had to have a physical presence requirement in Canada in the preceding time of six years, which is three times two.

This change was brought about as a result of complaints. This is usually why we change acts or bring in legislation, because there is pressure from the public indicating something is wrong or that something different must be done. There were complaints by residents of Canada about the situation described earlier, wehre persons who had left Canada at an early age were able to return to Canada and qualify for the old age security pension after only one year of residence. Many of these persons who had spent their working years in the United States had also qualified for social security benefits in that country. They had those benefits and then they returned to Canada and received the benefits that had been passed by the Canadian parliament.

The Old Age Security Act provides that payments are to be made from the Consolidated Revenue Fund and charged to the Old Age Security Fund. In former years the Old Age Security Fund derived its income from a special tax on personal income, corporation income and sales. This special tax was eliminated with effect from January, 1972, and provision was made to credit the Old Age Security Fund from general revenues in respect of each fiscal year with an amount equivalent to what would have been collected under former provisions. Although entitlement to the old age security pension is not based on the insurance principle, it seems reasonable to require a period of residence or presence in Canada during which a person would presumably have made some contribution to the economy of the country and thus to its ability to finance social security benefits.

In 1965, it was recognized that there were persons who had spent all or the greater part of their lives in Canada and who might wish to leave the country after retirement and before reaching pensionable age. There are certain qualifying regulations governing people who wish to do this, so perhaps I might spend a moment or two commenting on this aspect. An additional method of fulfilling the

residence requirements was therefore added. This provides that the pension may be paid to anyone who has completed a total of 40 years of residence in Canada after age 18, regardless of where he is residing on attaining pensionable age. In computing the 40 years of residence, periods of absence that meet the specific conditions laid down by the legislation are counted. They are counted as years of residence. In addition to absences resulting from employment, a resident of Canada may be absent for temporary periods not exceeding one year or for the purpose of attending a school or university without interrupting his residence.

Originally, the pension could not be paid to anyone outside of Canada. This was changed by an amendment to the legislation in 1960 to permit indefinite payment of the pension outside the country, once the initial requirements had been met and the pension approved, to a pensioner who had resided in Canada for at least 25 years after age 21. In May, 1972, this requirement was reduced to 20 years after the 18th birthday. A pensioner with less residence is entitled to payment for only six months following the month of his departure.

The provision for indefinite payment outside Canada applies only to the basic pension. The guaranteed income supplement may continue for only six months after a pensioner leaves Canada, regardless of his history of residence. The guaranteed income supplement is, of course, the supplementary payment added to the basic pension on the basis of an income test. It was introduced in 1967 to assist those pensioners who had been unable to make adequate provision for later life and who were not in a position to benefit fully or at all from the Canada Pension Plan or the Quebec Pension Plan, under which benefits are paid in direct relation to contributions made from earnings over a qualifying period. The supplement was originally intended as a transitional measure while the retirement pension programs of the Canada Pension Plan and the Quebec Pension Plan were maturing. It was later adopted on a permanent basis. Both the guaranteed income supplement and the basic old age security pension are now escalated quarterly to compensate for the rise in the cost of living.

A pensioner who has qualified for the pension on the basis of having resided in Canada for a total of 40 years, even though a considerable portion of those 40 years was spent outside the country under conditions considered not to have interrupted his residence, would automatically be entitled to indefinite payment of the pension wherever he might choose to live, on the basis of having completed 20 years of residence after age 18. A person who had spent only 10 years immediately preceding pensionable age as a resident of Canada and who had qualified for pension on that basis would, of course, have to complete an additional 10 years of residence before becoming eligible for payment on an indefinite basis outside Canada. In other words, the particular regulation does not apply if a person stays here but only if he goes somewhere else, outside, of Canada.

In the same way, a person who had been absent during the final 10 years and who had qualified on the basis of having had sufficient earlier presence to make up three times the length of those absences might have to complete additional residence after becoming a pensioner to make up the 20 years necessary for entitlement to indefinite payment outside the country. So all of this has to do with receiving pension benefits when you decide to retire outside of Canada.

As the Minister of National Health and Welfare (Mr. Lalonde) has stated, the old age security regulations provide that certain absences from Canada of a resident shall be deemed not to have interrupted that person's residence in Canada if prescribed conditions are met. Those include absences while a person is employed or engaged by the United Nations, one of its specialized agencies, a Canadian firm or corporation, the federal government, as a member of the Canadian forces pursuant to and in connection with the requirements of his duties, as a missionary or other similar employment or engagement.

It should be noted here that the types of employment covered fall into two specific groups. In the case of a resident of Canda employed outside the country by the United Nations or one of its specialized agencies, by certain other international agencies, or by a Canadian firm or corporation, he must have had in Canada, during his absence, a permanent place of abode to which he intended to return, or have maintained in Canada a self-contained domestic establishment, and he must have returned to Canada at the end of his employment or reached pensionable age while still absent in this capacity. For other types of employment, such as with the government of Canada or a provincial or municipal government, as a member of the armed forces, as a missionary, as a person performing services with a development or assistance program sponsored by the federal or a provincial government or by a non-profit Canadian agency, as a member or an officer of an international charitable organization, and so on, the requirement is simply that the person concerned must have returned to Canada at the end of such employment or reached pensionable age during his absence.

However—and this is the key to the difficulty in which we find ourselves—the regulations do not provide that periods of absence under these circumstances may be deemed not to have interrupted that person's presence in Canada in determing his eligibility under the three-for-one presence requirement. The Minister of National Health and Welfare is faced with this dilemma. He, simply on his own authority, cannot alter the regulations, and so he wants as quickly as possible to bring before the House an amendment to the act that will give him the authority to alter the regulations and to deal with specific cases such as that which the hon. member has brought to the attention of this House concerning a problem which a constituent of his is facing. Therefore, the minister is of the opinion that such periods should be counted as presence in Canada, as he indicated in the House some weeks ago when the matter arose in connection with an application for old age security by a person who had been overseas in the Canadian army during world war II.

● (1730)

In this case, the date on which he became eligible was set back because the period of overseas service could not be counted as presence in Canada. The person in question also had only intermittent residence in Canada. An amendment to the Old Age Security Act is required before a regulation can be made to deem prescribed absences of

this kind as not interrupting presence in Canada. This is the dilemma in which the minister finds himself. We have a government, with the desire to help people who have served Canada well, such as the constituent of the hon. member, but because of the way Parliament passes legislation and the way in which regulations are drawn, the minister finds his hands tied. He feels badly about this and wants to do something about it.

I should point out as well that investigation has revealed that the number of cases where a resident of Canada could not qualify for the pension on the normal date of eligibility because he was unable to count an absence from Canada, as a member of the Canadian forces, as presence in Canada was very small and occurred only where there had been extended periods of other absence from Canada. Although the number is small, the government appreciates the difficulty a delay in eligibility for the pension may cause the person concerned.

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member. He may be allowed to continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Penner: Thank you very much, Mr. Speaker. I am grateful to the members for the courtesy extended to me to continue. I wish to say what the minister plans to do. What is required is an amendment to the Old Age Security Act to authorize the making of a regulation defining presence in Canada, and intervals of absence from Canada that shall be deemed not to have interrupted presence in Canada. If you understand that, Mr. Speaker, I wish you would explain it to the rest of us. However, after some prolonged discussion with very learned officials of the Department of National Health and Welfare in the front lobby of this House, I can say that I do understand it now. A regulation could then be made whereby absences from Canada of a resident under prescribed circumstances would be deemed not to have interrupted presence in Canada if such a person returned to Canada at the termination of his duties or reached pensionable age while so engaged.

In certain circumstances such a person would be required to have had in Canada a permanent place of abode to which he intended to return or to have maintained in Canada a self-contained domestic establishment during his employment out of Canada. The government intends to introduce an amendment to the Old Age Security Act, and if this is approved by parliament—and I believe there is no doubt that it will—it will allow for appropriate changes to the old age security regulations. The government is anxious to ensure that veterans and all other Canadians receive just and fair treatment under all types of legislation. So we expect that amendment very soon and I am sure it will pass all stages without undue debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the hon. member for Thunder Bay (Mr. Penner) launched into his speech, I felt sorrier for myself than I already did that I have the kind of voice that will not let me speak for my full time today. When I looked at the motion in the name of the hon. member for Okanagan Boundary (Mr. Whittaker), I realized it related to one very narrow point in the Old Age Security Act and I assumed that the rule of relevancy would require that we confine our remarks to that point. But my good friend from Thunder Bay did me the honour of reciting the whole history of old age pensions in Canada. I say he did me the honour because he started that history from the very day I was born, June 18, 1908. That was the day, these several decades ago, that the Government Annuities Act was given second reading and put through the House of Commons.

I followed with interest the history of the subsequent pension legislation which the hon. member for Thunder Bay recited, and the various changes in the Old Age Security Act and in the regulations thereunder. I was hoping he would carry right on and tell us of the further improvements that are to be made in the near future.

Mr. Whicher: Tell us where we are going to get the money while you are at it.

Mr. Knowles (Winnipeg North Centre): My hon. friend should not worry about money these days. When three young men can visit Toronto and while there obtain contracts for $1 million each, why worry about money? As I say, I am glad the hon. member for Thunder Bay made clear that the necessary amendment will be introduced, and that it will be in keeping with the resolution of the hon. member for Okanagan Boundary. However, I was hoping he would tell us at the same time that other changes would be made in respect of old age security. We have come a long way from June 18, 1908, but what we need now is a provision for pensions of at least $200 a month payable at age 60 and, in addition, a few other improvements.

Mr. Whicher: Tell us where we will get the money?

Mr. Knowles (Winnipeg North Centre): My friend from Bruce (Mr. Whicher) agrees with me completely. He is one of my publicity agents. He has already drawn attention to the way my clamouring for these things over the years has paid off. I am still clamouring.

Mr. Whicher: Now the public is paying.

Mr. Knowles (Winnipeg North Centre): Never mind about the fact that the public pays, because it is according to ability to pay. The fact that we have pensions of at least $100 a month, plus quarterly escalation, on a universal basis, means we have provided for our older people a relatively better position in society than was the case 20, 30 or 40 years ago. As we go along with this program on a universal basis, projecting the principle of equality, we make our society that much better. So, Mr. Speaker, I am glad you did not stop my good friend from Thunder Bay in his interesting recital of the 65 years and nine months or so in which I have lived and through which we have had improvements in the pension legislation of this country. I trust that, like the good Liberals they are over there, when we have further gains they will all stand and applaud those further improvements.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Good; I hear they are applauding even now. Maybe they would like this parliament to carry on a little longer so they could go to the government and say it should do something in this pension field; that is one way this parliament might be made to last.

I wish to support, without reservation, the request of the hon. member for Okanagan Boundary. His motion asks that the government give consideration to the introduction of an appropriate amendment. The hon. member for Thunder Bay says such an amendment will be forthcoming. I hope there will be no loss of time in this being done, and that when it is done there will be sufficient retroactivity in the regulations so that my hon. friend's constituent will be covered so far as his pension is concerned.

The hon. member for Thunder Bay sought to explain the situation and was afraid that at times he was confusing it. It can be confused, but I think it is relatively simple. At least, I shall try to make it that way. The point at issue with respect to the constituent of the hon. member for Okanagan Boundary comes up only in the case of a person who does not have the last ten years, before age 65, of residence in Canada and has to make up for any shortage of years in that last ten-year period by three times as many years during the period from age 18 to age 55. It just so happens that the act and the regulations, in providing for that shortfall of years between 55 and 65 to be made up by three times the number of years between 18 and 55, require as the legislation now reads, that any of those years between 18 and 55, if used for that make-up purpose, must be years of actual presence in Canada.

● (1740)

It seems to me, in view of the fact that in interpreting other parts of the legislation it has been possible to define residence in Canada in such a way that absence for certain specified purposes did not destroy that residence in Canada, it is grossly unfair that in this one instance it should be ruled that a man who was overseas as a veteran serving in the armed forces cannot count those years for the purpose of making up the shortage between the age of 55 and the age of 65.

The request is obviously one that should be met as quickly as possible. I understand that there are not a great many cases affected, but the law is wrong when it does an obvious injustice even to one person. I think it is particularly wrong when it does an injustice like this to a Canadian veteran, and I hope this matter will be resolved very quickly and that the next time the hon. member for Thunder Bay tells the story of old age pensions since 1908, there will be a few more chapters that will make the story even better.

Mr. Barnett J. Danson (York North): Mr. Speaker, these debates are never a waste of time and never without merit because there is no time when we really do not learn something. Today I learned something that I did not realize before. I knew that 1959 was a great vintage year for Bordeaux, and that 1965 was a great year for Burgundy; but I did not realize how great a year 1908 was for Winnipeg North Centre and for the House of Commons as a whole. That was indeed a vintage year because it started us along the right path toward pensions in this country.

[Mr. Knowles (Winnipeg North Centre).]

I think this is a particularly important afternoon because it is rare that in the House of Commons we come to grips with problems of individual Canadians. I believe we are fortunate as a nation to be so small in the sense that this place is not too big to bring forward the problems of an individual who has suffered injustice. For that we are grateful to the hon. member for Okanagan Boundary (Mr. Whittaker). I am also grateful to my colleague, the hon. member for Thunder Bay (Mr. Penner), who stated the case so well and in such detail that he left me with little more to say. However, it matters not if one talks out such a motion; the fact that it has been brought to the floor of the House and that the government is responding, as the minister has indicated, is the important thing, and it will be done with dispatch.

I think it is important that we do not get out of whack with regard to injustices in our society in individual cases. However, it does not mean that our society is wrong. I was sorry to hear the suggestion of the hon. member for Okanagan Boundary that this government does not care about veterans. I happen to be a veteran and I came out of the forces after five years of war. I do not know of another nation that has treated its veterans better than ours. As a result, the original legislation and legislation that has been passed recently by this government would indicate that there is no inequity or insensitivity toward veterans nor so far as pensions generally are concerned.

It was this government that brought the veterans legislation up to date and is continuing to do so. That is not insensitivity. It is this government that provided the old age security plan which is second to none anywhere in the world. I do not mean by that that it is enough. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that we must do more, and we shall do more, and no one will ever be satisfied in that respect.

In effect, it must be recognized that the government has given to senior citizens a guaranteed income and has given pensions to burnt out veterans—although I do not like the expression and the gratuitous way in which the pension is handled in some respects—and we have escalator clauses built in to protect them at least partially against the ravages of inflation. In none of these instances am I totally satisfied, but it is unfair to take a situation which is really not a normal one and accuse the government of insensitivity. The fact is that this government has not been insensitive, nor have Canadians been insensitive. Had we been insensitive, we would not have been in power as long as we have, certainly not with the support of hon. members opposite who, I am sure, share our concern and our interest in this respect.

There are fine differences between the terms "presence" and "residence" and these can be wildly misconstrued, as my colleague the hon. member for Thunder Bay has said. It is a little frustrating for those of us who are non-lawyers and think in ordinary terms. As for the hon. member for Okanagan Boundary, I do not know whether he is a lawyer, an apple-picker or a peach-picker, but I am sure that even if he were a lawyer he would be frustrated by it also, although he might understand it a little better.

We must have reasonable regulations, and I think our regulations are reasonable. As a matter of fact, the amendment that is causing difficulty here was brought in, not by

an unfeeling government to squeeze the veterans a little more but it happened to be brought in in 1957. If my recollection is correct, the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister at that time. So if it was an insensitive measure, he would be blaming his own party. But that amendment was an improvement on the legislation as it then existed.

We deal with a small number of cases, and when there is an inequity it is cleared up. However, at the same time we as legislators have a responsibility to see that our legislation is not totally open ended so that anybody can come to Canada from anywhere in the world and enjoy all the benefits of our society. Frankly, I hope that day comes; I really do. I think we are living in such a favoured position in the world today—and we are terribly selfish about it at times—that we must think, not in terms of how much more we can get for ourselves but how we will share it with the less favoured people in the world.

Some people do not like that. They are to be found among members opposite as well as in my own party, I am sure, and even in my own constituency. But we have a long way to go, and when I hear complaints that we are overtaxed and we have such immense problems in our own country that we should forget about people overseas, that charity begins at home, it does not go down very well with me. In fact, it goes the opposite way.

I am a businessman in private life. People say that businessmen are being squeezed out of business. Businessmen have a responsibility to be efficient and to make profits. They also have the responsibility to use those profits to help reduce costs, and this is important. That which is not used to reduce prices must go back into society. Our first obligation, of course, is to our own people. We have to keep our own house in order. But we cannot sit in our own pristine white purity in this country and think that the rest of the world does not exist. If we continue in that way, I suggest that the world will continue to exist but we will not, and what exists will not be white. I am sorry to get off on this track when dealing with a fine point of law.

● (1750)

I think it is a ridiculous point of law that we are discussing tonight. The important thing is that the hon. member has moved his motion, asking the minister to give consideration to it. The minister himself so indicated in the House on January 10. We have had reassurances, in which I have every confidence, that legislation will be brought forward. Of course, if I were in the hon. member's position I would be inclined to introduce the same sort of motion. This is what makes our system work. This is what prods government. This is what brings inequities which affect small, ordinary Canadians to the fore. I think it is a good question to be debated by us this evening.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the hon. member for Okanagan Boundary (Mr. Whittaker) suggested that the question involved in this point revolved on a matter of interpretation. I think the point has already been made that that really is not so. The minister does not have power, under the act passed by parliament, to interpret that act in a way other than it is being interpreted at the present time. The real question concerns what is involved in "presence" in Canada. Presence, according to the legal advisers to the Crown, means that you have to be in Canada. That is the issue.

What we must do if we are to solve this problem is amend the Old Age Security Act in such a way as to give power to the governor in council to define in fact what is presence in Canada. If that amendment were made, it would be possible for the minister to make recommendations to the governor in council to interpret "presence" in the way that he sees fit, to accommodate the kind of question that has been raised this evening. When replying to a question respecting this matter in the House of Commons on January 10, 1974, as reported at page 9270 of *Hansard*, the minister indicated that he was very sensitive to the question and that in due course he would be introducing an amendment to solve the problem. I think that is really the long and the short of the matter. That is what we intend to do, and we will do it.

I would now like to turn for a moment to the specific wording of the motion. It contains two elements. The first element talks about the Old Age Security Act being amended to ensure that Canadian veterans with overseas service have such service counted for time in Canada. I think all of us know what the hon. member means, but I think there is a bit of difference with respect to what is said in the motion because the law at present provides for overseas service to be counted as time in Canada in respect of residency. That is "time in Canada" under the law, but not in terms of "presence" in Canada. I think the wording ought to be changed to "presence in Canada."

The second element has not been alluded to in the discussion this evening. At the conclusion of his motion the hon. member indicates that the proposed amendment would cover veterans whether or not they had resided full-time in Canada after their discharge. That is a new element. Even if the period spent overseas as a veteran, or indeed as an employee of the government of Canada, were considered as presence in Canada, this would solve part of the problem but not all of the problem raised by the hon. member because, according to the relevant section of the act, a person has to be in Canada for one year immediately preceding approval of an application for pension. I do not think that aspect of the matter has really been discussed by any of the members who have taken part in this debate, and it should be considered. I am not aware of any decision that the government has made with respect to this question in forthcoming legislation, so I intend to bring it to the minister's attention.

I congratulate the hon. member for Thunder Bay (Mr. Penner) on his contribution to this debate. He contributed substantially by reviewing the background of the act and the technicalities involved in this legal problem which affects a small number of individual citizens. Those who take time to read his explanation will understand how these matters have arisen.

At the beginning of his remarks, the hon. member for York North (Mr. Danson) referred to the importance of parliament giving consideration to the consequences of legislation affecting individual citizens. I concur wholeheartedly in his remarks. A matter that has upset me for years, even before I became a parliamentarian, is that

when laws are drawn up they often contain inequities with respect to isolated individual circumstances and far too often the response is that nothing can be done because the law is the law. I am delighted that my minister is not responding in that way.

I also agree with the NDP member who indicated that this kind of question is very important. He said that when an injustice is done to one person, to a thousand people or indeed to a million, the number involved does not make any difference but the injustice itself must be corrected. My minister subscribes to that view. Hon. members can rest assured that the kind of question brought to our attention in this motion and in representations from others will certainly be taken into account and legislation will be introduced to correct the matter.

May I call it six o'clock, Mr. Speaker?

Mr. Speaker: The hour appointed for the consideration of private members' business having expired I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I was interested tonight to see that the Minister of Finance (Mr. Turner) and myself were the first in the chamber. I thought for a moment that we would be discussing this bill in its entirety by ourselves. After the speech of the hon. member for Trinity (Mr. Hellyer), I suspect that the Minister of Finance is already getting tired of red keys.

Today we have before us Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the CN system and Air Canada. I had the opportunity to speak on the bill when it was Bill C-164. It has now returned to the House as Bill C-5. The amendments having to do with the deletion of $5.5 million to be spent on hotels and $8.8 million to be spent on the CN tower will be voted on, as well as some amendments having to do with the directors and executive officers. On January 8, 1974, I said the following:

> I have no trouble in supporting these two amendments. Even though CNR has been traditionally involved in hotels, I believe these amendments point out that parliament is concerned about the diversification of the CNR into these many facets. The CNR should have to borrow the money for hotels, TV in hotels and tourist attractions in Toronto from other sources.

During that speech I made reference to the Hotel MacDonald and some of the things I considered were problems of concern to management. Lo and behold, a couple of months ago I had the opportunity of being at the Hotel MacDonald at a convention, and I was not let down. We were supposed to check into the hotel at two o'clock, but most of the guests were lined up until well after eight o'clock before any of them got into their rooms. I say that as an aside and an illustration of many experiences hon. members have had with many CN hotels.

I should now like to refer to the *Minutes of Proceedings and Evidence* of the Standing Committee on Transport and Communications at page 29:9, where the hon. member for Vegreville (Mr. Mazankowski) referred to a consulting firm and said:

> This particular consulting firm is doing a tremendous amount of work out of the country. Surely, Mr. Chairman, if the operations of the CN hotel chain are less than profitable, perhaps the committee should go on record as recommending that the hotel engage the services of CANAC to study the hotel operations with a view to upgrading them.

I thought this was an excellent idea. The hon. member went on to say:

> The MacDonald Hotel in Edmonton is situated in a prime location in a very active city. It only generated a profit of $15,000 in 1971, $30,000 in 1972, so there is something obviously wrong.

I might add that there is some $8.3 million invested in that hotel so obviously there is something wrong. The hon. member further said:

> We, as members, should certainly draw this to the attention of the CNR and to the public.

The hon. member for Crowfoot (Mr. Horner), the chairman of the committee, said:

> Mr. Mazankowski, you are an astute businessman and you know that in certain years, expenditures have to be made to renovate, to overhaul, and to modernize your business premises. I think that is what is happening to the MacDonald Hotel now. I know that the enlargement of the hotel will greatly enhance its profitability picture and I expect a better profit picture from the MacDonald Hotel next year.

The following is the point that was made to which I should particularly like to refer. The hon. member for Vegreville then said:

> Mr. Chairman, any good business will generate its own capital to renovate its premises.

● (2010)

The main concern of the CNR should be the improvement of rail transportation, not hotels and real estate. While such mundane considerations as rail safety and improved grain transportation do not equal the CNR tower in glamour and prestige, they are nevertheless of paramount importance.

This bill provides for CNR expenditures on rail property, branch lines, new equipment, etc. This brings me to the comments I wish to make regarding expenditures for 1972-73 and beyond 1974. If you will bear with me, Mr. Speaker, I would argue that we can use this money elsewhere. I suggest that we could use it for boxcars, hopper

cars, the upgrading of track and the other things which are necessary if we are to move goods across this country.

The president of the CNR tells us that the $31 million requested in the bill is for the purchase of equipment, cars and locomotives. The CNR ordered 3,400 cars in 1973 and received 3,000. None of these cars, by the admission of Messrs. MacMillan and Hunt, was suitable for transporting grain. In 1973 the railways also repaired 2,500 boxcars of which 1,500 were suitable for the transport of grain. I notice that the number of boxcars used for moving grain fell from 88,000 in 1963 to 42,000 in 1973. This dramatic decrease pushed the government into purchasing, in 1972, 2,000 additional hopper cars. The government wants to contract them out to the CPR and CNR in order to alleviate the problem and give the railways a few years of breathing space.

Recently, the minister responsible for the Canadian Wheat Board announced in Estevan that prairie farmers will get 4,000 more hopper cars to move their grain. These 4,000 hopper cars will cost between $100 million and $125 million. The minister also predicted that short-term measures to improve grain transportation will bring a speedy end to current snarls in the system. According to an article in the *Financial Times* of April 1, 1974—

> Officials in the federal transport department and the grains group under Otto Lang, minister responsible for the Canadian Wheat Board, are relying on the $6.8 million—

That figure, I think, ought to be $3.4 million.

> —government-railway program to repair 2,400 boxcars to pull them through this year's snarl, and also prop them up in the 1974-75 crop year.
>
> An aide to Mr. Lang emphasized: "It is his objective to have a system that will handle and transport one billion bushels a year. Then we can challenge the producers and marketers to meet this challenge."

I assume that the 4,000 additional boxcars will be useful in removing the grain. This will also be done at the taxpayers' expense. In addition, the Canada Grains Council recently said that between 200 and 300 motive power units are being maintained in western Canada and largely used in the distribution and collection of grain cars from branch lines. These diesels are light, low horsepower units, among the first generation units purchased by the railways. Many of them are approximately 20 years old and are rapidly becoming obsolete. Under present techniques for moving grain, an investment of over $50 million in the next eight to ten years will be required to replace these diesels.

In contrast, the new diesels being purchased are much heavier. This is creating a serious problem as the weight of the engines, combined with the weight of the newest hopper cars, which weight 263,000 pounds fully loaded, are straining to the limit many miles of track and roadbed which are incapable of sustaining such loads. I am told that a conservative estimate of the cost of upgrading such track is $100,000 per mile. The minister responsible for the Wheat Board has said that he will press the railways to upgrade more lines so that they can bear the weight of a 263,000-pound loaded hopper car.

According to a 1971 estimate, only 10,000 miles of present trackage in western Canada can support such a payload, and approximately another 11,000 miles cannot. If it were necessary to upgrade only half of those 11,000 miles, the cost of the improvement would be some $550 million. How far, then, would the $20 million-odd set aside for hotels and the CNR tower go toward the upgrading of this track? It would not go far, but at least if you applied such money to that purpose you would take a step in the right direction.

The CTC railway transport committee has pointed out that the number of derailments caused by track conditions on Canadian National and Canadian Pacific in 1972 is three times that of 1959 and nearly double that of 1969. Because of this continuing increase in derailments to date, it must be concluded that in the future the number of derailments caused by poor track conditions will continue to increase, as will the number of resulting injuries and deaths, unless immediate action is taken. The committee is concerned about roadbeds because of the continuous movement of heavy railway cars over track that is supposedly capable of supporting them. My point is that much of the 10,000 miles of track capable of handling these heavy cars needs rechecking. Perhaps we should apply new technology and upgrade some track. This, again, would add to the costs of the railways.

There also have been announcements regarding cost-revenue squeezes because of inflation, higher fuel and labour costs and increased costs of other equipment necessary in running a railroad. My point is that the costs in future of some subsidiary businesses may also rise and these businesses will compete for the money the railways need. I am referring to hotels, real estate and some of the other businesses in which the CNR and CPR are involved. Recently, at a symposium on Canada's non-renewable resources held in Toronto, F.S. Burbidge, president of Canadian Pacific, said:

> Where the railways are concerned there is no longer any substantial economic advantage to be gained by further increase in the length of unit trains, which operate today at gross weights of up to about 14,000 tons.

His revelation, that the full capacity of transcontinental trains may soon be reached, is most serious. In my address I have not even begun to total the required future expenditures of the rail transportation industry or even taken into consideration the possibility that railways may operate at their full capacity in the near future. I know that putting this right would add up to much more money than is provided in this bill, even if one were to average out the cost over eight or ten years.

I believe I know what the Minister of Transport (Mr. Marchand) meant when he told this House on March 11 that we do not have what we can call a real policy for the future. He said that if he stayed at his post, he would surely ask for the authority of the Prime Minister (Mr. Trudeau) in trying to elaborate this kind of policy so we would know where we were going.

The situation is desperate. We need a policy for the future, and we need it fast. Perhaps the transport committee can help the minister in his deliberations. The freeze on rail line abandonment comes off on January 1, 1975. That concerns western Canada and the minister ought to act in this regard.

After studying all the statistics, can one say that the railway companies have really done everything in their power to help transportation in Canada? Canadian rail-

ways are moving money into new rolling stock to meet record traffic demands. In the past year Canadian National Railways has been buying heavily and has placed orders totalling more than $225 million for freight cars and locomotives. CP rail says that since 1970 its orders for new rolling stock have exceeded $215 million, with $20 million on current order and orders for 1975 now totalling $14.3 million, with the probability of more to come. Why is it that every year we are falling behind? When we look at these orders we find that many are not for moving the produce of industries that are falling behind, such as the grain, vegetable and fresh fruit industries. A lot of the cars to be brought into service are to replace ones that have been taken out of service because they are getting old and are no longer functional.

● (2020)

It is a fact that in Canada we have more geographic barriers than any country. Because of this, Canadian producers depend on the railway system more than any other country to meet their transportation needs. Above all else, it is the duty of the government, notwithstanding the hotels, towers and affiliated industries, to ensure that a strong, dependable and prompt transportation system is developed in Canada. The minister says he does not have the power to do this. In a recent speech, the hon. member for Peace River (Mr. Baldwin) stated:

> —Jack Pickersgill . . . said the bill contained all the power and authority which the commission wanted . . .
>
> So if the Minister of Transport, who has the authority, wanted to exercise it, he could say to the Transportation Commission: "I want you to order the railway companies to provide the cars and facilities to carry the freight and to do so diligently and carefully". Having made that order, the commission could include in the order a provision that if they do not do what is ordered a penalty will be imposed.

Although this bill has come forward in the name of the Minister of Finance, surely the Minister of Transport can say to the railways, "provide the cars, or no money for hotels".

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome the opportunity to say a few words at the report stage of Bill C-5 which deals with financing Canadian National Railways, and some of the Conservative amendments attached thereto. When we talk about a national transportation policy it is very enlightening, although not unexpected, to hear the Minister of Transport (Mr. Marchand) finally admit that the transportation system as it applies to railways in this country is in a mess. He admitted that competition is not working between the railways and the profit motive is not working because it means phasing out the uneconomical but nonetheless essential lines. It also means that grain, the stable of the western Canadian economy, is not moving. The farmers run the risk of losing half a billion dollars a year. Lumber from the interior of British Columbia is not moving out of the province due to lack of boxcars and necessary transportation facilites.

We see this transportation mess fostered by succeeding Conservative and Liberal governments. We see the Conservative amendments to reduce some of the funding to CNR; they remind me of the Conservative way of giving a patient a band aid when major surgery is needed. It is time we looked at the whole operation of CNR, a supposedly public corporation, a supposedly nationalized corporation. It is time to really nationalize the CNR and its counterpart, the CPR. The Conservative amendments ignore the crux of the matter, that is, developing a viable transportation policy. If we are to have a transportation policy in this country which will promote regional development, equity among the regions and provide service for all Canadians, we must consider the basic way in which the system is run.

Transportation is essential and we must put service before profit. The freight rate structure, which is designed to maximize profits, has resulted not only in lack of service to very remote regions of Canada, which nonetheless need the railways, as well as poor service but it has fostered and perpetuated economic discriminations in various regions of this country. Our freight rate system perpetuates the strength of central Canada as the manufacturing concentration in Canada, to the detriment of developing secondary manufacturing in my area of the country, northern Ontario, as well as the maritimes and the west.

I do not need to go through all the examples. A few will serve to remind us of this discrimination. Because of our freight rate system, it is cheaper to ship steel from Ontario to Vancouver than from Ontario to Calgary. It is this kind of freight rate discrimination that westerners so often cite. In northern Ontario, it is cheaper to ship raw materials out of the north, thereby perpetuating the resource-oriented economy of the north and the lack of jobs compared to manufacturing. It is cheaper to ship iron ore out of the north than to ship manufactured goods. For example, it costs $8.60 a ton to ship iron ore pellets from Copper Cliff in northern Ontario to Pittsburgh in the United States. However, to ship fertilizer from Sudbury to Toronto costs $90.80 per ton. This is only one of many examples of the discrimination that is occurring. It costs a person in Sault Ste. Marie $15 to buy an identical food basket for which a consumer in Toronto would pay only $13. That is not only due to discrimination by the railways but by the trucking companies as well.

We have a so-called public corporation, Canadian National Railways, and a private corporation, Canadian Pacific Railway. Both are heavily subsidized by Canadian taxpayers and neither is fulfilling the objectives of a national transportation policy. Their service is poor and their freight rates are discriminatory. I had hoped the government and the official opposition would tackle that problem, but no: when we look at the amendments, we see it is not approached. This is fiddling with the essential problem. For example, Canadian National Railways, supposedly a publicly-owned corporation, is being run like a private corporation. The CN debt, amounting to about $811 million, is owed to private bondholders. This debt has been outstanding since the government took over the Canadian Northland Railway, the Grand Truck railroad and other uneconomic lines and formed them into the CNR.

● (2030)

The CNR showed an operating surplus in 1972 of $48 million. The company is able to make money but it has not declared an over-all profit since 1956. Why? Because the company pays off its private debts first. The $1 billion debt to the government and the Canadian taxpayers is not

being paid back in line with the corporate policy, the private interest policy of paying off bondholders first. On the other hand, the CN management quickly uses its debt as a convenient excuse for withholding raises from hard-working employees. We saw this last August during the railway strike. We in this party argued in favour of paying a decent wage to the employees, but I am sad to say that the Liberal and Conservative members forced those railroad workers back to work with an unjust wage settlement.

To whom are the company's debts being repaid? Who are the private bondholders the CNR has been paying off? This question has been put to the minister responsible and he in turn has directed it to the CNR. But the CNR refused to give members of this House a list of its private bondholders. However, there is sufficient evidence to point a finger at a few of the bondholders who are being paid off first. One of them is the Canadian Imperial Bank of Commerce. The predecessors of that bank, the Imperial Bank and the Canadian Bank of Commerce, were the largest shareholders in 1917 when the bankrupt Canadian Northland Railway was taken over by the CNR: and on today's CN board of directors we find directors from the Imperial Bank, the Royal Bank and Royal Trust. This is where the money is going—to the private bondholders. It is not being used to improve the rolling stock or to improve the service.

The amounts mentioned by the Conservatives, a couple of million dollars here and a couple of million there, are a drop in the bucket compared with the amount of debt being paid off to private bondholders. In the bill before us the government is asking parliament to grant $225,500,000 to CNR for new construction and rolling stock. At the same time, I find it ironical that $200 million of the company's bonds should be coming to maturity. Perhaps it is a coincidence, but I have the impression there is more to it than that. If the CNR were not obliged to pay off these private debts, it could be putting hundreds of millions of dollars into improving its service and lowering freight rates.

There is one solution to the perennial difficulties of the CNR, and that is to cancel its debts to private debtors. The private debtors have milked the Canadian public enough in the past. We have formed a railway system which has been uneconomic in the long run, yet they still expect to be paid off. It seems to me the solution is a truly nationalized CNR—to bring it under direct government control, although I do not know whether either the Liberals or the Conservatives would have the willpower to run such an organization in the best interests of Canadians. However, I do know that under a New Democratic government a truly national CNR and CPR would turn this country around in terms of service and would end freight rate discrimination.

As I see it, there is no need to play the games the Tory amendments invite us to play. We must introduce fundamental reforms, perform major surgery to make the CNR and the CPR a public utility run for the best interests of all Canadians and to end freight rate discrimination in northern Ontario, the west and the maritimes. That is the way in which to solve the problems of the railways in this country, and I urge hon. members to consider taking such a course.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I should like to add a few comments to those made by my hon. friends on the amendment to Bill C-5 in the name of the hon. member for Mississauga (Mr. Blenkarn) suggesting the deletion of items amounting to $5 million for hotels and $8 million for a communications tower.

If there is any organization which should be broken up and separated into individual units and be subject to close scrutiny, it is the CN. Why should the people of Canada subsidize communications networks, hotels and the various trucking operations of this company? In the past these operations have been carried out by private enterprise. The people of this nation are being virtually blackmailed by the CN. The CN announces a freight rate increase; one of the provinces objects, so the government intervenes and gives the company a subsidy in consideration for not raising the rate. Then the railway turns around and buys another hotel or adds to one of the hotels it already owns.

The CN announces that it will discontinue passenger service somewhere. Objections are raised by the municipalities concerned. Again the government intervenes and pays a subsidy. Then the CNR builds a telecommunications tower. It threatens to abandon certain railway lines. Again, objections are raised and further subsidies result. Meanwhile, the lines are lying idle and rusted; weeds are growing over the tracks. Certainly, money is not being spent on the maintenance of the rail lines; it is being diverted to other projects, to buy hotel businesses or to build up telecommunications and other interests.

Very often the CN encounters labour difficulties. The company takes a hard position, knowing that if it plays out its hand the government will step in, force a settlement and come up with a subsidy to bail it out. We know the CN cannot move wheat from western Canada in sufficient quantities to meet the needs of our customers. The necessary cars are lacking. After a lot of fanfare, the government buys hopper cars so that the grain can be moved. Two years later the company says it cannot afford to maintain them. So the government kicks in $250 million to maintain the hopper cars. And on it goes. Somewhere along the line it will be necessary to call a halt to this process. There is hardly a municipality in this country with level-crossings in or near a built-up area that has not been brushed off many times by the CNR if they decide to raise the issue of level-crossing problems, stop lights or interconnecting switches. We go on year after year being blackmailed in this way.

● (2040)

How much untold frustration did the rapeseed mess cause western Canada and Canada as a whole? Only after a confrontation with the western premiers did the CNR move to rectify the situation. Only after the Prime Minister (Mr. Trudeau) and the Minister of Transport (Mr. Marchand) promised that this matter would be straightened out was something done. But what did it cost the people of Canada before this matter was rectified? Surely the Minister of Transport was only joking when he suggested that the CPR should be nationalized. As one of my

colleagues said a moment ago, we should nationalize the CPR and sell the CNR because, after all, the CPR does make a profit.

We cannot be expected to stand by and watch the CPR become amalgamated with the CNR and then end up in the same mess as the CNR is in today. All the while we see the CNR going deeper and deeper into communications, hotels and other businesses subsidized by the government and the taxpayer. We have no way of knowing, for instance, whether the money they get by way of subsidy for rail line abandonment is actually used for that program.

On the evening of March 17, a CNR train that is made up in Toronto and which travels daily to Oakville, Dundas, Brantford, London and Windsor passed through Dundas 2½ hours late. About 40 people were waiting to board the train at Dundas. The conductor called for the passengers to go to a car beyond the platform, and a little step was put down to assist them to get into the car. When they got aboard the rail car, the passengers found they were in an unheated railway baggage car. Thinking they would be moved into the passenger section, the passengers waited; the train began to move and the conductor told them to sit on the floor. This is in a central part of Ontario, Mr. Speaker. Just imagine people being asked to sit on the floor of an unheated baggage car. The train arrived at Brantford some time later, when some of the passengers were transferred to a coach. The balance rode in the baggage car to London.

We have before this House a bill to grant the CNR $13.5 million for hotels, communications, and so forth; yet they ask passengers to sit in an unheated baggage car while they transport them a distance of 70 or 80 miles. That sort of thing makes you wonder, Mr. Speaker. One of my constituents wrote to me about this and I wrote to the CTC and asked for an investigation. I also asked the president of the CNR to investigate the matter. I have written to the Minister of Transport and asked him to lend the weight of his office to my request.

If the CNR would come before parliament and say, "We are going to electrify a portion of the railway tracks over a period of years and improve interurban transportation systems," we would welcome this. Instead, they come forth and want more money for hotels and communications. If they would come before this House with a plan to eliminate level-crossings, I am sure we would give them our blessing and a good deal of the money required. If they would say, "We have a plan to move western grain to markets in a cheaper and faster way by using new technology and new methods of handling grain", and if they would say, "We will integrate our existing system with provincial and private transportation systems", then I think we would applaud them and assist them in any way we could.

If they would say, "We are going to straighten out some of the curves in the track and improve the mechanical ability of our trains so that we can utilize the unitized train concept to the best advantage", then we would give them a good hearing and our total support. If they were to take any other approach than the one they use, the approach of blackmail or of trading off one segment of their employees against another and then asking the House to rescue them from their dilemma, then I think we would have a different attitude toward them. If they would come before us with a development plan that would be to the benefit of Canada, then I believe we could support them wholeheartedly.

However, I feel I must support the amendment moved by my colleague from Mississauga so we can try to have some measure of control over the CNR through deleting $13.5 million of the amount provided by this bill. The Minister of Transport has said he has no power over the CNR, and if he has no power then what power has the House? What else can we do, Mr. Speaker, but to take this course of action and try to reduce part of their financing in order to bring them to task?

I think a good example of the lack of power that the minister has over the railways was given in my own riding when I approached the Canadian Transport Commission shortly after coming to parliament about a stop light and interconnecting switch in the town where I live. The town officials had written to the CTC and some nine months had elapsed without their receiving acknowledgement of their letter. I contacted CTC officials and was told, "Well, we haven't had an opportunity to review that file".

I reviewed the file in about 15 minutes and told one of the officials that we wanted this interconnecting switch put on the track so that the lights would turn red when the train was approaching and all the traffic would stop. But this did not seem to interest him. The fact that we had had a couple of fatalities at this crossing and that literally hundreds of thousands of dollars worth of property damage had been caused did not seem to influence his thinking one way or the other. The result was that we had some pretty bitter words. He told me it would take 18 months to comply, and when I applied some leverage by telling him I would go to see the Minister of Transport, he replied, "That won't do you any good; he has no authority, he has no power, over this situation". So I found out where the minister stands with the Canadian Transport Commission. However, by using some additional leverage we managed to get the switch installed within a short period of time.

These are matters that concern me. I know of municipalities who have had trouble with level-crossings. If the CNR were coming forth with a program costing $25 million to $30 million to eliminate some level-crossings, then I do not think any member of the House would deny them that money. But this is not the case. What we have is the CNR coming forth asking for more money for hotels and communications towers. I assume that they are trying to build up a complex that will in fact absorb some of the CNR's continuing debt.

The Minister of Transport has said that he has no control over the CNR—or over his department, I gather, is what he is really getting at. I know we have had numerous royal commissions over the years investigating the CNR. I suppose if one stacked all the royal commissions, hearings and studies end on end, they would fill quite a bit of filing-cabinet space. So far as I am aware—I have heard nothing to this effect in the House—no studies have been going on in the CNR with a view to changing or improving its situation other than becoming involved in hotels and expanding its communications system across this country.

● (2050)

I have spoken to people engaged in the railway business. I have spoken to people involved in the laying of track. I have been told about the continuous weld and about the problems we have with unitized trains as well as the large curves. I am told that if we straightened out the track between Montreal and Halifax we would save something like 100 miles in trackage. In addition, it is said that the tracks are not parallel. This is one of the problems. When the trains go around these curves, the cars actually bind to the tracks and three, four or five power units are required in the front to pull them around the curves.

There is a good deal of study and engineering work which could be done to sort out these problems. However, instead of this we see large amounts of money being asked for in this bill to further the hotel business, I suppose also the tourist business, and the communications business of the CNR. I think somewhere along the line we must in this parliament have some control over the CNR. If the minister has no control over it, then somewhere along the line this House must have some control over it.

One hon. member, I believe it was the hon. member for Regina-Lake Centre (Mr. Benjamin), asked what the point is in all this business about the communications tower, since the damn thing is already built. In other words, the CNR just goes ahead and does things on its own without being questioned and without being responsible to anyone but itself. A colleague to the far left here is saying that we should nationalize the CNR. Of course, that is where the difficulty is now. It is nationalized and they know that when they get into trouble all they have to do is create a crisis within the country and we will bail them out by giving them more money or another subsidy.

This is why I say somewhere along the line the rules must be changed or modified so that this House in fact will have some control over the spending and planning of the CNR. If we do not do that, then the CNR in fact is not accountable to this House and the people of Canada and I cannot see how the situation could be improved. It would become worse, the railway would become further in debt and we would have a continuous problem year after year.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I appreciate the opportunity to add a few comments to this debate, particularly since I have recently been involved in many discussions regarding railways. As you know, Mr. Speaker, in my constituency there are large and small industries which are closing their operations. There are massive lay-offs because of lack of service by the national railways.

I also appreciate this opportunity because recently the Minister of Transport (Mr. Marchand) both in the House of Commons and outside made various interesting statements. He compared the Canadian National Railways with the Canadian Pacific Railway. He said the Canadian National is one of the finest railways in the world. In fact, he said it is the finest railway system in the world. What a statement to make. I wonder what the minister compared it with when he made that statement. Perhaps he looked at the towers and hotels we intend to build. Surely we have the finest hotels in the world. The minister probably wants to compete with the large institutions which build these fine hotels. Perhaps that is the yardstick the minister used. I should like to use other yardsticks to determine what our railways are doing in terms of moving people and goods, getting products to market and maintaining a position for our industries in the markets of the world.

There could not possibly be any industrialized country in the world that does worse than Canada. We make deals all over the world. One year we have a large quantity of products such as wheat in our bins and we go out and sell it at fire-sale prices, only to find out that our railways cannot get it to the market. The next year we do not have anything to sell and, as a consequence, when we do have something to sell again the buyers do not trust Canadian industry. One year we cannot grow it and the next year we cannot ship it.

I should like to compare the Canadian railway system with systems in other countries. We have special problems in Canada because of our great distances and the elements. While I would agree that we cannot build an electric train system throughout Canada, it should also be acknowledged that we cannot compare our railways with those of Germany, England and France which do have electric trains which run in every direction each 15 or 20 minutes. They calculate times by seconds rather than by days and hours as we do in Canada. So what was the minister talking about? He also talks about nationalizing the CPR. I found a paper on my desk, I did not bring it in myself, which reads as follows:

> Government takeover of Canadian Pacific Railway is a possibility, transport minister Jean Marchand said in the Commons March 21 . . .
>
> He spoke after NDP leader David Lewis urged nationalization of the "entire shebang" of the CPR.
>
> Mr. Marchand said:
>
> "I do not say no immediately.
>
> "I just say that the first thing we have to elaborate is a new (transportation) policy, a corrected or improved policy, to determine national objectives, and after that see by what weapons we can really attain those objectives."
>
> Then he added:
>
> "Whatever some people may think I have no vested interest anywhere."

I do have a vested interest in this shebang. I do pay taxes and worry about the $20 million or $25 million we spend to build towers and hotels. I worry about the $25 million in subsidies we pay to run trains from one loan to the next. I worry about the $140 million we spend to subsidize the railways. Since we do not have a transportation policy in this country, it would almost seem that the time has come to work out a policy, not a policy that would compare with anything they run in Germany between Munich and Nuremberg but a policy that would run trains from Winnipeg to Vancouver with some grain, or from Prince George to Vancouver with some lumber, to load on a ship. That kind of policy would have to challenge the imagination of engineers and people who create industries which compete on world markets.

● (2100)

There was such a brainwave at the western resource conference where transportation was one of the main topics. A very imaginative proposal was outlined at that conference by the province of Alberta. There were people there who have vision and who can see the challenges of

the twentieth century before us. When looking at all these statistics and the price tags that we have put on subsidies, on the towers and the hotels, I wonder if we could not find enough resources and funds to put to work some imaginative scheme such as the ones outlined at that conference.

Let me go into this matter a little bit. It was proposed that the federal government buy all the railbeds that exist in Canada, whether they belong to the CNR, the CPR, the BCR or the Northern Alberta Railway. We would relieve the railways of the burden of the maintenance and operation of the railbeds, take these over and operate them in the same way that we operate the airways. Where we have air traffic controllers and air terminals, we would have rail traffic controllers and rail terminals. But we would leave the operation of the railways to those people who can do it best, that is, those people who have goods to ship; in other words, private enterprise, people who know how to do something well and make money out of it.

Some hon. Members: Oh, oh!

Mr. Oberle: My friends to the left of course would not agree with me. They do not know what private enterprise is all about. They think it is some big deal in which you take part down here because you do not have the guts to do anything by yourself.

The scheme to which I was referring would be a challenge to the imagination. I can see companies losing $15 million in three months because they cannot ship their lumber to the BC coast. They could buy a locomotive with a number of cars and apply to the railway traffic controller or the department that would set up the rail traffic and say, "We are shipping 250 cars a month. We would like to buy a locomotive. Can you allocate us some time on a particular railway to ship our lumber to a particular destination?" To me, that would challenge the imagination of people who realize that we are heading for disaster in Canada.

I imagine that farmers' unions might wish to establish their own co-operatives, buy their own locomotives or trains, new, imaginative carriage facilities, elevators, and so on, to transport grain. In my view, such a scheme would make sense in Canada where our distances are not 75, 100 or 250 miles but 3,000 miles to be covered by trains shipping goods to the market. The minister should really think in terms of whether Canada should not invent its own transportation system which would be responsive to the needs of the country which has very special problems in view of its large distances and climatic conditions.

I should also like to relate some of the minister's statements to some of the things that have happened and some of the things to which we are aspiring in British Columbia. British Columbia is the province on the other side of the mountains. I say that because it is often confused with the rest of western Canada. Although British Columbia is in western Canada, our problems are somewhat different. I wonder who will live in those towers and hotels and who will patronize the cocktail lounges down below. Ever since I have been travelling every week throughout the land—and I consider myself something of an executive and subsidize my own travels—when I go to these places and look around I do not see the man on the street in there. The people I see there mostly are executives or salesmen heading for sales meetings.

I do not see there people who have a hard time supplying their families with everyday necessities. The man who patronizes these places does not really have a need for any of these facilities, because there are many of them everywhere and they are built by people who make a lot of money out of them because they know how to run them and what services to supply. I really do not think that the Canadian people have any business building any more of these hotels or towers.

Now I should like to speak about British Columbia—a wonderful place. We have some very special problems there. One of them is that we are competing with the coast port, that is, Vancouver. As a result, the rest of the province is totally neglected. For instance, we might buy some steel in Hamilton, Ontario, that goes to the west coast and when it gets to Prince George, which is a city 600 miles of rail travel away from Vancouver, even though it travels by direct route to Prince George it costs 60 cents a hundred pounds more than it would if you shipped it to Vancouver, 600 miles farther. Sometimes such things are hard to understand. That was the kind of message we hoped the minister would get from the western opportunities conference, and these were the kind of stories we were telling him.

One would think that in a province the central city of which has more than 100,000 people living in its immediate area, one would establish first of all an industrial park with rail lines. The industrial park that exists in Prince George is right in the middle of the city, of the whole shebang, as the minister and as the leader of the NDP said. The city council said to the railway people, "We would like you to move the rail lines out 15 or 20 miles and establish an industrial park from which you could branch out to tap the resources of the vast hinterland reaching out 800 miles to the Yukon border. You could tie it to the Yukon and bring down the resources from there that at present are being shipped down the American coast and brought back up by some weird design". The railways do not have the money to do any such thing.

In Prince George we would like to see a main line terminus established. It would branch out to the great city of Prince Rupert and from there to Vancouver. We would like to see the city established as a terminal from which the freight rates would be polarized, such as in Edmonton or Calgary: these cities are central and it makes sense to distribute goods from there, but it does not make sense to use one terminal for the whole of British Columbia. It does not make sense to have the only terminal in Vancouver and to establish all freight rates from there even though goods have to travel 600 miles farther than if they are dispatched from Prince George.

There are some of the questions that people in my constituency ask. We see ourselves subsidizing hotels and a big tower in Toronto. People in Prince George or Fort Nelson are not likely to visit that tower in Toronto. How in the heck would they ever get there? They can hardly make it to Fort St. John, 300 miles away, because CP Air charges almost double the fare charged for the same distance between Toronto and Montreal. These people have serious problems and are asking: Why can we not build a

rail system through which we can get our products to the market, if we can build hotels and towers in Toronto?

● (2110)

I am looking at the great subsidies that the railways are getting for running their trains. One subsidy totals $25 million for a train running across the continent. It does not go to central or to northern British Columbia; it goes to Vancouver. It runs along the American border. I am also looking at the subsidies paid on trains running between Toronto and Montreal. Compare that with the maintenance of the branch lines that the railways wish to abandon. Maybe the latter expenditure is big when compared with the commuter trains, but surely in the built-up areas we could model ourselves on the European transportation systems. Maybe we could build an electric train to run between Toronto and Montreal, with a stop at Ottawa. We should concentrate on a new, imaginative system that would carry passengers in all weather conditions without great delays.

These are the kinds of things we should be thinking about, not towers reaching into the sky and things that are out of reach of the ordinary citizen. We should be concentrating on transportation in light of the fact that we are paying $150 million a year to subsidize the railways. This totals about half the unemployment insurance subsidies that we are paying. If we could put the railways on a paying basis, we could invite twice the number of people to be unemployed in Canada. That should appeal to hon. members across the floor. We could invite another 50,000 people to go on unemployment insurance.

If our railways were placed on a paying basis, we could pay our senior citizens almost $250 a month. In light of all this, I wonder what people think who are watching the proceedings here when we are asked to support the railways' expenditures on all kinds of things. Do these people really credit us with much sanity? We must reconsider this kind of skullduggery. We have armed the minister with enough power to be able to tell the railways that we are concerned and to tell them what we, the people who have to use the railways, think of this whole deal. The railways must spend this money on things different from those in their present plans.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, the hon. member for Mississauga (Mr. Blenkarn) is attempting to make a significant point in his two motions, namely, that railroads have slowly but surely tended to move away from their basic principle which, ever since early times in this Canada of ours, has been the movement of goods from east to west or west to east, west to our export markets or east to our export markets. The hon. member seeks to reduce expenditures available to the CNR on projects which are far removed from this basic concept. This intent is well worth noting, because we have a Minister of Transport (Mr. Marchand) who after being in charge of that department for two years has thrown up his hands and said we have no transportation policy. That was an amazing statement for him to make publicly. The minister went to great lengths to blame this on the 1967 National Transportation Act. It suggested that competition should be the guiding factor for transportation within Canada, meaning for the movement of goods between the various parts of Canada and to our export markets.

In 1967 I said that competition would not play a major policing role with respect to our railroads. I said in 1967 that the act was wrong. I found it amazing that the Liberal government of that day pushed the act forward as strongly as it could. In fact, at the beginning of the debate on transportation in 1967, many Conservatives also thought that competition would solve our transportation problems. The competition theory arose out of the Royal Commission on Transportation headed by a westerner by the name of MacPherson. Everybody thought that if a westerner accepted the philosophy that transportation could be policed by competition, surely this would solve all the problems. But, Mr. Speaker, it has not been the solution, because really there has been no competition on the prairies between the various modes of transport during the last five years or, for that matter, during the last 55 years.

In the 1967 debate I likened the railway system to a public utility that must be policed and controlled to some extent by government. I well remember insisting on adding the word "adequate" to section 23 of the act. As originally introduced, it called for a sufficient transportation system. I insisted on adding the word "adequate" because to a prairie farmer that has great scope; it means the adequate movement of his produce to export markets. We did not see that adequate movement this past year, and last year was purely an example of years gone by and of years to come.

There must be a public authority to ensure that railroads perform the service for which they were established. In 1967 I argued at length that the "captive shipper" provision would never be used because it would be very difficult to prove a case. I also remember arguing that the public interest provision would only be utilized if provincial governments co-operated. In recent times we had the rapeseed case in which provincial governments banded together, in conjunction with the grain pools, and won their case before the transportation commission. It was a tremendous breakthrough.

Perhaps the act of 1967 was 20 years ahead of its time. I was amazed that initially it was not dealt with more in the House. It was dealt with at length in committee. It was debated all through the month of December. Prominent Conservatives in my party told me it was a good bill, that it was the best we could expect to get. I told them I did not think so and that they would see me here, eating my Christmas dinner in the House of Commons, because I would not let the bill pass before Christmas.

We adjourned on December 23, returned on January 9, and debated the bill every day from January 9 until January 30, or January 31, when it was finally passed but with several amendments suggested by myself and others. Now the Liberal Party say they have changed. They have changed because their front benches have changed. Surely there should have been some kind of guiding principle that they must have believed in at that time and still believe in today, or is it all just political expediency? Can they just go to the public and apologize for these mistakes, saying they are sorry they made the mistakes and asking for forgiveness? That is not good enough for me. They had all the experts over there and they should have had the

foresight to understand the Canadian situation. They formed the government and they had the most members in this House. They should have understood the Canadian situation. They should have been in the position to suggest that competition would not work on the prairies and in the maritimes, but would only work within the province of Ontario where there already exists competition between various modes of transportation.

● (2120)

I think it is appropriate to comment on the Crowsnest pass rates established in the 1967 act. A most amazing thing happened about which the fourth estate did not even comment. In spite of that, it was still a most amazing thing. I remember making a speech at that time and referring to members of the fourth estate as a bunch of vultures who waited on high until they saw someone in trouble before swooping down and feasting upon the bones. In any event, the Crowsnest pass rates were debated at length at that time. We had a standing vote in this House and the government was defeated by a vote of 58 to 57. It was a free vote, and in a sense it was such a free vote that the then hon. member for Medicine Hat, Mr. Olson, who later joined the NDP—

An hon. Member: The Liberals.

Mr. Horner (Crowfoot): Yes, he was a Social Crediter then. That was a slip of the tongue. He was right-wing Social Crediter then. He was so mixed up he just sat in his seat and did not vote. He was on the verge of joining the Liberal Party and did not want to vote against western Canada, so he sat in his seat. He could have made that one of the rare occasions when this House of Commons had a tied voted. Had he voted, it would have been 58 to 58; but he was nervous and just sat in his seat. The issue was the Crownsnest pass rates at that time. I said this was wrong, just as transportation competition was wrong. I suggested that the Crowsnest pass rates represented the Magna Carta of western Canada and should be maintained. I still say that today.

The minister in charge of the Wheat Board is engaged in a very successful campaign with the railroads in travelling across this country and spreading doubt, in the eyes of the farmers, in respect of the Crowsnest pass rates. There is no doubt about that. He is carrying out a very successful endeavour. But let him go out and issue as a political judgment that the Crowsnest pass rates have to be done away with, and his head will be on the line and the guillotine will not fall at the next election. I predict that will happen if he is brave enough to put that suggestion publicly before the voters of western Canada.

I was elected chairman of the Standing Committee on Transport and Communications, although that is not a job I particularly favour. Members wanted me to accept the job. I hope I can lend some clarity in the development of new policy. I believe it is my duty to assist members and this country in developing such new policy. Members of the committee on transportation requested its chairman to write to the Minister of Transport and the government House leader suggesting that the committee be given permission to travel in order to study these problems in the general movement of goods.

[Mr. Horner (Crowfoot).]

We have an excellent port facility at Thunder Bay, but we have only one line on which to move boxcars into the port. We have a conglomeration of lines around the harbour which should be straightened out. There should be easier movement of grain into that port. I think the committee should look into this problem and the inherent difficulties with one line for unloading cars. Farmers suspect that huge costs are paid in demurrage charges. We have never been able to uncover how much. The Wheat Board works for the farmers, but it has never disclosed that cost.

Anyone interested in the operations of the railroads on the prairies knows that there is a question ahead in respect of rail line abandonment that will have to be solved by January 1, 1975. It will have to be decided whether the applications for abandonment should be set over for another year. Some people, particularly in the Manitoba government, advocate that point of view. I really do not agree with them. I have a rail line close to my home that moved 132 cars a week last year and received $132,000 in subsidies. That's pretty good—$1,000 per car. I think I could even move that much with my broken down, old Ford truck. Certainly the question of rail line abandonment will have to be looked into. Is the obvious course to put off rail line abandonment? I suggest that in my area the $132,000 would be better given to the municipality so that it could build a road over which the farmers could haul their grain perhaps to a more central delivery point. In any event, this is a question that should be looked at in order that the transport committee could clarify the situation.

Let me refer to the question of grain movement through the mountains. The tracks were laid in the early 1900s. The Crowsnest pass rates were developed following the laying of the track to what used to be called the old Kootenay Valley line.

Mr. Turner (Ottawa-Carleton): The Kettle Valley line.

Mr. Horner (Crowfoot): I thank the Minister of Finance (Mr. Turner) for lending us that bit of wisdom. He has been here nearly as long as I have. That line used to be called the Kettle Valley line which was spoken about so often in this House by a former member from the area. This track was laid 50 or 60 years ago. Surely with the advances we have seen in technology, which have allowed us to move mountains, rock and dirt, we should be able to make some improvements. I suggested in this House a year and a half or two years ago that a line should be built across from Kamloops to the British Columbia railroad at Clinton. I am pleased to learn that some surveys are being carried out in the area.

An hon. Member: That's an example of motherhood.

Mr. Horner (Crowfoot): Someone suggests that is an example of motherhood. But it was not the case two years ago. This should have been done ten years ago. There should have been an avenue for the movement of grain through the mountains other than by way of the Fraser canyon.

I have noted that the government intends to buy another 4,000 hopper cars. I suppose the Liberal Party can use this fact as propaganda. I wonder if hon. members

know what the CTC has to say about hopper cars? It has been suggested that they are too heavy to travel on most of the track. It has been suggested by the CTC that the load should be reduced from 80 tons to 70 tons, considering the track in Canada. The real problem lies with the trackage in Canada because it will not stand the load; and the greater the load, the slower the speed. I learned this some time ago from my cousin who is an engineer and moves these cars through the mountains. He told me that whether the hopper cars are filled with wheat or potash, they cannot be moved at faster than 18 miles and hour because on the slightest curve the track will buckle and the cars will tip over into the Fraser canyon. He says he moves them at about 17 miles an hour because he does not want to go into the Fraser canyon with these hopper cars, and I don't blame him.

The minister in charge of the Canadian Wheat Board may hold out as propaganda during the next election campaign, the fact that the government has bought 2,000 more hopper cars and intends to buy 4,000 more in order to speed up grain movement. If we have to move half as fast as we did before, I wonder how much more grain we are going to be able to carry. I never was very good at math, but I could always hold my own with the average.

Let us consider the Vancouver harbour. The most interesting feature of that facility is that there have been no major changes for years, although we did witness the Roberts Bank development. The Roberts Bank facility, built on 50 acres of land out on a peninsula, is tremendously important for the movement of coal. When asked to build another 50-acre facility like Roberts Bank for the movement of grain, a product more important to the overall economy than coal, the authorities said no. Consequently we move that grain through the congested port of Vancouver.

● (2130)

To be successful, a port must meet two conditions. It must be accessible from the ocean and it must be accessible from land. How does Vancouver stack up? I have put on record figures pertaining to the period between 1967 and 1972. In 1967 this government spent about $8 million on developing Vancouver; in 1972 the expenditure went down to about $2 million. Vancouver handles about 27 per cent of the total tonnage going in and out of this country, but fails to compete with Seattle in the handling of containers and the movement of grain. Why? Because there is a congested track situation on the island side of the port of Vancouver.

What can be done? Additional railway trackage should be built over Indian Arm Inlet on the north shore and over Burrard Inlet. That would facilitate the movement of grain into the Neptune terminals and the Saskatchewan pool elevator terminals. At present it is so difficult to unload unit trains that it is necessary to split them. With additional track they could be handled at the Neptune terminals. Even the Saskatchewan wheat pool has difficulty unloading such trains. They must be broken up into three or four sections before being processed through the wheat pool elevators. This should be looked at. If the government wants to establish a transportation policy, it should tackle such matters as well as looking at the Crowsnest pass rates.

Any talk of Crowsnest pass rates invariably brings up discussion of agreed charges.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I must inform him that his allotted time has expired. He may continue with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it agreed that the hon. member may continue.

Some hon. Members: Agreed.

Mr. Horner (Crowfoot): Thank you, Mr. Speaker, and members of the House. I will clarify my point about agreed charges. Agreed charges are much more onerous, under any system of cost analysis, than the Crowsnest pass rates. The Crowsnest pass rates account for about 11 per cent of railroad revenue. Away back in 1954 agreed charges accounted for about 3.5 per cent of total railway revenues. Although I do not have the precise figures, for which I apologize to the House, I suggest that today such charges make up about 30 per cent of railroad revenues. These charges are detrimental to shippers who want to move 100 per cent of their products by rail to any given destination.

A couple of years ago I listened to the secretary of the MacPherson royal commission on transport speaking at a seminar at York University, Toronto. He is far more knowledgeable than I am on this subject. He said that agreed charges are a bigger curse to the railroads and the shipping industry than the Crowsnest pass rates. Agreed charges are outlawed in the European Common Market. They are not allowed in the United States. Yet we allow railroads in this country to offer a shipper a contract for shipping his products by railroad. If a smaller producer comes along and asks for the same rate, he is refused the rate and charged three times what it costs the big shipper to move his goods.

The National Transportation Act suggested that the answer would be found through competition, yet that act did not come to grips with the problem. Agreed charges have been permitted. They have tended to destroy competition. The sections of the act to do with trucking have not yet been proclaimed; consequently, trucks do not provide competition for the railroads. On the prairies, trucks could be the only mode of competition, there being no waterways. So there is much to be done with regard to bringing in a new transportation policy.

I hope that this whole question can be considered during the present session. I certainly hope that the transport committee can assist in helping the government to develop for Canadians a new transportation policy.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, when one talks about the problems in transportation one is really talking of the nuts and bolts of what put this country together, what is helping to keep it together and to keep the economy ticking. It was tragic indeed to hear the Minister of Transport (Mr. Marchand) say that this government has no transportation policy. That was tragic indeed for producers and manufacturers from one side of

the country to the other who are compelled by the existing service to agree with the minister. That is the situation in which Canada finds itself.

Perhaps the hon. member for Crowfoot (Mr. Horner) will not object if I say that in many instances the trucking industry is not competitive. The transportation industry should meet Canada's needs. That being so, if the industry is to meet the needs of those who want to move goods across this country, there is a field for trucks and a field for the railroads. Only too rarely are these two modes of transport truly competitive, to the advantage of producers, consumers and manufacturers. Each mode is governed by its own laws. It is tragic indeed to find that the transportation system across Canada has deteriorated to the point at which manufacturers must go into the transportation business, to the point at which they themselves can move according to schedule products which they have produced and, on the return trip, bring back on schedule raw materials they require. At one time the railways performed this service ably. That was the service which helped us to build and develop this country.

If perhaps I repeat some things which were said earlier today, I say them because I think they bear repeating. At one time it was possible in my area to call Montreal at five o'clock in the afternoon Atlantic standard time and obtain supplies or parts for repairs by express, which arrived by noon the next day. This took about 18 hours. Today, I very much doubt if you can get something loaded onto a car in 18 hours, let alone have it transported to a destination 450 miles away. Yet for year after year we have poured hundreds of millions of dollars into our transportation system which abuses this country with the poor service it gives.

There is much talk about building new railway cars. You could build a line of new cars stretching from Vancouver to Sydney, and if you cannot move them on schedule, if you cannot provide service to an industry which needs service, you have wasted your money. I wonder, as the hon. member for Crowfoot wondered, are we not wasting our money by providing cars for the railway system without first imposing on that system an onus for service? They are operating without any regulations, demands or guarantees to provide better service. Our transportation policy is merely a token to the grain producers of this country which in the long range may or may not do them some good. The apple industry in Nova Scotia is forced to buy containers to ship their product with the help of the government of Nova Scotia, yet we hear the Minister of Transport say we have no transportation policy. Every member of this House must say "aye, aye" to that because it is a fact.

● (2140)

We see processors of various goods and services buying their own trucks, delivering their own wares and finding return loads for those trucks in an area in which the rail service has failed utterly to deliver on schedule. Yet we have a bill before us asking to build towers and hotels and buy stock in a railroad—go the full gamut. However, we are not saying to the railroads or the transportation system of Canada, "It is high time you began to deliver." I do not buy the idea that the government does not have any authority over the railroads. One must be compelled to think that when the government has no authority, it does not want any authority and that it would not know how to handle the problem if it had. Otherwise it would have the authority. It took no time at all to impose an export tax on oil, a commodity over which it was presumed we had no control. It took no time to make a decision there would be no refineries built on the east coast of Canada, even though that was within provincial rights. They had authority to do that. I submit the government has the authority but does not know how to use it.

[Mr. McCain.]

It was rather interesting to listen to the report of the chairman of the Canadian Transport Commission before the transport committee. One began to wonder whether he should be in the "Ice Capades" or the Winnipeg Ballet. Verbally he has the alacrity to perform in either. Physically he might lack some of the attributes he would require. No answers were forthcoming except that there was no authority, no regulation and the CTC is in fact a completely sterile organization without authority, and Canada suffers along as best it can without control over the transportation system.

We talk about competitive rates. Let us look at some of the rates that exist. Let us look at a product which is moved from Ontario to Quebec, a distance of over 500 miles, for 27 cents per hundredweight. The same product is moved within the province of Nova Scotia, a distance of 210 miles, for 47 cents per hundredweight. We talk about competitive rates. We talk about equality of opportunity in Canada. We talk about equality of opportunity in transportation. It is time we stopped talking and started doing something about this. I can cite another product on which the rates are the same. It involves a haul of something over 750 miles versus a haul of 425 miles. The rates are within one cent per hundredweight. We have no control over or competition in transportation.

I know I am repeating myself, but I wish there were some action. We look at the anomalous situation in which it is cheaper to transport some raw materials in the province of Ontario to the southwest corner of New Brunswick than to transfer them across New Brunswick to the southwest corner. I agree with the minister wholeheartedly that we have no transportation policy. I object to the members of this House being asked to vote money to continue a situation such as this. I have taken up this particular rate in New Brunswick. I get no answers and no satisfaction. There is no reason why it should be cheaper to bring it from Ontario by rail than to haul it across New Brunswick by rail, approximately half the distance.

Let us take a look at the export structure. Until approximately ten years ago it was the policy of the government to encourage trade with other countries and make us more competitive in world markets. However, since the present transportation act came into being, and since competition and supposed profitability of operation on every mile of track came into effect, we are out of competition with the United States on some items which the Atlantic area wishes to export. We are out of competition to the point of something like 25 cents per hundred in farm products. This often means the difference between profit and loss. Why don't we have a policy? Again I repeat myself, but this is a matter which was laid before the House early in the last session.

It is time that, along with the hundreds of millions of dollars we vote year after year for the transportation system of Canada, we said to the railways, "Learn to serve." We should tell that system of computers, modern engines and modern cars, "Move this product on schedule for the service of Canadian citizens." Instead, this product is forced to the roads. The highways are cluttered with trucks which seem to be making money while we subsidize the rail system of this country.

It is a strange thing, but under the act all rates for the rails of Canada must be compensatory. Under certain circumstances, the government of Canada has chosen to pay a subsidy here and there. We have spent money from coast to coast in Canada on subsidies to support the rail structure of this country. I do not particularly quarrel with that, but while the Minister of Transport has no transportation policy CNR runs up one deficit after another. Under the act, every rate in Canada must be compensatory. How can this happen? It is illegal. It cannot happen. Therefore, Mr. Speaker, we do not have competition. We are not obeying the law which says rates must be compensatory. We are no longer encouraging our exporters. We are no longer capable of hauling processed products by rail. To a large extent, the rails have yielded this traffic to the highways.

We are no longer able to move apples from the Okanagan Valley eastward or southward. They have to be put on trucks and then on cars on the American railroad line to be moved. Tens of thousands of dollars were spent in each of the last three years because our system cannot get them to the border to put them on the existing United States market. The potato industry in Canada is hamstrung by rates, some of which are anomalous, some of which are non-competitive and some of which are exorbitant. We see an act ignored by the government.

We are asked to vote hundreds of millions of dollars to keep a nationally-owned railroad on the rails at the expense of the people, when that railroad does not observe the law of the land because the government does not have a transportation policy. It is a tragic day when this House, by the very nature of the bill before us, is compelled to pass that bill because the service to Canadian citizens would suffer so badly if it did not. It is high time that the transportation policy of Canada was formed. It should include the ports, airways, railways and roads of Canada. It must be made to serve this country in an economic and competitive way so that service will be the by-word of the transportation industry, not just a slang word which is talked about when they are trying to sell and forgotten about when they have sold.

● (2150)

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in discussing CN financing it seeems to me we should take account of policy enunciated by the Minister of Transport (Mr. Marchand) and by the minister responsible for the administration of the Canadian Wheat Board. I do not know what the minister responsible for the Wheat Board had to do with the abandonment of a hotel in Saskatoon. Incidentally, he shares with me the responsibility of being a member for that city. I do not know how much responsibility the minister responsible for the Canadian Wheat Board, who represents half the city of Saskatoon, has for the sale by the CN for a valuable property there at much less than its assessed value.

An hon. Member: He was consulted.

Mr. Gleave: At the same time, the same minister makes commitments on behalf of the government and says what the CN or the railroads shall or shall not do for the movement of grain in Saskatchewan. So he hies himself down to the city of Estevan in southern Saskatchewan and says prairie farmers will get 4,000 more hopper cars to move grain, but they will temporarily lose the use of 1,000 grain elevators.

So apparently there is a kind of trade-off. But the joker in the pack is that the minister who is responsible for the Canadian Wheat Board had nothing to say whatsoever about how many grain elevators there are to be in western Canada or the province of Saskatchewan. I don't know if the Board of Grain Commissioners has anything to say about how many grain elevators we are to have in the province of Saskatchewan or western Canada. They appeared before the Standing Committee on Agriculture the other day. They were not even responsible for the bonding or for seeing that the farmers were paid in full for the grain they had delivered, at least in the province of Alberta.

I have real doubt whether either the Minister of Justice (Mr. Lang) or the Minister of Agriculture (Mr. Whelan) to whom the Board of Grain Commissioners is responsible know very much about what is happening in the grain business. The minister says the 4,000 cars are worth between $100 million and $125 million. I am quoting from a statement reported to have been made by him. He said the government was prepared to put out the money forthwith, but whether any part of that money would be repaid by the railways was not to be decided until a new grain transportation policy had been worked out.

In other words, he is going to shovel out the dough, but he has received no commitment from the railways as to how they will use these 4,000 new cars or how they are going to pay for them, or how much. Then he went on to say he would predict that short-term measures to improve grain transport would bring a speedy end to current snarls in the system. That is an excellent objective. He went on to talk about some of the lines that are blocked with snow and over which no trains are moving at the moment. He said the lines taken out of service would be mainly those obstructed by snow or wet conditions, but lines would not necessarily be brought back into service as soon as the snow or the water disappeared. What in the world is this man talking about?

Does the Minister of Transport know what he is talking about? Does the CTC know what he is talking about? Has he any commitment, anyway, to a thorough going, serviceable transportation system? Does he know? Does anybody know? The report goes on the say:

Mr. Lang emphasized that closures do not constitute a first step toward any permanent abandonment program. On the contrary, the minister said he would press the railways to ensure they upgrade more lines to bear the 63,00 pounds of a loaded hopper car.

Well, at least the minister responsible for the Wheat Board has recognized that half the trackage in western Canada will not carry hopper cars. One of the first areas of

business is to upgrade the railroad system and the roadbed in western Canada so that grain can effectively be moved. Mr. Speaker, the policy and the service of the railroad leaves something to be desired. I am not referring only to the movement of grain. You pick up the phone in Saskatoon when you want to send a telegram, and do you know, Mr. Speaker, that in a city with a population of 160,000 the guy or the girl who answers will say, "If it is a case of emergency, phone Winnipeg to send the telegram." That is the kind of service we are getting in the city of Saskatoon in the province of Saskatchewan.

Mr. Deputy Speaker: Order, please.

Some hon. Members: Ten o'clock.

Mr. Gleave: I will tell you the rest of the story tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SPORTS—ESTABLISHMENT OF CAMPS TO TRAIN ATHLETES FOR OLYMPICS—SUGGESTED USE OF ABANDONED CANADIAN FORCES BASE AT CLINTON, ONTARIO

Mr. R. E. McKinley (Huron): Mr. Speaker, I rise to speak further to the question directed to the acting minister of national health and welfare on March 21 as reported in *Hansard* at page 731. I should like to bring it to the attention of the ministry that when consideration was being given to the closure of Canadian forces bases in 1969, the Prime Minister (Mr. Trudeau) said at that time that it was conceivable that in some areas closure would not have the significant consequences about which the hon. member for Malpeque (Mr. MacLean), I believe it was, was concerned. He went on:

● (2200)

But in cases where there would be significant hardship, as the hon. member says, I can give an undertaking that the government would not proceed with the closure without having considered alternative ways of alleviating that hardship.

It was also suggested by the hon. member for Malpeque that what he had in mind was such areas. In another answer the Prime Minister said:

If that is the case, we would give the type of consideration which the hon. member is suggesting before making any announcement of such closures. We do realize that some bases are not economic units and if any such bases were closed in less developed parts of Canada we hope that they would be linked to some other action by the government to ensure that growth centres spring up in the areas where closure is contemplated.

The area I am speaking about tonight is just such a slow-growth area which was greatly affected by the closure of the Canadian force base at Clinton. I should also like to bring to the attention of the minister some of the facilities that are located at that base. There is accommodation that would practically meet the required needs for living quarters. There are at least 500 rooms available for living accommodation. There are two up to date mess halls at least 200 can be fed at one sitting in each.

There is a tremendous gymnasium of some 20,000 square feet, a swimming pool with adequate changing rooms, and an artificial ice arena available on the same location with year-round ice facilities. There is a wonderful curling rink with all facilities, an indoor and an outdoor 25-yard rifle range, an eight-lane bowling alley and a reasonable amount of housing in the area for families. The base is also within ten miles of excellent sailing facilities on Lake Huron, the cleanest of the Great Lakes. There are also seven golf courses within a 20-mile radius and excellent cross-country skiing facilities in the area. Besides this there are seven or eight other arenas within a 20-mile radius and a 50-acre development area for track and field facilities in the same area as the accommodation. It seems to me that too often there is a tendency to have facilities such as for Olympic athletic training in larger centres rather than smaller centres where more emphasis might be placed on the task at hand.

The present proprietors of this base, the present owners are prepared to finance any necessary changes to suit what is needed for Olympic training provided an adequate contract arrangement is set up. The Ontario Development Corporation has provided the only assistance to date in an endeavour to establish some businesses operating there at the present time. The proprietors have, since purchasing the base, been very active in pursuing uses for the facilities to benefit the surrounding area and also Canada as a whole. In this regard they have been very responsible. I also have a book that outlines all the facilities at the base and I should be glad to pass it on to the minister.

I also recognize that when the minister said on March 17, I believe it was, that Canadian athletes training for the 1976 Montreal Olympics may have use of a national multisport training camp before year's end, he also said that the training camp idea is being given serious consideration by the co-ordinating committee of Game Plan '76. I trust that the minister's representative here this evening will not hide behind this fact. He also said that this was a committee made up of delegates from Sport Canada, the Canada Olympic Association, the Canadian Trust and the provinces.

I wish to advise the ministry that I will have letters going forward to these people tomorrow, and I hope I will get the backing of the Department of National Health and Welfare for what I am asking at this time. Also, many members received a letter from the president and commissioner-general of the Montreal Olympic Games dated December 18, 1972, expressing best wishes and asking for co-operation of all members and leaders in the Canadian community. I replied thanking him for his wishes and asking for his co-operation. I assured him of my co-operation. I mentioned the facilities at the former Canadian forces base at Clinton and asked for his co-operation in recommending to the federal government that it give an undertaking, in respect of providing facilities, to look at this space and in recommendations to the government that

it give some thought to using it for training purposes. I did not receive a reply to my letter.

I simply say that in my opinion co-operation in this country is a two-way street and I trust the minister will have a satisfactory answer.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, when this question was raised originally by the hon. member on March 21, I responded indicating that I would bring the question to the attention of the minister. In the passage of time this question has been discussed. I would like to point out that the feasibility of permanent sites for the moment is unlikely because of the difficulty of assembling athletes in any one site for any length of time, and the adaptability of such sites to facilitate the conditions for an Olympic program of some 20 sports.

Up until now our program has used the hosting of multiple sports events such as the PanAmerican Games and the Canada Games to develop facilities of international standards to be used afterwards for training purposes. I should like to point out to the hon. member who suggests Clinton, Ontario, be the site that this is a rather involved question. The decision is not to be taken by the Minister of National Health and Welfare (Mr. Lalonde), but rather by officials of Game Plan '76.

On February 22, 1973, the Minister of National Health and Welfare agreed to the establishment of the co-ordinating committee of Game Plan '76. This committee consists of the Canadian Olympic Association, the Olympic Trust, Sport Canada and some of the provinces and represents the financing agencies concerned with the development of sport and the co-ordination of 1976 Olympic plans. The whole purpose of Game Plan is to give specific thrust to the technical development of sport such as training camps, additional competitive experience, talent identification programs, coaches' training opportunities, sponsorship of national youth teams, sponsoring technical coaches and technical co-ordinators, eventually sport research and two other projects of vital importance.

Game Plan '76 will be seriously exploring for the two winters preceding the Olympics the development of a national multisport training camp. The camp would have access to Olympic class facilities giving our coaches, athletes, sport-medicine and other support people ideal opportunities for working together toward their goal. The decision of Game Plan '76 will be difficult and must take into consideration many things such as the facilities required and climate, to name only two.

PENITENTIARIES—GOVERNMENT ACTION TO ALLEVIATE SHORTAGE OF PSYCHIATRISTS

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise this evening to speak briefly on a topic, one might say a critical issue, which concerns not only me but most Canadians. I am referring to the very serious lack of psychiatric treatment available to inmates of federal penitentiaries.

● (2210)

In reply to a question by me to the Solicitor General (Mr. Allmand) on March 21 and again on March 29, the minister admitted that the penitentiary service was not able to attract qualified psychiatrists. I find this to be a deplorable state of affairs in this enlightened age in which we are supposed to be living when one considers three basic points: one, that most inmates suffer from some kind of mental or emotional stress; two, that our federal prisons are the most dehumanizing institutions in the country; and three, that most inmates must some day be released into society without proper treatment and rehabilitation.

No wonder society is outraged when convicted criminals are paroled or released at termination of sentence and commit other heinous crimes such as rape, child molesting or vicious assault, all of which are triggered by deep-rooted personality and psychological defects. What good is it to release these persons if they have not been properly treated while incarcerated? Or, one may also ask, what rehabilitative purpose is served on society's behalf to lock up these convicts if they cannot receive proper medical treatment and their term in prison only serves to make them worse?

It is no excuse for the Solicitor General to simply admit, and I quote him from *Hansard* of March 29, 1974, at page 986, that—

> It is difficult to attract psychiatrists away from very large, lucrative practices in the private sector.

Surely he and his officials can come up with a better answer than that. Perhaps they should concern themselves with the reasons it is difficult to attract these highly skilled practitioners from the private sector. I consider the answer which the Solicitor General gave to me in the House as a non-answer.

It is true that some inmates are so seriously ill mentally that they should never be released into society. It is also true that psychiatry in the field of criminal psychopathology is sadly lacking in effective treatment due mainly to the reluctance of governments to spend adequate funds for research, and the reluctance of psychiatrists to practice medicine in such gloomy, anti-professional and dehumanizing environments as prisons. This latter reluctance is understandable; the former is inexcusable.

We have only 14 full-time psychiatrists in our federal penitentiary service, and about 45 psychologists, to serve the mental and emotional needs of over 9,000 inmates. This is an utter disgrace. If a son or daughter of a rich father needs psychiatric help, they usually get that help in what the minister terms "the private sector" because money buys that help. The taxpayers of Canada, most of whom are not rich and cannot afford psychiatric help for their own children, pay over $10,000 a year per inmate in taxes to keep our inmates behind bars, only to see them released before they are mentally or emotionally stable enough to be released. This situation is deplorable and society is more than justified in demanding both protection and reform.

I do not accept the faint, half-hearted excuses of the Solicitor General when he says he cannot attract adequate numbers of psychiatrists and psychologists to cope with the problem of proper medical treatment of inmates which has been almost totally neglected for far too long. At the same time, I pay tribute to the few physicians who have the dedication to work under such difficult and demanding circumstances caused by the penitentiary services. It

is indeed a sad commentary on our penal system today that hardened criminals with serious mental disorders which have gone untreated are flung back into society before they are mentally fit for society. It is also an inexcusably dangerous practice that threatens the security and safety of our law-abiding citizens.

Those inmates who can respond to psychiatric treatment should be removed from our prisons which only make them worse. They should be kept under close supervision in special psychiatric clinics or hospitals where psychiatrists and psychologists can treat them in a professionally medical atmosphere. These hospitals should be close to university hospitals where specialists and visiting professors can also assist those psychiatrists in the service. In this way the psychiatrist can work in an urban, not remote location close to his peers and in touch with the latest therapeutic techniques and methods. You just cannot attract psychiatrists to work behind prison walls.

Second, I recommend that the entire medical branch of the federal penitentiary service be removed from the authority of the commissioner and his directives and be set up as a separate unit under the supervision of regional medical superintendents with their own budgets. Doctors resent taking orders from non-medical personnel however competent they may be in administering a penitentiary.

Third, I recommend that the Solicitor General, instead of making lame excuses about salaries, raise the incomes of psychiatrists and psychologists in the federal penitentiary service so that competent personnel will be attracted to the service. If only these three recommendations were carried out we would before long notice a very real difference in the way in which those inmates in need of psychiatric treatment respond to rehabilitation. It is time the Solicitor General brought the penal system in Canada out of the dark ages.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, for many years there has been a critical shortage of psychiatrists in the Canadian Penitentiary Service. This was one of the several reasons which prompted the formation of the Advisory Board of Psychiatric Consultants whose final report "The General Program for the Development of Psychiatric Services in Federal Correctional Services in Canada" has now been widely distributed. As indicated in that report, a major part of the problem was the siting of many of our institutions in areas remote from large urban or university centres. It is our intention in the department to try to avoid this situation in the future, and this is indicated by the recent agreement with the University of Saskatchewan whereby the penitentiary service will construct a regional medical centre actually on the campus of that university.

It is relevant to note that the regional medical centre in B.C. has a complement of five full-time psychiatrists including the medical director, and that the only vacant position is that of clinical director. In fact applications have been received from additional psychiatrists to work at the centre, but we have been unable to accept these as they were not compatible with the position of clinical director, and other positions were fully staffed. A good relationship exists between this centre and the University of British Columbia. The head of the department of psychiatry and the head of the department of psychology act as consultant psychiatrist and consultant psychologist respectively to that centre.

In the Ontario region two vacant positions exist in the regional medical centre, namely, those of clinical director and staff psychiatrist. An applicant for the latter position is being interviewed this week. In the Quebec region we have presently three full-time psychiatrists and it is not intended to make further appointments until the decision with regard to the extended use of the Philippe Pinel Institute is made. A further proposal from the University of Sherbrooke to provide services to Cowansville institution is under study.

Serious difficulty is experienced in obtaining psychiatrists for an institution such as the Saskatchewan penitentiary for the reasons which I have previously mentioned, namely, its remoteness from large urban or university centres. However, I am pleased to say that a psychiatrist has expressed interest in this position and will be interviewed in the very near future.

The formation of the Advisory Board of Psychiatric Consultants has helped greatly to decrease the image of professional isolation which psychiatrists previously held with regard to the Canadian Penitentiary Service. It is obvious from the patterns established in B.C. and Ontario that the formation of regional medical centres is and will be of further assistance in decreasing this sense of professional isolation and attracting an increasing number of adequately qualified psychiatrists. Continuing efforts have been made by the Public Service Commission to attract applications for these positions and in February of last year the director of medical services and a public Service Commission representative visited the United Kingdom, following advertisements in appropriate journals, to screen applications from interested psychiatrists. While only two of the applicants eventually came to Canada, these were individuals of high professional calibre who are making a good contribution to our efforts to provide psychiatric treatment in the Canadian Penitentiary Service. We are currently in the process of negotiating affiliation agreements with the University of British Columbia, the University of Saskatchewan and Queen's University and the success of these agreements will obviously further assist us in recruiting psychiatrists of good professional standing.

While the situation is still subject to further improvement, I think we have come a long way with the establishment of regional medical centres in Quebec, British Columbia and Ontario and our future plans for the prairie and maritime regions should further help us to ensure that psychiatric services of high quality are available to inmates of the Canadian Penitentiary Service. Needless to say, the problem of recruiting psychiatrists is not unique to the Canadian Penitentiary service but is experienced also by the provincial mental hospitals in many provinces.

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Tuesday, April 2, 1974

The House met at 2 p.m.

[*Translation*]

HOUSE OF COMMONS

TABLING OF EXTRACT FROM MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY CONCERNING EMPLOYEES' SALARIES

Mr. Speaker: Order. I have the honour to lay upon the table an extract from the minutes of a meeting of the Commissioners of Internal Economy concerning revisions of the salaries of employees of the House of Commons.

ROUTINE PROCEEDINGS

[*English*]

BROADCASTING

REFERENCE OF CANADIAN RADIO-TELEVISION COMMISSION REPORT TO COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-R. Roy (Timmins): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek unanimous consent to present a motion on a matter of urgent and pressing necessity. Because of the grave and extensive consequences and implications that the CRTC report entitled "Radio Frequencies Are Public Property" will have on the Canadian Broadcasting Corporation and broadcasting in Canada in general I move, seconded by the hon. member for Labelle (Mr. Dupras):

That the House should refer the report in question to the Committee on Broadcasting, Films and Assistance to the Arts for its full study and recommendations, and that the CBC and CRTC should abstain from implementing the recommendations and decisions contained in the report before the committee completes its study and reports to the House of Commons.

Mr. Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

GRAIN

MARKETING OF FEED GRAINS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek unanimous consent for a motion which I consider to be urgent and pressing. In view of the opposition of thousands of prairie farmers to the proposed removal of feed grains from the jurisdiction of the Canadian Wheat Board, as well as the concern of their organizations such as the wheat pools and the National Farmers Union, I move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That this House support the principle of orderly marketing and instruct the government to maintain the Canadian Wheat Board as the sole marketing agency for feed grains.

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

THE MINISTRY

ALLEGED COALITION GOVERNMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask consent of the House to propose a motion under Standing Order 43. I ask leave to move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That in the interests of the Canadian people being fully informed at all times and in order that historians may accurately record present-day events for the benefit of future generations, this House requests the Prime Minister to make a detailed statement of all arrangements or agreements that may exist between his government and the New Democratic Party which have assisted in creating the present form of coalition government in Canada.

Some hon. Members: Oh, oh!

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity; therefore the motion cannot be put.

* * *

[*English*]

SHIPPING

LEGISLATION ON COASTING TRADE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the significant loss of employment to Canadian seamen due to the delay in implementation of a Canadian coasting trade, outlined in the government's statement of policy on September 24, 1973, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House direct the Minister of Transport to introduce forthwith the Coasting Trade Act which received cabinet approval on March 14, 1974.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

PETROLEUM ADMINISTRATION ACT

PROVISION OF EXPORT CHARGE, COMPENSATION FOR OIL IMPORT COSTS, AND REGULATION OF PRICE OF CANADIAN CRUDE IN INTERPROVINCIAL AND EXPORT TRADE

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-18, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain oil import costs and to regulate the price of Canadian crude oil in interprovincial and export trade.

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

● (1410)

ORAL QUESTION PERIOD

[*English*]

ENERGY

SOURCE OF INFORMATION THAT CANADIAN FUEL MARKETERS LIMITED HAD OPTIONS TO PURCHASE HEATING OIL—INDEPENDENT CHECKS BEFORE PURCHASE BY GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the statement made by the Minister of Supply and Services indicating that in the course of meetings of the technical advisory committee that was established to advise the minister and the department about the supply of oil it became known to the Department of Energy, Mines and Resources that Canadian Fuel Marketers Limited had options to purchase a certain amount of heating fuel on the world market, would the minister tell the House very briefly how this became known and could he table what documentation exists in this matter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it was through participation of the CFM representatives on the technical advisory committee.

Mr. Stanfield: Since this company, Canadian Fuel Marketers Limited, and its parent, Shell Canada Limited, were both represented on the technical advisory committee, can the minister tell the House what independent checks were made of world markets, what independent checks were undertaken before the Department of Supply and Services was requested to purchase these supplies reported as being available?

Mr. Macdonald (Rosedale): Mr. Speaker, just to correct the Leader of the Opposition, it is my understanding that CFM is a subsidiary of Shell International rather than Shell Canada. My officials made their own check of the international market, the Rotterdam and New York prices which, of course, are publicly posted prices.

PRICE PAID BY GOVERNMENT FOR HEATING OIL PURCHASED FROM ROUMANIA

Hon. Robert L. Stanfield (Leader of the Opposition): Since part of the arrangement with Canadian Fuel Marketers Limited evidently involved picking up an existing contract of that company for five million gallons of oil from Roumania, would the minister tell the House what price the government paid for that oil, specifically the Roumanian oil covered by that arrangement for five million gallons?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not have that figure with me. My recollection is that the Minister of Supply and Services indicated that he would be making public details of the individual options once they were exercised.

Mr. Stanfield: Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Can the minister tell the House specifically what price the government paid or is due to pay for that oil covered by a contract for five million gallons to be purchased from Roumania?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we paid for Roumanian oil 99½ cents per gallon.

Some hon. Members: Oh, oh!

Mr. Goyer: For Caribbean oil we paid from 60 cents to 86 cents, for an average of 79 cents altogether. I have to

explain that if we paid such a high price for the Roumanian oil it was because it was part of the agreement with his company that we could not have any Caribbean oil if we were not ready to pay this price for five million gallons of Roumanian oil.

BROKERAGE FEES PAID TO CANADIAN FUEL MARKETERS ON OIL PURCHASED BY GOVERNMENT

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Can the minister indicate what brokerage fees were paid to Canadian Fuel Marketers as brokers in this particular transaction?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, actually we did not pay any fees to this company for the Caribbean oil. We paid 1½ per cent for the Roumanian oil. The average fee in the trade is 2 per cent, so this was a very good agreement under the then prevailing circumstances.

GASOLINE AND HOME HEATING OIL—INTENTION OF COMPANIES TO RAISE PRICE FOR REASONS OTHER THAN INCREASE IN CRUDE PRICE—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources arising out of the fact that some oil companies have announced that they intend to raise the price of gasoline and home heating fuel by two cents a gallon for reasons other than the increase in the price of crude. What companies have informed the minister of their intention in this regard, what amount of increase do they intend to impose on the consuming public, and has the minister concurred in these decisions?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have not concurred in any decision with regard to any price increase because of other costs. Perhaps I could give the hon. gentleman the details in committee this afternoon. I do not have them with me.

Mr. Douglas: Mr. Speaker, in view of the fact the minister said last Friday, as recorded on page 980 of *Hansard*, that it was estimated that any such increase for reasons other than the increase in the price of crude oil ought to be in the neighbourhood of half a cent per gallon, and as the minister has said that the government does not intend to scrutinize these price increases prior to their being imposed, does this mean that the two cents per gallon increase will be permitted and that the government may look into this matter later and decide what action it will take, if any?

Mr. Macdonald (Rosedale): Mr. Speaker, we will expect to see the facts in this regard from the companies. Of course, if there is an increase beyond that justified by the facts, the companies, in turn, would lose this in the form of compensation for offshore payments.

Mr. Douglas: Mr. Speaker, I ask the minister frankly whether it is not apparent that, even though last Friday he assured the House that, despite statements by the oil companies that they were going to raise prices west of the Ottawa valley by 10 cents per gallon and east of the Ottawa valley by 5 cents a gallon, the increases would be only 8 cents and 3 cents, actually the increases will be 10 cents and 5 cents except that they are cutting off the dog's tail by inches rather than in one fell swoop?

Mr. Macdonald (Rosedale): Mr. Speaker, I indicated to the House what our estimate was. Of course, the companies will have to come forward and establish the facts on which they seek to increase prices.

Mr. Speaker: The Chair will recognize the hon. member for York-Simcoe and then the hon. member for Champlain.

Mr. Stevens: Mr. Speaker, my question is directed to the Minister of Supply and Services and is supplementary to my leader's question. Can the minister indicate—

Mr. Speaker: Order, please. I thought the hon. member wanted to ask a supplementary to the question asked by the hon. member for Nanaimo-Cowichan-The Islands. In fairness, I think the Chair should recognize first the hon. member for Champlain.

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[*Translation*]

BILINGUALISM

POSSIBILITY OF REVISION OF GOVERNMENT POLICY IN VIEW OF REPORT OF COMMISSIONER OF OFFICIAL LANGUAGES

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Prime Minister.

Since the results of the government linguistic policy are hardly satisfactory and since the findings of the annual report of the Commissioner of Official Languages are rather disappointing, is the Prime Minister considering a review of the government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in my opinion the first step would be to obtain the support of the Social Credit Party of Canada for that policy. The member is not very well placed to complain about the inefficiency of our measures, because he did not support them in due time.

Mr. Matte: Mr. Speaker, I would like to ask the Prime Minister, who seems to blame us for something, whether he is prepared to discuss our realistic proposals made in the House, but which were not carried out even if they were practical. Since the solutions suggested by the government seem inefficient, is he prepared to consider ours?

Oral Questions

[*English*]

ENERGY

TO-DAY'S PRICE FOR FUEL OIL PURCHASED BY GOVERNMENT—KNOWLEDGE OF REPRESENTATION OF CANADIAN FUEL MARKETERS ON TECHNICAL ADVISORY COMMITTEE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my supplementary question is for the Minister of Supply and Services. Can he indicate what would be today's price for the fuel oil he purchased at 99½ cents, and was he aware at the time of the purchase that Canadian Fuel Marketers were represented on the technical advisory committee?

● (1420)

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, to answer the hon. member's question completely, I have to state that by late November Rotterdam prices had reached 89 cents per imperial gallon. Today, Rotterdam prices are averaging 41 cents per imperial gallon. New York cargo buyers—this applies to Caribbean oil—were willing to pay 84 cents per imperial gallon in mid-December. Today, New York import prices are as low as 30 cents per imperial gallon.

Mr. Stevens: Did the Minister of Supply and Services or his department know that Canadian Fuel Marketers were in fact represented on the technical advisory committee which the Minister of Energy, Mines and Resources indicated were the first to notify that this Roumanian option was available?

Mr. Goyer: Mr. Speaker, I cannot answer this question because I do not know the answer.

INQUIRY AS TO NEGOTIATION OF GENERAL PIPELINE AGREEMENT WITH UNITED STATES—POSITION OF PROPOSED MACKENZIE VALLEY GAS PIPELINE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the government of Canada currently negotiating a general pipeline agreement with the United States government? If so, what are the general outlines and objectives of that particular agreement?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have had discussions with United States officials in this regard. At the moment one could not describe them as being so specific as negotiations. The Americans are currently considering their position.

Mr. Ritchie: Will approval for the Gas Arctic pipeline by the respective regulatory agencies of the two countries be contingent on the general pipeline agreement or will it stand by itself as a separate entity?

Mr. Macdonald (Rosedale): Mr. Speaker, I really cannot comment with regard to the federal power commission in the United States. With regard to the National Energy Board, as the hon. member knows that is covered by a statute which sets out the conditions.

[Mr. Matte.]

[*Translation*]

EXTERNAL AFFAIRS

REQUEST FOR INFORMATION ON TWO CANADIANS KIDNAPPED IN ETHIOPIA

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to put a question to the Secretary of State for External Affairs.

Could the minister give the House the latest news concerning the fate of two Canadians, Donald Werderfort, from Calgary, and Clifford James, from Walkerton, Ontario, who have been held since Tuesday in Ethiopia by members of the Erythrean Liberation Front?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, our embassy in Addis Ababa has been in touch with the company and, of course, with the families of these two Canadians. Our understanding is that negotiations for their release are proceeding. As far as we can learn, they are in good physical condition and we are hopeful they will be released.

* * *

THE CANADIAN ECONOMY

FORECASTS RESPECTING REAL GROWTH

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Finance. As today's issue of Statistics Canada advises that average weekly real earnings in Canada are decreasing at an annual rate greater than 7 per cent, will the minister outline what plans he has for reversing this very disturbing trend?

Mr. Speaker: Order, please. The hon. member is inviting the minister to make a statement which is very general in terms and normally should be made on motions. The hon. member might like to ask the question in more specific terms.

Mr. Hees: I will put it in an easier way for the minister to answer. As the organization with by far the best record of economic forecasting in Canada, the conference board, recently forecast a drop in real growth in Canada from 7.1 per cent last year to 4 per cent this year, will the minister advise the House what increase in real growth is predicted by himself and his department this year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I ought to remind the hon. member that, despite the high regard I have for the Institute of Qualitative Analysis of the University of Toronto, the only organization which was accurate as to the real growth of the country in 1973 was the federal Department of Finance with seven as against 7.1. As for future forecasts, that would be an appropriate subject for a budgetary speech.

Mr. Hees: Does the minister then admit that he and his department have no idea what the real growth in Canada is likely to be this year or will he make an attempt to advise the Canadian people—

Mr. Speaker: Order, please. I think the hon. member will agree that the question is argumentative.

* * *

ENERGY

SUGGESTED REVIEW OF DECISION TO BUILD OIL PIPELINE FROM SARNIA TO MONTREAL

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources concerning the proposed Sarnia-Montreal pipeline. Since the extension of the existing Sarnia-Toronto pipeline could meet the immediate needs of the Montreal market and since the first leg, from Sault Ste. Marie to Montreal, of the projected all-Canadian route could meet future requirements of the Montreal market, does the minister intend to review and reassess the government's decision to go ahead with the Sarnia-Montreal pipeline? If not, why not?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, to repeat to the hon. gentleman answers I have given him twice before, the Sarnia-Montreal extension will provide not only for part of the needs of the Montreal market in 1976 but will provide a strategic ability to expand the pipeline capacity in the event of an interruption in the future. Under those circumstances, the suggestion of the hon. member really advocates less strategic reserve for the immediate future and a delay of a prolonged nature.

Mr. Symes: Since it is estimated that the future Montreal market will involve a demand of some 500,000 barrels a day and since this is not expected to be met in the next two or three years, and since it could be met by an extension of the pipeline from Sault Ste. Marie, does the minister intend to review the whole project?

Mr. Macdonald (Rosedale): The hon. gentleman is suggesting we should build two pipelines where one would do, and that does not seem to make sense to me.

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THE CANADIAN ECONOMY

MEASURES TO DEAL WITH INFLATION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Noting that recent statistics suggest that the average weekly earnings of Canadians—the earnings of people who derive most of their income from salaries—are still rising at a substantially lower rate than the rate of increase in the consumer price index, may I ask the Minister of Finance, given the fact that we have not had a budget for 14 months and given the fact that we are not promised a budget very soon, whether he has any ideas or any proposals to present to parliament soon to deal with the underlying problems of inflation?

Hon. John N. Turner (Minister of Finance): The government has continually responded to the problems of inflation, specifically by increasing the supply of food, by increasing the capacity of the industrial sector of the country and by protecting those Canadians whose incomes are most vulnerable and who are least able to protect themselves. As to a budgetary response, that will be forthcoming when the budget is presented.

Mr. Gillies: Given the fact that the selective price control program the government is now bringing in, backed by massive subsidies, is not working, I am wondering whether any specific measures will be introduced before the budget is brought down to deal with the problem Canadians are facing in the short run. In the long run, obviously we can cope with it, but in the short run what is the government going to do about this problem which is so serious for so many Canadians at the present time?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if the rules allowed I could recite once again to the hon. member the series of specific measures already taken in terms of increasing disposable incomes, subsidies, reduction in personal taxes, reduction in commodity taxes and so on. But I know the rules will not allow me to expand on that aspect.

* * *

AGRICULTURE

DAIRYING—REQUEST FOR STATEMENT ON LONG-TERM POLICY

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I have a question for the Minister of Agriculture. In light of the many speeches and statements made by the Minister of Agriculture over the past few months dealing with a long-term dairy policy, an announcement of which was to be made by April 1, and because last Friday's statement by the minister with respect to long-term policy mentioned only a consultation process between the Canadian Dairy Council and producers, is the minister prepared to make a definitive policy statement about long-term policies for the dairy industry and, if so, when may we expect to hear such a statement?

● (1430)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is aware of the fact that we do believe in consultation, and I am sure he has read the Canadian Federation of Agriculture's brief asking for more consultation. We have a proposal to offer to these people who are concerned with the dairy industry in Canada and we are ready to proceed with it. We have directed the Canadian Dairy Commission to proceed in that fashion and we hope they will very shortly.

Mr. Jarvis: In light of the recommendations made by various agricultural groups for a five-year dairy policy, as long ago as 1970 by the federal task force and most lately by the Food Prices Review Board, for whom I know the minister has the greatest respect, is the minister's only response to these demands to authorize the CDC to consult with producers, or does the minister have parts of a long-term policy that he can reveal to us now?

Oral Questions

Mr. Whelan: Mr. Speaker, the Canadian Dairy Commission has instructions to proceed under certain guidelines in regard to developing a policy. I have said to the House that we are going to develop a policy not for five years but for as long as there is need for a dairy industry in Canada, and a day.

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[*Translation*]

ENERGY

GASOLINE AND FUEL OIL—IMPENDING PRICE INCREASES BY COMPANIES—CONSULTATION WITH MINISTER

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

Can he tell the House whether the big oil companies, and more specifically Texaco Canada Limited, were in touch with him as regards the coming increase in the price of gasoline and heating oil, which increase is due to take effect as early as this coming weekend?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am sorry but I did not hear all the hon. member's question; could he repeat it?

Mr. Boisvert: Mr. Speaker, could the minister tell the House whether the big oil companies, and more specifically Texaco Canada Limited, got in touch with him concerning the coming increase in the cost of gasoline and heating oil, which increase is due to take effect as early as this coming weekend?

Mr. Macdonald (Rosedale): Mr. Speaker, I must say that I had no personal contacts with those companies but the officials of my department have received communications from private companies. In this regard, as the hon. member will have noticed, a few statements were reported in the press to the effect that the companies will have to maintain prices until May 15.

With regard to Texaco in particular, I will have to study the situation with my officials after which I will be glad to report to the hon. member.

Mr. Boisvert: Could the minister say what measures he has in mind to make oil companies abide by the 30-to-45-day moratorium requested by the minister in his telegram to the companies?

Mr. Macdonald (Rosedale): Mr. Speaker, we shall take the same measures that we have been taking for the past seven months with the addition of a limitation of subsidy payments applicable in eastern Canada if oil companies do not abide by my request.

[Mr. Jarvis.]

INDUSTRY

OBSERVANCE BY UNITED AIRCRAFT OF AGREEMENT WITH GOVERNMENT RESPECTING SUBCONTRACTS

Mr. Jacques Olivier (Longueuil): I should like to put a question to the Minister of Industry, Trade and Commerce.

Can he confirm to the House whether the United Aircraft Company, whose 5,000 employees are now on strike, complies with the terms of contracts signed by the Department of Industry, Trade and Commerce and that company, so that subcontracts may not be given to foreign firms and that the work be done in Canada?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, to the best of my knowledge the company has discharged its obligations.

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ENVIRONMENTAL AFFAIRS

REPRESENTATIONS TO UNITED STATES ON PROGRESS IN IMPLEMENTING AGREEMENT TO CLEAN UP GREAT LAKES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs relating to the agreement signed by the United States and Canada some two years ago, hopefully to clean up the Great Lakes. Now that President Nixon has either impounded or vetoed the funds voted by Congress which would have been of some assistance in this regard, is the Secretary of State for External Affairs considering making representations to Dr. Kissinger or to the President in regard to reviewing the agreement which was signed and which seems to be frustrated at this time?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is our hope that there will shortly be a meeting to review progress under the Great Lakes agreement, at which time we will make our views known. If I meet Dr. Kissinger before that time, I will express the same views to him.

LAKE ONTARIO WATER LEVEL—SUGGESTIONS BY INTERNATIONAL JOINT COMMISSION RESPECTING CONTROL—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question for the Minister of the Environment. As I understand it, the International Joint Commission, after some 10 years of study and spending some $6 million, came up with two suggestions: one was modification of the locks at Sault Ste. Marie, and the other was a further study of the St. Lawrence River system and how Lake Ontario water levels could be better controlled without flooding Montreal.

Mr. Speaker: Would the hon. member ask his question. It would be helpful if questions, and also the replies thereto, were short, as I suggested the other day. I am sure the hon. member has now reached his question.

Mr. Alexander: Mr. Speaker, it is a very important question and I wanted to lay the proper groundwork. Would the minister advise the House whether these suggestions have been accepted by the Canadian government and, if not, why not?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, in response to the question directed to the Secretary of State for External Affairs, may I say that the International Joint Commission is meeting this week and reviewing progress in respect of cleaning up the Great Lakes. In reply to the second question about the control of water levels, this is under active review in my department and also in the relevant departments in the United States.

Mr. Alexander: Mr. Speaker, I have one last supplementary with respect to the answer to the last question. Can the minister give the House any indication when he will be able to advise the House that a conclusion has been reached in this regard?

Mr. Davis: Mr. Speaker, as soon as we receive a recommendation from the International Joint Commission in the latter respect.

* * *

[*Translation*]

EXTERNAL AFFAIRS

ENFORCEMENT OF AGREEMENT WITH UNITED STATES RESPECTING QUEBEC LUMBERMEN WORKING IN MAINE

Mr. John Harney (Scarborough West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

In view of the fact that more than 1,500 lumbermen of the southwestern region of the province of Quebec cross the boundary each year to work in the state of Maine, where they are often poorly accommodated and fed and have no health insurance nor workmen's compensation of any kind, can the minister assure the House that the letters of intent signed in 1942 and 1958 by Canada and the United States are still—

Mr. Speaker: Order, please. I invite the hon. member for Scarborough West as well as all other hon. members, as I have done a moment ago, to try to put their questions more succinctly. In my opinion, a question as long as this one normally calls for a long answer, and that would be an injustice towards other members who wish to ask questions.

Mr. Harney: I complete my question, Mr. Speaker.

Are these letters still in effect, and if so, what measures are taken to ensure their enforcement?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I shall have to ascertain whether these letters are still in effect and I will inform the hon. gentleman.

Oral Questions

PUBLIC BUILDINGS

EDMONTON—REASON FOR REPORTED PURCHASE BY GOVERNMENT OF HOLY REDEEMER COLLEGE

Mr. Dan Hollands (Pembina): Mr. Speaker, my question is for the Solicitor General. In view of the fact the government has reportedly purchased the Holy Redeemer College which lies on the southern outskirts of the city of Edmonton, would the minister tell the House what the government intends to do with this institution?

Mr. Speaker: I suggest to the hon. member that this question should be on the order paper or considered at the time of adjournment.

Mr. Hollands: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member for Pembina rises on a point of order.

Mr. Hollands: Mr. Speaker, my question is related to a matter of urgent necessity. The people in the area have written to me and to the minister's department. I sent the minister notice of the question this morning and I am sure he would want to answer it.

Mr. Speaker: I am sure the minister would not mind replying at the time of adjournment. This is a decision that the Chair makes. This is why the rules provide that if a question is urgent it can be considered in priority at the time of adjournment on the very same day.

* * *

NATIONAL DEFENCE

POSSIBILITY OF REDUCTION IN STRENGTH OF ARMED FORCES—PRESENT NUMBER

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of National Defence. Would the minister advise the House whether consideration has been given to lowering the troop strength ceiling of the Canadian forces to 79,000 and whether a decision has been taken? Can he also tell the House what the actual strength of the forces was during the past few weeks?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the present strength is over 81,000. No consideration is being given currently to going down to 79,000.

● (1440)

Mr. Lambert (Edmonton West): Would the minister advise whether there is applicable generally throughout the forces a six month's deferment of all requests for release by any or all ranks?

Mr. Richardson: No, Mr. Speaker, that is not general.

Oral Questions

MULTICULTURALISM

CONSIDERATION AND IMPLEMENTATION OF RECOMMENDATIONS IN FOURTH REPORT OF STANDING COMMITTEE ON BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the minister responsible for multiculturalism. Can he tell the House whether he has had an opportunity to study the fourth report of the Standing Committee on Broadcasting, Films and Assistance to the Arts which was tabled on January 7, 1974, and whether he has implemented or intends to implement any of the recommendations of that report?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, this matter is still under active consideration by the ministers involved.

STUDY OF APPROPRIATE FORMULA FOR THIRD LANGUAGE BROADCASTING ON CBC TELEVISION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question to the minister responsible for multiculturalism. Can the minister inform the House whether he intends to initiate a research study in conjunction with the CBC, the CRTC and his colleague, the Secretary of State, in order to determine an appropriate formula for third language broadcasting on CBC television? Has he taken any action whatsoever in this direction?

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, this matter is under active consideration.

* * *

CANADIAN BROADCASTING CORPORATION

PROPOSAL BY CANADIAN RADIO-TELEVISION COMMISSION THAT ADVERTISING BE PHASED OUT—POSITION OF GOVERNMENT ON FINANCIAL IMPLICATIONS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Secretary of State. Since the President of the Treasury Board stated yesterday, after the announcement by the president of the CRTC relating to the phasing-out of advertising on CBC radio and television, that the CBC did not have a high priority in anticipated government spending, what is the official government position in relation to the CRTC proposal?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I should first of all like to correct the interpretation the hon. member has put on the words of the President of the Treasury Board. What I think he said was that the CBC has neither the highest nor the lowest priority. I think that is probably a fair statement of the effect of what he said. I am still reading the CRTC report.

Mr. Grafftey: Did officials of the CRTC consult the government or officials of the CBC about the financial implications of the CRTC proposal prior to it being made public?

Mr. Faulkner: They did not consult me, Mr. Speaker.

[Mr. Richardson.]

GRAIN

TERMS OF AGREEMENT WITH RAILWAYS IF ADDITIONAL HOPPER CARS PURCHASED BY GOVERNMENT

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Wheat Board. In view of the recent statement on the weekend to the effect that the government intends to purchase an additional 4,000 grain hopper cars, will he advise whether these hopper cars will be covered by an agreement similar to the one the government now has with the CNR and CPR which in effect gives 2,000 hopper cars to the railways to use in return for keeping them in repair?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the existing agreement covers only 2,000 hopper cars, and a new agreement will be required for the next set of cars.

Mr. Neil (Moose Jaw): Would the minister then admit that the effect of the agreement is to give a subsidy to the railway companies of some $45 million?

Mr. Speaker: Order, please. Of course, that is argument and a question asked in those terms is not in order.

* * *

INDUSTRY

POSSIBLE TAKEOVER OF DE HAVILLAND AIRCRAFT COMPANY BY GOVERNMENT—ASSURANCE THAT STOL AIRCRAFT PARTS, INCLUDING ENGINE, WILL BE MANUFACTURED IN CANADA

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In light of the projected takeover of de Havilland Aircraft in Toronto by the department, for which an additional $28.8 million appears in the estimates for 1974-75, will he assure the House that adequate safeguards have been secured to ensure that the various component parts for the STOL aircraft will continue to be manufactured in Canada and, in particular, the PT-6 engine produced solely in Canada by United Aircraft at Longueuil, Quebec?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member is referring to the option the government has which must be exercised by the end of June of this year. It was taken at the time we entered into a major funding arrangement for the STOL aircraft. For the information of the hon. member and the House, no decision has been taken by the government on whether that option will be exercised.

REPORTED INTENTION OF UNITED AIRCRAFT TO MOVE OPERATIONS TO UNITED STATES—ACTION TO PREVENT LOSS OF JOBS

Mr. Paddy Neale (Vancouver East): Mr. Speaker, my supplementary is again directed to the Minister of Industry, Trade and Commerce. In light of recent reports in the Montreal *Gazette* that United Aircraft is threatening to move its operations to the United States, what action is the minister prepared to take to prevent the loss of jobs to Canadians by the contracting out of the manufacture of

various component parts of the engine by United Aircraft of Canada Limited to factories of the parent corporation in the United States?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been in consultation with the company. We are following the events of this regrettable strike very carefully and closely. I have no reason to suppose there is going to be any problem such as the hon. member has suggested.

* * *

NATIONAL DEFENCE

DOUBLING OF AIR FORCE RESERVES—REQUEST THAT EAST COAST SQUADRONS BE GIVEN SURVEILLANCE ROLE RESPECTING FISHERIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is supplementary to the question asked by the hon. member for Edmonton West of the Minister of National Defence. In view of the fact the minister indicated there would be a doubling of air force reserves, that they would be given more responsible tasks and that new squadrons would be formed, would he also indicate whether consideration is being given to assigning to them the role of surveillance of our fisheries on the east coast, specifically Newfoundland?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, it is correct that we are planning to double the strength of the air reserve and we will be creating new air reserve squadrons. The location of the new squadrons will depend to some extent on the availability of experienced ex-service and other personnel who can take part in the air reserve, but certainly there are personnel in that category on the east coast and we will give serious consideration to the establishment of a new squadron there.

* * *

ENERGY

PROPOSED TORONTO DISTRICT HEATING STUDY INVOLVING USE OF WASTE—REQUEST FOR FINANCIAL ASSISTANCE

Mr. Jim Fleming (York West): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the announcement yesterday by the mayor of the city of Toronto of a Toronto district heating study on the use of waste to produce energy, will the federal government give prompt consideration to financial aid to this extremely important project for our community?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my department has done an evaluation of the proposal. The initial response is positive and we will do a more fundamental one. I have indicated to my colleague, the Minister of State for Urban Affairs, that this would be a very good subject for one of the demonstration projects under his new allocation of $100 million.

ADMINISTRATION OF JUSTICE

INTRODUCTION OF LEGISLATION TO MAKE RE-ENTRY INTO CANADA BY DEPORTED PERSONS A CRIMINAL OFFENCE

Mr. Ian Arrol (York East): Mr. Speaker, my question is for the Minister of Justice. In view of the stated desire of the Minister of Manpower and Immigration to have steps taken to discourage criminal elements from other countries from carrying on their criminal activities in Canada, when is the minister planning to introduce legislation which will make it a criminal offence for persons who, once deported, re-enter Canada of their own volition?

Hon. Otto E. Lang (Minister of Justice): Very soon, Mr. Speaker.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR LIMITATION OF IMPORTS OF VEAL

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I direct my question to the Minister of Agriculture.

Answering a question asked by the hon. member for Prince Albert yesterday as to the amount of beef and veal imported in Canada, the Secretary of State said that we have imported one million pounds of veal a month between July and December 1973. Can the Minister of Agriculture say whether he will meet with his colleague, the Minister of Industry, Trade, and Commerce, with a view to reducing those importations which I term as dreadful in order to help Canadian meat producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have in front of me a whole book full of information on imports and exports of beef cattle which I can lend to the hon. member if he wants to read it. He will find that our imports and exports are not that much out of balance as some would like us to believe in comparison with some other years. Mr. Speaker—

Mr. Speaker: Order, please. I remind hon. members that we are running short of time. Perhaps the minister might be deemed to have answered the question.

DISCUSSIONS ON POSSIBLE FINANCIAL ASSISTANCE TO SHEEP RAISERS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is a supplementary to the Minister of Agriculture. Are he and his officials carrying on active discussions with the sheep farmers of Canada in an attempt to work out an agreement similar to that in respect of the cattle industry in order to assist them in the dire straits they are facing?

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would say that the sheep raisers association presented a brief several days ago or a couple of weeks ago asking us to participate in a program to try to encourage

greater sheep production in Canada. We are considering that brief and we will be in further consultation with them later.

IMPORTS OF BEEF INTO CANADA IN JANUARY, FEBRUARY AND MARCH, 1974

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the Minister of Agriculture says he has all kinds of statistics in front of him. This question was asked yesterday by me and answered by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce. It had to do with imports of beef into Canada since last July 1. I ask the Minister of Industry, Trade and Commerce whether this answer was true, that the department has no information on imports of beef for January, February and March of this year, or was it a cover-up?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I was not in the House when the hon. member asked that question.

Mr. Diefenbaker: That is a frivolous way of answering the question—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —or not answering. I am not to be brushed off with that kind of stuff.

Mr. Speaker: Order, please. We will attempt to settle this difficulty with supplementaries from the right hon. member, and questions from—

[*Translation*]

—the hon. member for Lotbinière, the hon. member for Richmond; afterwards I will call orders of the day. The hon. member for Prince Albert has the floor.

[*English*]

Mr. Diefenbaker: Mr. Speaker, surely the minister does not assert that his department is four months behind in statistics respecting imports of beef from the United States and other places. If he does, it is about time that he transferred some of these other officials from other departments in order to have a sufficient number of them to give information to the House. It is a cover-up.

[*Translation*]

Mr. Fortin: Mr. Speaker—

Mr. Speaker: I apologize to the hon. member for Lotbinière, but the hon. member for Northumberland-Durham rises on a point of order.

[*English*]

Mr. Lawrence: Mr. Speaker, my point of order is simply this. The Minister of Agriculture has offered to show this book of speech material which he has at hand to any member who requests it. I am now formally asking him to send the book over so that we can see it.

Mr. Speaker: Order, please. I am sure the hon. member must have some doubts as to some procedural aspects of the request he is making now. I hope the minister will not attempt to walk across the floor to give the book to the hon. member who is asking for it.

[*Translation*]

The hon. member for Lotbinière wants to ask a supplementary. I will recognize him and then call orders of the day.

REFUSAL OF BEEF SUBSIDY ON ANIMALS FROM DAIRY HERDS

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

In view of the fact that, on the one hand, 622 million pounds of beef have been imported and that, on the other hand, tens of beef producers in Lotbinière constituency have seen their applications for beef production subsidies turned down on a mere legal technicality, this meat coming from dairy herds, can the minister advise the House whether or not he will review this decision and correct this anomaly, so that all Quebecers and other Canadians may be treated as well as foreigners when the time comes to supply the needs of Canadians?

Mr. Speaker: I am under the impression that this question has already been asked. However, the hon. minister may care to answer it for a second or a third time.

[*English*]

[*Later:*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, total Canadian exports and imports of beef—I could go on and give all kinds of figures, but I just want to say this—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: Just send the book over, Gene.

Mr. Diefenbaker: The answer was false.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think this would be a good time to call orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Monday, April 1, consideration of Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973 to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain

securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications, and motions Nos. 1 and 2 (Mr. Blenkarn).

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, when I spoke last evening before the time of adjournment I mentioned the matter of telecommunications. I spoke of the availability of service if one wished to send a wire or to communicate with another city by wire out of the city of Saskatoon. My experience, when I wished to send a wire from Saskatoon on a Sunday, was that I was advised by a recording device that I should dial a certain telephone number in Winnipeg. What happens when you get Winnipeg on that particular telephone number I did not bother to find out. I did what seemed to me to be logical, namely, I simply used the long distance telephone. Somebody says that I could have used a carrier pigeon. There was a time when that was a fairly dependable method of communication, but unfortunately now I do not think we have a thoroughly efficient method of communicating. It seems to me that the railroads have reduced their level of efficiency to the point where they no longer adequately serve the public.

Setting up the new telecommunications system was supposed to be a move forward. The two railroads in combination were supposed to set up a joint system which, it was supposed by the public and supposed generally, would be a more effective and cheaper method for Canadians to communicate by wire from one point in Canada to another. This system could be used effectively for a number of services which cannot readily be carried out by wire. The Canadian Transport Commission, which is supposed to oversee these kinds of services, should ensure that they serve Canadians adequately, but I suspect that it is simply not doing its job and not ensuring that the proper service is provided. I think this is the situation in which we find ourselves now.

I hear no declared intention by the government to overhaul the commission and to give it the kind of supervisory role that it should have. Instead, we get apologies for the kind of service that is being given or is not being given. Apparently the Minister of Transport (Mr. Marchand) and the Minister of Justice (Mr. Lang) share the responsibility between them, and we hope that in time when this matter is under discussion they will give some indication of whether or not the government intends to discard its responsibility in respect of transport in this country. We must not forget that transport and communications are two of the most vital services in this country. I suppose we will just have to wait and see what the government's attitude in this respect will be. We have been waiting for a long time and we have not seen very much. I hope that some real improvement can be made in communications so that every region of Canada is served as well as are Montreal and Toronto.

It might really help if we could move the head offices of the CNR out of Montreal and locate them in Regina or Calgary. Maybe then they would realize that the people who live there need service. Then they would know there is a northerly part of Canada that needs some service. It would get them out of the attitude which they have now, which is that everything revolves around Montreal and Toronto and the so-called Golden Triangle. Let them find out that there are other parts of Canada that need service, and indeed are willing to pay for it.

● (1500)

It is a shocking thing that the CNR in Saskatoon, in an area which was first served by that railroad, is now attempting to give it as little service as possible which is a rather stingy approach.

Mr. Norval Horner (Battleford-Kindersley): I am pleased to speak on the CN financing bill, Mr. Speaker. If anyone ever needed financing, it is certainly the CNR. I am concerned about the area in which they are choosing to spend money. In the west the railroads are being neglected. Evidence of that is the number of accidents on tracks in the west and certainly the number of crews that look after and tend the railways comprise fewer and fewer people all the time.

Many of the problems that have been experienced this winter are the result of the railways not looking after the tracks. Anyone can drive down a highway in Saskatchewan—the highways are parallel to the tracks—and can see that the snow fences have not been repaired for five years. This particular winter the snow has been no worse than a lot of winters we have had, but because the railways have neglected the snow fences, and neglected to cut down the shrubs along the tracks, the problem has been much more acute. These facts will fit seemingly into a plan which the minister in charge of the Wheat Board has for closing a lot of spur lines, saving the railways a lot of money and putting the cost, instead, on the backs of the farmers who are trying to get grain to market.

Another area in which the railways didn't have enough money was to provide double deck cars to the shippers of calves from the prairies. A lot of the buyers in western Canada made arrangements with the railways to equip cars themselves. They took the cars and made double deckers out of them. A plate was placed on each car so it could be used over and over again. The problem again was that it took the railways several days to move the cars from North Battleford to Toronto and took them three weeks to return the empty cars. No records were broken there. It was just another example of the railways not providing service to the west.

Last Saturday in Estevan the minister responsible for the Wheat Board announced the purchase of 4,000 cars. He didn't really announce their purchase—he said the government was prepared to purchase them some time. There was no date given for the expected delivery. No mention was made of any contracts given to build the cars, but some time in the distant future we are going to have some more hopper cars for the delivery of grain. There was no mention of any agreement in regard to maintenance, rental, or any form of reimbursement by the railways. It was just a sort of loose gift to the people who haul grain, in the form of hopper cars.

The minister responsible for the Wheat Board prefers to make announcements out in the country. He was asked by the hon. member for Red Deer (Mr. Towers) specifically last Friday what the government's plans were with regard

to hopper cars. He didn't know. He preferred not to answer. The next day he received a revelation. I do not know whether he talked to the cabinet or found his notes, but he was able to be much more specific in Estevan. This further shows the minister's contempt for this House and for the members who sit opposite him.

Mr. Speaker: Order, please. I apologize to the hon. member if I interrupt him, but I think I have to remind the hon. member who has the floor, and all hon. members who want to take part in this debate, that there is a rule of relevancy which is essential to parliamentary debate.

We have before us motions Nos. 1 and 2. This bill is not before us on second reading or third reading. We are not considering a general amendment. These are not very general motions, but very specific motions. While I appreciate that hon. members in the course of the debate yesterday did not necessarily follow the rule very closely and strayed considerably from the principle of the motions now before us, I think an effort should be made by hon. members to try to relate their remarks at one point or another to these motions.

I have not intervened until now because the hon. member is entitled to some latitude in that many of his remarks could be considered introductory to what he will say later on, but there is a responsibility on the part of hon. members themselves to remember that they should relate their remarks to the motion before the House. This is elementary. The Chair cannot intervene all the time. It has to rely on the co-operation of hon. members and their respect for a well-established and fundamental rule.

I am sure that eventually the hon. member, after he has completed his general remarks, will allude some time in some way to the question now before us.

Mr. Horner (Battleford-Kindersley): Thank you, Mr. Speaker. The bill is related to the financing of CN expenditures, and I was simply pointing out there were a lot of areas in which the CNR should be spending money rather than to build a CN tower in Toronto and other places like that. I was referring to the minister responsible for the Wheat Board. He makes direct comment on the money that could be saved in the west. I suppose he would like to spend the money that he wants to save the railways in the west in Toronto, or other places in the east, and I did feel that my remarks were related to the motions before the House.

Mr. Speaker: I want to be fair to the hon. member. I certainly did not want to suggest that he should end his remarks at this point. I was merely suggesting to the hon. member that perhaps he might, after he had continued his introductory remarks, relate them to the motion before us. I think it would be unfair to the hon. member for Battleford-Kindersley to limit him much more than others have been limited. I am anxious to be fair to the hon. member for Battleford-Kindersley. I hope that he has not misconstrued the words that I spoke a moment ago which related not only to his remarks but to all of the remarks made by hon. members in connection with this debate while we have before us motions Nos. 1 and 2.

[Mr. Horner (Battleford-Kindersley).]

Mr. Horner (Battleford-Kindersley): Not at all, Mr. Speaker. I was just about to conclude my remarks anyway.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I appreciate the opportunity to say a few words on the amendments to Bill C-5, which deals with Canadian National financing. These amendments, of course, stand in the name of my colleague, the hon. member for Mississauga (Mr. Blenkarn), suggesting the deletion of some $5 million for hotels and $8 million for a tower in Toronto. By any railway standards these are not large capital expenditures. However, they are very disturbing as they indicate the general direction or thrust of the government's transportation agency, the Canadian National Railways.

● (1510)

In western Canada, we spend all of our time trying to build the economy and we do not like to see things torn down. The roots of our present economic status go as far back as confederation and the building of the railways. Mr. Speaker, I should like to quote from the report of the Canadian Transport Commission for 1973. On page 1 of the report this statement appears:

> Payments to the railways in compensation for the uneconomic services they are required to operate in the public interest rose to $125,500,000 from $81,800,000 because of an increase in the number of services qualifying for payment—

On page 2, this statement appears:

> The payment is 100 per cent of the actual loss on branch lines, and up to 80 per cent of the actual loss on passenger train services . . .
>
> In addition, the commission through a continuing process of verification and further uneconomic findings certified and paid an additional $17 million on 1969-71 claims.

This technique of subsidies is a favourite tool of this government and it has been proven wrong time and again. Subsidies have failed to persuade the subsidized group to act in the public interest. All they have produced have been demands for further subsidies. Subsidization is a weak-minded substitute for rationalization of the area concerned, in this case, transportation. The subsidies are only a delaying tactic. For the minister to say that he lacks power to cope with the transportation problem is hogwash. The federal government has the power to regulate every aspect of interprovincial transport. Statutory freight rates for grain exist, and they will not be changed in spite of what is said by the minister in charge of the Wheat Board. Nor should they be changed while the railways receive some $1,500 per mile subsidy every year on western branch lines.

Some mention has been made in this debate of the sale of a Canadian National hotel, the Bessborough hotel in Saskatoon, which has been bought by private interests. I think that is a good indication of what happens when private enterprise comes up against public control. I know which of the two I would sooner have running my business.

I wonder if anyone really knows what is going on in our whole transportation system? It seems to me that the government has lost control of everything. They are now talking of purchasing hopper cars but have not told farmers that the Canadian Wheat Board has had to reduce its

estimate of return to producers for the 1973 crop year to $4.79 per bushel from $4.93 last September. We all realize that the present selling price is $5.84 at Thunder Bay and $6 at Vancouver and wonder where the missing $1.25 has gone. I suspect that a good part of it has gone to transportation or the lack of it, in the prairies. We are talking about some $13 million, for these two items, a luxury hotel and a 1,000 foot tower. That is a lot of money to the people in my area.

In the subdivision in which I deliver grain there has been an average of one railway tie replaced every 35 miles of track in the last few years. The speed limit is 20 miles an hour, and in certain areas, ten miles an hour. Talk about "holy crow"—about all this track would stand right now is a good sized crow walking down it. We have had cases of the Canadian National abandoning elevators—Burnham to be specific—without permission from the CTC. We find now that there are 23 Canadian National lines out of commission in western Canada because of lack of equipment to clear the tracks properly. Look at the tremendous amounts paid by way of subsidy for the two main line passenger trains, The Canadian and The Supercontinental. It is $140,000 every day of the year. One could charter a jumbo jet and fly people across the country for less than that.

There has not been much mention of various transportation systems around the world, Mr. Speaker. I wish people would look at the Red Arrow which runs from Moscow to Leningrad, a beautiful electrified line; the Tokaido line in Japan which runs more passengers every day from Osaka to Tokyo than we haul in a year; the beautiful TEE trains of Europe and the Blue train of South Africa. Mr. Speaker, I do not agree with everything South Africa does, but I can tell you those Dutchmen run a tight ship. They have a law there which decrees that goods cannot be moved more than 25 miles by truck and so they force freight to move by railway. Surely, some of these ideas could be used to improve our transportation system.

The minister says that he has no transportation policy, and I agree. I look at this expenditure of $13 million for luxury hotels and towers in light of the situation that faces my particular area. The last date on which a train ran through our subdivision was February 25, and the next one is expected on June 15! We would like to see a rebuilding program indicating that the government has some confidence in the future of our country rather than being faced with an abandonment program. As transportation needs increase, we see the government allowing railways to decline.

The *Globe and Mail* today states that freight revenue for the week ending March 21 declined 4.9 per cent from last year; car loadings are down by 2.2 per cent for the whole year and to date both are down by 1.2 per cent. What we need here is some good commonsense. We need to knock a few heads together so this transportation system will get on with the job of moving goods and people, not necessarily in the most efficient manner but certainly in the most effective manner for the general advantage of the country.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I want to speak very briefly on Bill C-5, an Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and particularly on the motions before us which one might say come directly to grips with the very essence of this bill, that is the method of financing of the Canadian National Railways.

One proposal made in motion No. 1 would seek to change $225 million to $211 million or something very close to that. It is somewhat the same kind of proposition as expressed in motion No. 2.

Mr. Speaker, my remarks will be aimed precisely at the principle of that method of financing. The federal government through the Department of Transport is still using the same method as used in previous years and introduced a bill to finance the publicly-owned Canadian National Railways. Put in those terms, the question is relatively simple. In principle, one could not object to voting budget items of any amount, even with reference to motion No. 1.

I find it strange, Mr. Speaker, that one cannot oppose the voting of items by this House to finance a national public transportation system in Canada which is a public service intended to serve the interests of the Canadian public for the public weal. On the other hand, from the administrative or financial point of view, the matter is not all that simple. To work with a view to serving the interest of the public weal means not only, for example, providing essential transportation services at all times for the benefit of the people of this country but also that the cost of setting up and maintaining those services should not be too onerous to the point of making it prohibitive in some cases.

That is the situation as I see it now, and it is on that second point that I would like to draw the attention of my colleagues on both sides of the House. The motions before us which will be put to a vote, tackle the very basis of the bill. Bill C-5 says that the Canadian Railways System needs are as follows: road property, a subsidy of $138,978,000; branch lines, $13 million; equipment, $31 million; telecommunications, $25,946,000; and for hotels, $5,679,000, for the C.N. Tower Limited, a sum of $8,800,000 and finally for investment in affiliated companies, $1,200,000, making a total of $225,500,000. This motion aims at reducing this amount to $211,021,000.

Mr. Speaker, what will be changed? What I am concerned about is not the fact that the cost will be $225 million or $211 million, but I am concerned first of all about the principle allowing such an expenditure and then, the service the people are entitled to if we vote this sum of money.

● (1520)

What is still more serious is that since the establishment of the CNR, the same financing procedure exists, that is corporations such as the CNR are financed through subsidies. What is a subsidy? It is the taxpayers' money, the taxes administered by the Department of Finance and voted by the House of Commons for the maintenance and administration of the company.

Moreover, how are the nationalized transportation companies financed. Through the consent granted by the House of Commons and the passage of a bill enabling

them to borrow, that is they are granted the power to borrow on the Canadian and foreign markets.

In the bill, no reference is made to the interest rates nor to previous bonds of those companies. We are asked to give them a blank cheque so that they may borrow.

How will those companies reimburse those loans that we shall allow them to make by adopting one or the other of these motions or the bill itself, since in either case there is coercion? These loans will be reimbursed next year by means of a new bill, written in the same style as this one. We shall again vote a subsidy, which will be a bit larger because of the interest to be reimbursed, and once again next year, as two or five years ago, these companies will be allowed to borrow to increase their debt so that they may develop.

Mr. Speaker, there are two kinds of socialism adepts in this House. Some are disguised, those of the Liberal government, some are true socialists, those in front of me. The latter say: let us place the railways and transportation companies of Canada under public ownership.

They tell us: once they are under public ownership, we shall be able to control our own destiny in the field of transportation. But they do not say, Mr. Speaker, that we will control our own destiny by borrowing from foreign sources, by putting the Canadian people in debt, and by increasing taxes to reimburse these loans and pay these subsidies to the companies, with the result that we shall not be the ones to control the Canadian transportation system uniting the eastern and western parts of the country, those in control will be the foreigners and those who have financed these companies.

Mr. Speaker, this is a statement of fact. The Minister of Transport (Mr. Marchand) or the Minister of Finance (Mr. Turner) are quite unable because of their intellectual integrity to say the opposite. It is easy to use big words and say: We shall be able to control our own destiny, we shall control such a field, we shall place companies under public ownership.

The people who say this, who use these fine words in front of the population, come before Parliament and, as Minister of Finance, Minister of Transport, or leader of the New Democratic Party, tell us: Let us now vote welfare subsidies to control our own destiny, to finance the operation of the companies which we control.

Secondly, let us give them the permission, a kind of blank to borrow and to enable foreigners to systematically control these companies. I feel it is more and more imperative, Mr. Speaker, to control these companies.

Canadians no longer control them. Neither is it Parliament whose only task is to vote subsidies since the minister, finally, because of the Crown companies' constitution, is not really responsible to the House.

Mr. Speaker, we are deluding ourselves if we think that we can endow Canada with a real national transportation system, connecting the two opposite coastlines and enabling Canadians from the east, the west, the Maritimes and central Canada to exchange goods as well as friendly feelings.

Old people in Montreal have been requesting with great publicity and support the privilege of paying less than others because of their insufficient income but they are scoffed at.

Ottawa replies that for that category of people it has no money to make it easier for them to avail themselves of means of transport.

The transportation system has become so expensive in Canada that we must now face a problem of access concerning certain groups of Canadians.

Provincial governments state: "We may not look into this; this is federal jurisdiction". Meanwhile, Mr. Speaker, senior citizens will have to keep on waiting before they can benefit from public transportation and other transportation systems under the jurisdiction of the department of Transport. These same citizens, even if they have a small income, will have to keep on paying taxes in order to subsidize these firms which do not belong to us anymore.

Mr. Speaker, those were the only comments that I wished to make on this. I think that it is pointless to enlarge on this subject, to repeat the same thing for the hundredth time. Anyhow, the Minister does not understand anything and he is not even in the House. What matters is that this be recorded, so that the government as well as elected members of the New Democratic Party know that taking over a firm with capital that do not belong to us does not make that firm ours but gives it to the people who have the capital.

Moreover, how can we be proud of the lousy transportation system we have now, a system which operates on crutches because it does not belong to us and because we must subsidize it the way we subsidize people on social welfare.

Finally, we suddenly realize today that the railway system which was built in Canada, supposedly to unite all Canadians from the Atlantic to the Pacific and foster Canadian unity, is a complete failure. Actually, most railway lines are closed and the railway companies cannot, in an adequate and technically modern way, provide the necessary services and transport products from one place to another. They are unable to transport the wheat which we have in Western Canada to Eastern Canada where it is needed. They are unable to transport the milk which is produced in Eastern Canada to Western Canada and elsewhere where it is needed. Beef which may be in demand in one part of the country is lacking in the other. What is the government doing about this? The minister has not been courageous enough to reply today. That is why they say to Quebec producers: Tighten your belts! They refuse to subsidize them while they import 622 million pounds of beef from foreign countries!

Our transport system which is costing $225 million to the taxpayers will be used for what? To pay the interest on our debt!

In Canada there are still some people who prefer to live with inflation in their small corner of the country. Some people do not feel at home in Canada because they cannot benefit by all the advantages offered by all the regions of the country. For some Canadians it is difficult to use our transport system because it is too costly. For them, it is prohibitive. Some Canadians have to tighten their belt whereas we could produce three times as much as they need, such as wheat, beef, milk and many other products.

And at the same time their belts are being tightened. We are importing from abroad while we are told that we have a national unity, that we have it good in Canada and that we have a good transportation system.

I am revolted by the fact that Canadians facing hardships have in Parliament some allied so little informed on Canadian problems as the Liberals who are maintaining this division system among Canadians to better control them. One of the best ways to unite a country is through a transportation system.

We have one agriculture policy in the West, another one in the central provinces and a third one in the Eastern provinces. In any field we have the same situation. Why? Because the House of Commons has no overall view of the country and even more serious, we are presented with patchwork policies. A small problem is settled in the West, another one in the East and finally we keep on subsidizing, through social welfare benefits, a number of organizations which do not even render human and reasonable services, namely our railway companies.

Mr. Speaker, these same companies do not even respect the concept of bilingualism about which they speak fine words and involved sentences.

Mr. Speaker, I should object to this bill. Indeed, even if I represent only a very small area, I refuse to associate my name to a government which will contribute through such measures to get me and all my fellow citizens deeper into debt and to aggravate Canada's divisions.

● (1530)

I would rather support a measure designed to give us an efficient transportation system in Canada, from which all Canadians can benefit while feeling that we are all brothers in Canada.

Then, Mr. Speaker, Canadians will be proud to finance a railroad because it will give them something. But neither the Minister of Transport (Mr. Marchand) nor the Minister of Finance (Mr. Turner) is in a position to prove, in any way, that Canadians will benefit from this bill. All it will do is enable certain brokers, financiers to put money in their pockets through loans, loan guarantees, subsidies, while maintaining in existence a service that is as inadequate as it was five years ago. Mr. Speaker, I find this absolutely ridiculous. That is why I refuse to take up any more of the time of the House discussing a bill of such secondary importance.

[*English*]

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I want to say a few words at this time because of the mess that transportation is in today. The amendment offered by the hon. member for Mississauga (Mr. Blenkarn) is an attempt to point out the frivolous way in which money is being wasted. Parliament and the people of Canada are being asked to finance efforts by CNR management that are not entirely essential. These efforts could best be handled by other organizations. Other people could concentrate on building these hotels, towers and the like. The hon. member's amendment is an attempt to put the railways back on the tracks, so to speak.

One has a tendency to forget the initial intent and purpose of our railways. They were originally intended to serve the needs of our country. The situation is the same in many other areas, such as the Unemployment Insurance Act. Although that act was originally intented to provide insurance for those who may become unemployed, it has become a welfare scheme. The railways suddenly want to be big. They want a status symbol. They want to affix their names to something in bold letters decorated with maple leaves here and there. They want a big CN sign which towers above everything else so that people will point to it and say that is operated by CN. However, what is the price? They have beautiful, plush and expensive hotels, but they are not making money. We have to pay a price for that.

We have to pay a price because transportation is being neglected. This is why I am so saddened by the attempt of management to move into another area. I would be the first to agree with this move if the management people were of such a calibre that they could run a railway system which would bring in some revenue for the people of Canada and not result in the Minister of Transport (Mr. Marchand) throwing up his hands in disgust. The minister says he has no power. If the Minister of Transport does not have the power to run the transportation system of this country, he has no business introducing a bill that will provide money to run a hotel system. No minister should venture into another area if the narrow area to which he is confined is not being looked after.

Among the many difficulties that we have is the fact that the railways are abandoning many small communities through a systematic method. They move a car into a terminal point, then move the freight by truck from that point to its destination. That is the first step in abandonment. They want to get out of this business. If the Department of Transport does not want to deal with transport, then what department of government should deal with it? The department is not dealing with transport. It is in the tourist business. That should be run by another department, perhaps Indian Affairs. Surely, another department or a minister without portfolio should be handling the tourist business.

Parliament is being asked to finance the railway with hard-earned tax dollars. This bill is being presented in April which is income tax time. People are being asked to submit their tax money willingly for something which is of doubtful benefit. It is not as though there would not be any hotels in our cities if CN did not operate them. If any place did not have a hotel, it would not be long until one was built. It is not as though the Canadian public would be without hotel service. However, where do the people in my constituency go to ask for a train that will at least put a car on a siding?

I wish to cite an example. There are a couple of cars which many farmers are hard pressed to get, but they cannot be moved 30 miles from the town of Hudson Bay to Somme to be spotted on a siding. It is too much trouble for the railway to remove the snow from the track. Mr. Speaker, every second house in the city has a snowblower. We could soon clear the track if they don't know how to do it. We all know the CNR could do it if they set their minds to it, but their only purpose is to get out of the railway business except for operating a straight run-through like

the trans-continental, in which case, where would the traffic come from?

● (1540)

Instead of concentrating on their proper business, such as supplying cars and locomotive power, officials of the company go about making speeches. They say the Crowsnest Pass Agreement is what is tying them up. How ridiculous! When we look at the figures, we find that despite the terms of the Crowsnest Pass Agreement the years in which most grain was moved were the years in which the CN either made higher profits or incurred smaller losses. Instead of financing hotels, maybe the CN should write off some of the old debts they have been complaining about. I would be far more responsive if the company came up with a proposal for writing off these old debts which burden the balance sheet with interest charges. This would appeal to me more than the idea of voting money which will not produce anything, really, except for one element they think is essential to their own self-elevation, namely, prestige. They like to say: We have bought hotels; we are a big company controlling all kinds of enterprises; we have built a tower—where else in the world can you find a tower like that, and where else in the world do you find such posh hotels?

Just think of the money which is going to be spent on such items as the silly ashtrays in these places. We could spend less and get some of those box cars out of the smaller communities; it would not take much money to move that snow off the tracks. The company is no longer concentrating on its original purpose, and that is what disturbs me. I have before me a brief from the farmers' union including a long list of cars which have been left on sidings for a month at a time. Nobody in management seems to know how to get those cars out, how to move the grain to the west coast.

How much money is involved in all this? I have seen figures estimating the loss to Canada at between $500 million and $700 million. But take the lower figure. It is $500 million that this country could earn, and it is $500 million that these hotels will never earn. The opportunity to earn this money may not come back again. Observe the way in which prices are fluctuating. Take the price of rapeseed. Buyers can no longer place any faith in Canadian deliveries. The transportation system cannot deliver, and if you cannot deliver you cannot sell. The price of rapeseed dropped $2 a bushel last month, and that in itself is bound to affect the Canadian economy.

Why have all these difficulties arisen? It is because one minister after another has been content to pass the buck. I do not know when this Minister of Transport intends to resign, but he had better make up his mind quickly because if he sits around for another six months before resigning we shall have lost another six months. I do not care whether we are trying to move lumber, grain, minerals or anything else. It has to be delivered. Ships will not continue to wait indefinitely in Canadian ports. Why should they? The world is wide, and the world is not idle. There are people who want to work and who are able to produce; they have products to sell, and pretty soon we may find ourselves sitting on a lot of commodities we do not know what to do with. We shall be wondering what hit us, wondering how we shall cope with inflation and the other problems which face us. Maybe we shall try to persuade ourselves that because Canada is such a big country everything will work itself out. I do not believe it. I think we should face up to the difficulties we are discussing this afternoon and, for once, deny some of these grandiose ideas in the hope that the people concerned will decide to concentrate on the matter in hand. I am not convinced they will ever concentrate if we keep giving them money.

[Mr. Korchinski.]

The other day, someone on the CRTC said the CBC could get along with less advertising. That will mean more money to be raised from taxes. Apparently parliament is ever willing to put out this kind of money for entertainment, to make sure that viewers do not have to put up with a break in the movie because a commercial is being shown for a few seconds. Why, then, should we need to worry about money around here, some may ask. I maintain we should put our money into areas which will ensure efficient transportation in order that the whole country may benefit. We should insist that management moves in the direction the country wishes it to take. There is no reason why all these people should have to bug me about boxcars, or why I should have to bug the minister. It cannot be pleasant for the minister. Do you think it is pleasant for him to have to listen to these complaints all the time, Mr. Speaker? It is not. Management finds it very convenient to tell the country: Never mind, it will all work itself out. But will it? It will not, if parliament allows the situation to develop as it has been developing.

I am suggesting to you, Mr. Speaker, that for once we should deny this vote of money to management if only that they might be encouraged to get back to the original intent of parliament, which was to provide transportation in this country, not to inflate their egos.

Some hon. Members: Hear, hear!

Mr. Jake Epp (Provencher): Mr. Speaker, in rising today to speak on the amendment put forward by my hon. friend, the hon. member for Mississauga (Mr. Blenkarn) in respect of the Canadian National financing bill, I should like to submit to you some of the concerns which relate specifically to my own riding. For a long time now many Canadians have been concerned about the real priorities of the Canadian National Railways and whether those priorities, so far as they relate to the movement of passengers and goods across Canada, can be reconciled with what appear to be the priorities that CN has embarked upon. The public believe the priorities that CN appear to be establishing for itself are not the priorities they thought CN originally had or that they should have today.

● (1550)

For some weeks now we have been viewing on our national television network episodes of "The National Dream", depicting the building of the Canadian Pacific Railway. It is a re-enactment of the opening up of the west, a period that had tremendous impact not only on the people of that day but on Canadians of subsequent generations. There was a dream, a purpose, involved. It caught on—indeed, it caught on in many countries of the world—and it is still a very vital part of the dream that I would say Canadians have today. However, the operation of our

rail transportation system, specifically in light of some of the priorities the CNR seems to be pursuing has turned this dream into a nightmare today. This is especially true of the activities of the CNR in eastern Manitoba.

What are some of the very real transportation problems facing Canada today? The first question that comes to mind is: Can the CNR provide a transportation system while, on the other hand, still involving itself in the provision of many ancillary services? To most Canadians the role of the CNR is seen as a second transcontinental railroad, built in the early part of the century to provide transportation in an area where the CPR was not able to provide that service. This area generally was north of the present CPR system.

During the last few weeks the whole concept of the transportation system of Canada has been seriously brought into question because the Minister of Transport (Mr. Marchand) has stated very candidly that our rail transportation system is in a mess. Having said that, he also seems to have absolved himself from any responsibility or further action. I submit to you, Mr. Speaker, that the transportation system of Canada is in a mess largely as a result of the non-policy of the present minister. In addition, we are in a mess often because of the priorities of the management of the CNR, whose priorities should be to provide transportation—to provide one facility, one service, and to do so well, forgetting all else.

Why do we not have a national transportation policy today? When will we get one, and how will it affect Canadians? The amendments moved by the hon. member for Mississauga (Mr. Blenkarn) are vehicles of protest which we can use to show that the priorities of our transportation system are all mixed up, that the main priorities are not being followed. I mentioned earlier that our national dream can, I think, be described more accurately today as our national nightmare, especially in western Canada. What is the situation in the west? At the present time we are 100 million bushels of grain short in export position. At present world prices we are looking at a loss or potential loss of half a billion dollars.

Let me comment on the block system, and in particular on what is known as Keewatin 61. How can I tell a grain farmer in my riding who wants to move his grain to market, "Hang on; the CNR won't buy any more rolling stock right now but the government will look after you", when at the same time we give the CNR clearance to spend money on hotels? These farmers have been locked into a position throughout the winter, trying to move their grain to plugged elevators. Grain cars have failed to arrive, and when they have arrived it has been because extreme pressure has been put upon the railways. The farmers are then given the word to load the cars because they will be picked up the next day, and as a result they work all night to ready the cars. Then, the following day they see the train go by without picking up these grain cars. For some three weeks loaded cars have been sitting on our sidings waiting to be moved while trains have been going by on open lines.

So again I ask, where are our priorities? How can I explain to farmers with commitments to meet that hotels are more important than boxcars? I think the motions of the hon. member for Mississauga bring that point out very vividly. A protest is welling up in western Canada at our transportation system, and if hon. members do not believe that, all they have to do is to come to my riding. We have had to use every vehicle in an attempt to get the railways to return to their real priorities, the movement of goods and passengers. But the only action we have seen in my riding during the last few weeks was when we were able to convince the railways that we had a potential flood situation along the Red River valley, according to the Manitoba flood forecasting committee, and that grain presently in storage on farms would very likely be damaged or lost. How do you convince the people within the CNR system of the urgency of the situation, and that movement of goods should be their priority, not the building of hotels?

A second aspect of this national nightmare is the so-called disruption of passenger services by the CNR. We now have servo-centres; these are supposed to be the "in thing". For months I have been trying to get the officials of CNR to keep the campers special going in eastern Manitoba, but it always seems that the only way to do so is to apply pressure, to cajole, to use the public media to convince CNR that rail passenger service should also be part of their priorities.

It is very common in western Canada to see the following notice placed on Canadian National public notice boards:

> Application for authority to remove the station agent and building at this location has been filed with the Canadian Transport Commission.

To most disinterested Canadians this notice would not mean too much. But to people living in rural towns who depend on rail service and on jobs, these notices very often spell disaster.

I should like to place on record part of a letter that I received from a constituent of mine concerning this whole question of priorities for the CNR. The letter is dated February 4, 1974 and relates to the movement of passengers by the CNR. It reads, in part:

> Elma is a town of 300-400 people, 50 miles east of Winnipeg on the CNR main line. It is served by rail, and is also linked to several provincial highways. Industry—really none, unless you might call the CNR presence one. Although not special, it is typical of a rural town, which, through government action, is dying, by having its roots severed one by one.
>
> From an economic sense the railway station probably does not add many dollars to Elma and district, but it still remains a location which provides these services to local and district citizens, no matter how small and inconsequential they may appear . . .

● (1600)

> It seems very ironic that we have provincial and federal policies reputedly to promote decentralization of industry and families, and supposedly stop urban glut and sprawl, while simultaneously we have federal Crown corporations and agencies, actively engaged in policies thwarting such schemes. How can a small rural town, such as Elma, ever hope to become a viable identity, when one of its props is to be removed?
>
> The closing of the Elma station will certainly not make or break the CNR. In fact, what we may be doing is shifting the responsibility. The chain of events in closing a station, and shifting an agent, eventually means unemployment insurance or welfare payments for someone down the line. Good old John. Q. Public then picks up the tab.
>
> Is it better to pay a man for not working, by implementation of closure, than to leave rail stations such as Elma open?

That is the question this constituent asks.

In reference to the CN financing bill, and specifically the amendments, what members of this House must impress upon the CN and CTC is the fact that the CN has an obligation to move goods and passengers for the wellbeing of all Canadians, and it should not and must not concentrate on activities which take away from that priority.

I suggest that the management of hotels by the CN has at best been shoddy. They are not competitive, and I am sure that we would have all the hotel space we need if hotel construction had been left to the private entrepreneur. I suggest that CN management should concentrate its efforts on doing one job well rather than expecting the Canadian taxpayers to blindly sign one cheque after another in order that the CN can follow its priorities, which too often seem to be in conflict with the priorities it was set up to follow, and definitely in conflict with the priorities many Canadians have set for the CNR.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I rise to participate in this debate for two reasons. The first is to join with others in focusing attention on the lack of interest being shown by certain officials of the CNR for the people of Canada whom they purport to serve, and the other is to draw attention to the inadequacy of public ownership unless it is accompanied by concern for the people.

To illustrate the first point, I should like to draw to the attention of the House an experience my family and I had just a few weeks ago when travelling by CNR from Toronto to Ottawa. This was at a time when the management of that railway should have been fully aware that there would be a greater demand on their service than ordinarily, as it was a time when there were two major conventions being held in Ottawa and when the annual winter school break in the province of Ontario was beginning. It might well have been anticipated that there would be an extra demand for service. Instead, there was an inadequate supply of cars for the use of passengers wanting to make a journey to such places as Kingston, Montreal and Ottawa, with the result that a considerable number of people had to stand. Indeed, there were so many extra passengers on this train that the conductor had to find accommodation for some of them in the washrooms. I think we should recognize this as simply another illustration of the way in which the railways are not giving priority to the people whom the company was designed to service, the same people who have been supporting the railway.

I think one of the good results of this debate the House has been having, and of this amendment which I hope will carry, is that we are drawing attention to a mistake on which we should focus, namely that the people must come first and the CNR must adopt the policy of making them come first. This is not what the railway has been doing. The railway has to a great extent been giving the impression that it is interested primarily in freight and, to the degree it serves the people at all, it treats them like freight. What we want to say to the management of this railway is that it must start putting the people first. We recognize the concern, efficiency and dedication of the fine staff the railway employs. Indeed, without the calibre of the men and women working at various levels for the railway, the services might not be as good as they are. What we want is direction from the top. What the country needs from this railway is what it needs from the government, and that is leadership from the top which is concerned about the people.

Some hon. Members: Hear, hear!

Mr. Stackhouse: The second point I should like to make in my remarks is the fact that the policy manifested by the experience to which I have referred, and indeed emphasized by the many other examples hon. members have cited, illustrates that socialization is not in itself a solution to all the problems of this country. One of the impressions one often gets from speakers for the NDP is that the solution to every problem can be found in the nationalization of an industry or perhaps the appointment of another government board. One really does not get anything from either unless you have leadership, be it in private or public enterprises, which puts the people first. One does not get that simply by providing a government takeover. It is a simplistic, tragic and serious mistake to assume that the government and the people are one and the same, and that if the government engineers a takeover or initiates regulations through a board, then the people will be served. Sometimes it is only the interests of those the government has appointed that are served. Very often they, themselves, have a vested bureaucratic interest which takes priority over the interests of the ordinary people. Therefore, I should like to emphasize that the attitude of the parliament and government of Canada in respect of the CNR as well as other corporations ought to be this: You have been established by the people to serve the people. Make that your priority and get on with it.

We see a particular need for this attitude with regard to the need for rapid public transit in areas surrounding our major urban centres. We see it, for example, in metro Toronto where a great step forward could be taken to serve the transit needs of a large number of commuters, and people making their way to and from work day by day if the railroad lines were used as they could be used in an effective public transit program. I recognize that such a program cannot be undertaken simply by the CNR or the federal government. It certainly involves consultation and co-operation with provincial and local jurisdictions, but the federal government surely has within its powers the ability to show initiative. It certainly has within its rights the opportunity to lead. One result we could see would be the beginning of greater enterprise in utilizing the rights of way leading into the heart of great urban centres such as metro Toronto in such a manner that thousands and thousands of commuters could make their way to the heart of the city day by day on a rapid public transit system free from pollution.

There are various reasons that this proposal must be given priority, one of which has been illustrated in recent months by the so-called energy crisis, much over emphasized and over dramatized by the government through the use of such terms as "crisis", but nonetheless of sufficient proportion to make us all aware of what indeed will happen if we do not take seriously the lesson that has come to us through the events of the last year. Therefore, we have to see the need now to make a major change from

dependency on the gasoline operated motor that has become basic to our way of life in the last two generations.

● (1610)

If the government really is leading, then surely it would want to take the lead in consulting provincial and local authorities across the country so that, before it is too late, we can have a comprehensive and socially constructive public transit program based upon the utilization of our railroad lines. If we had a government that put people first, and if that were the attitude of the CNR, then that would be exactly what we would do. We would have in every major urban centre the kind of development that would use these railroad lines and railroad rights-of-way so that rapid commuter public transit services would be employed.

I read recently about the three priorities of the CNR mentioned in a discussion of transport opportunities in the metro Toronto area. The first of these priorities relates to industrial customers—I take this to mean freight—and inter-city passengers going from one region to another. Their next priority is the GO line, that is the commuter service offered by the government of Ontario, and the third is to metropolitan Toronto. Is that what this government wants to say to metro Toronto: you are in first place? Is that what they want to say to the commuters of that vast area comprising within it now in excess of two million people: you are in third place? Are they saying: if there is any consideration to be given when every other matter has been looked after, then we will think of you? Surely, if we are putting people first, if we really care about developing a way of life that can be meaningful and satisfying to the kind of people that keep this country going, then the railway should say to those people: you are in first place and we want to give a high priority to your transit needs.

At the very heart of this problem we need a change of thinking. What we need is not so much to give priorities to various levels of government but to give priority to the people who are represented by those governments, to seek to establish a program that will involve the authority and jurisdiction of all three levels, federal, provincial and metro, all of them seeking in co-operation with one another to represent the interests of their common constituents. There are not three kinds of people that are represented by members of parliament, members of legislative assemblies and municipal councillors—they are the same people. We should get over this notion of thinking that governments have rights and claims of their own, and to recognize that the only excuse any of us have for being in office is to fulfill the aspirations and satisfy the needs of the people whom we commonly represent.

I would hope, therefore, that out of this debate there will come a new attitude to public transit in Canada, a new concern to utilize the CNR and other railroad facilities in the interest of the common people of this country. I think that we should recognize that railroads give us a new opportunity. For a long time it seemed as though the railroads were going to join certain other relics of the past in the antique museums of the country. For a time it seemed as though the railroads were going to be part of the memory of the Canadian people replaced by the jet aircraft and by the high speed automobile as the means by which people would find transportation in an age of rapid movement. But under the combined threat of the energy crisis, and of the pollution crisis, it is now becoming apparent that we had better take another look at our railroads, that railroads offer us a chance to meet the needs of people in a way that does not pollute and does not threaten the energy resources of the country and in a way that can satisfy the needs and hopes of our people.

Let me give another illustration and refer to the experience of the hundreds of thousands of summer residents in the so-called cottage country of southern Ontario. Every weekend the population of the Muskoka and Georgian Bay regions of Ontario are expanded by hundreds of thousands of city dwellers who make their way northward for a few days of surcease from the pressures and pollution of urban life. For years and years the government of the province has been making bigger highways that can transport these multitudes northward on weekends. I suppose that if we went on travelling by car as the population grows we would expect Ontario to construct even more highways. But surely we need to recognize, for the two reasons which I have cited, namely, the threatening shortage of energy and the threatening danger of pollution, that we have a need to move in a contrary direction, that instead of simply building more and more six and eight lane highways to become massive parking lots for cars stalled in traffic jams at the beginning and at the end of each weekend, we will begin to see that we could use our railroad lines as a way of transporting the city dwellers to the cottage country during the vacation season.

In times past railroads were the main method of transportation. If you went to a town such as Gravenhurst and visited the local museum there, you could see pictures of the times when railroad trains came right on the docks. People holidaying were brought from southern Ontario to Gravenhurst and given the opportunity of arriving at the dock, of moving from the train to a steamship which took them to the various points on the lake from which they could get to their own family cottage. That was the style of people two or three generations ago and it served the people who had summer homes in that region. Surely, we could do something as good as that today. Surely, we can think in terms of having a railroad service that would provide the ordinary city dweller with an opportunity to commute each weekend without using his car, and without requiring further highway construction in that district.

I think that one of the things upon which we should all agree is the opportunity that we would have to serve our people if the CNR were, under the direction and influence of the federal government, to initiate that kind of service. I think of the great need that there is for this, not only because of the danger of pollution and of energy shortages but also because of the great danger posed by increasing auto traffic on the highways of our various provinces. One of the things that should concern us is the mounting death toll because of increased auto traffic. Between 5,000 and 6,000 Canadians meet their death in traffic accidents every year. If we were losing that many in military action, if last year we had lost even a tenth of that number in military action or peacekeeping ventures, there would be an outcry on both sides of the House. Somehow we seem to be gripped by a curious and heartless apathy when it comes to the death toll which occurs as a result of traffic acci-

dents in this country. I hope that instead of unintentionally and unwittingly contributing to an expansion of that serious and tragic number of deaths by simply permitting and encouraging the expansion of auto traffic, we will begin to think in terms of expanding our passenger railroad service.

I am thinking of the way in which, at present, everything is done to discourage the ordinary person from taking a train. It is the same with our buses. But let us for the moment focus our attention on trains. If you want to take a passenger train to the cottage country today and take it home again, you have to spend most of the weekend in the train. The service is so slow, so inadequate, that a person has to be going on a really extended vacation even to consider taking a train to that holiday resort country.

● (1620)

Now, if in those bad old days when people were not supposed to be as developed, as up to date and advanced as we are now, it was possible to transport thousands of families to the cottage country holiday resorts by train and comparable public transport, surely we can do it today. And it makes sense. At a time when energy is supposed to be in short supply, at a time when the gasoline motor is supposed to be contributing to pollution, at a time when the threat of death is a constant danger to every car user on the highways in our provinces, surely we can begin to think in terms of a public transport program that will make sense in this age.

I welcome very much the opportunity this debate has given to various members to bring to bear on the government the concern of people across the country that the railroads, which were built to serve people, will do precisely that and once again they will be, even as when they were built, serving the people of Canada.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I just want to comment briefly on one aspect of the problems connected with transportation in this country, and that is an aspect which is of particular concern to the municipality, part of which I represent here. Through the southern part of Etobicoke runs the main Canadian National line westward from the heart of Toronto. The line is used not only for the railway's freight traffic and such ordinary passenger traffic as there may be, but it also serves the GO Transit, the GO train system. There are located on this line the marshalling yards at Willowbrook. For several years there has been a rumour that these yards, the facilities contained within them, indeed the line itself, will be expanded, particularly if the GO train system itself is expanded. And as the railway facilities now located in and around Union Station are moved out of that area to make room for the Metro Centre development, the politicians and the planners in the borough of Etobicoke—I am sure I am describing a problem which is encountered in other municipalities in Canada—have been trying to ascertain for some time whether or not there is any truth to the rumour of expansion and, if so, specifically what kind of expansion is planned by Canadian National, in what directions, according to what time schedule, and so on. The concern of the borough of Etobicoke is, of course, one prompted by its own plans to proceed with various kinds or urban renewal or development in areas bordering on the right-of-way.

[Mr. Stackhouse.]

At the present time, I know that the borough of Etobicoke is considering proposals to maximize the use of land in the vicinity of the railway lines for family living, either in the form of housing or by using the land closest to the line for parks. There has been discussion of possible relocation away from this area of industries whose current uses are incompatible with family living. There has been discussion of the reconstruction of streets and arterial roads which intersect, pass underneath, or above, or run parallel to the railway line.

There have been efforts in the past, and there are ongoing efforts, to control noise and noise pollution in the residential areas bordering on the rail line. There is a continuing consideration of development proposals whose location may not be directly adjoining the rail line, but whose eventual approval or otherwise is bound to be affected by the kind of transportation which can be provided by the railway.

The point of my interjection, Mr. Speaker, is simply to say, through the opportunity provided by this debate, that I urge the Canadian National to co-operate more freely and more openly than it has in the past with municipalities whose own plans are so closely tied into and are affected by the plans of the railway. I think it is self-evident that more co-operation with municipalities in integrating plans for rail line development and expansion with plans at the municipal level is helpful and that it can only work to the benefit of both parties. But for some reason there appears to be an over-concern with secrecy on the part of railway officials.

I do not know whether it is because they have plans they are not anxious to divulge, or whether they are in the process of developing plans which have not yet reached the stage of finality, or whether they have not got any plans at all and are embarrassed to admit it. Be that as it may, Mr. Speaker, I believe a greater degree of candor and frankness in dealing with municipal planners, municipal governmental authorities in Canada, would go some way towards improving the quality of life in the areas directly served or intersected by railway lines, particularly major rights-of-way, and would, as I said, work to the benefit of both the railways and the municipalities.

The hon. member who has just spoken has cited the expressed wish of railways to be of service to the community, and he has expressed some doubt as to whether they are fulfilling that objective. I think one way in which railways can be of service to the community, albeit, an indirect way, is to co-operate more freely and more frankly with municipalities in working out a total plan of development for a community which will make it a better place in which to live.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on motion No. 1. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Some hon. Members: On division.

Motion No. 1 (Mr. Blenkarn) negatived on division.

● (1630)

The Acting Speaker (Mr. Laniel): Accordingly, as previously stated, disposal of motion No. 1 does at the same time dispose of motion No. 2 appearing in the name of the hon. member for Mississauga (Mr. Blenkarn) and this motion is defeated on division.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): If hon. members have no objection, we might proceed at this time with motion No. 4 which has been announced as acceptable to the Chair. We could leave motions Nos. 3, 5 and 6 to be examined afterwards and perhaps we could have an exchange of views on the procedural acceptability of those three motions then.

Some hon. Members: Agreed.

Mr. Don Blenkarn (Mississauga) moved:

Motion No. 4:

That Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be amended in paragraph 7(4)(a) by deleting line 44 on page 5 and substituting therefor the following:

"shall not exceed $133,300,000; and"

He said: Mr. Speaker, the motion calls for a reduction of some $6.7 million from the $140 million demanded in clause 7(4)(a) of the bill. The amendment arises from discussions in committee, especially those that took place with Mr. Cochrane from Air Canada. When he was asked why Air Canada needed $140 million, he produced a 1973 revised budget which indicated the moneys required. At this point I might say that while the bill previous to this one, Bill C-164, was introduced in the spring of 1973, it was not determined that Air Canada needed $140 million until August, 1973.

The Minister of Finance (Mr. Turner) who is here today, is responsible for introducing the bill calling for the payment of $140 million to Air Canada. But at the time the original bill was introduced, Air Canada had no budget to indicate how this money was to be spent and they did not organize a budget until August, 1973. As a member of this House, I find it shocking that the Minister of Finance should introduce a bill calling for an appropriation for a Crown corporation without an examination of the figures that indicate the need for that advance.

We spent some time analysing the statement produced by Mr. Cochrane who attempted to justify a number of items. Rather than go into the depreciation allowances on aircraft and whether the exact deferred charges, interest charges and finance charges as well as the calculations for decrease and increase of working capital were exactly correct, we looked at one particular item, the requirement for this $140 million. We find in the statement produced by Air Canada a request for $6.7 million, not to fix up aeroplanes, not to expand air routes, but to go into a subsidiary business.

This corporation has an obligation to the people of Canada to run an air service and that is why it was incorporated. Like their parent corporation, the Canadian National Railways, they have decided to grow, not in the air field. They are going to become another colossus and have associated with the railway in a consulting service. In addition, they have associated themselves with Commonwealth Holiday Inns, and others in the hotel business. They intend to go into the charter business, and because they cannot run it effectively themselves, by their own admission, they propose to buy a percentage of Wardair Canada Limited. They also intend to go into the manufacture of aircraft and into the aerospace industry in partnership with Comstock Limited.

First of all, let us consider the arrangements made with Wardair. Mr. Max Ward is a pretty competent man. He has built a first class business in the charter field. When giving evidence before the Canadian Transport Commission, Canadian Pacific Airlines indicated that although it owned very few planes, Wardair had 35.6 per cent of the Canadian charter market. Clearly their operation in the charter field is the best in Canada. When Wardair needed some money, the vice-president of Air Canada, Mr. Bond, conferred with Mr. Ward. He examined the statement of Wardair and thought "My goodness, Wardair really knows how to do things; maybe we could learn something from Mr. Ward." Mr. Ward is a good businessman and he said, "Well, I could sell you a piece of my company." The balance sheet shows that Wardair is valued at $3.5 million but Mr. Ward, being a good businessman, arranged to sell to Air Canada 30 per cent of his company—not for 30 per cent of $3.5 million but for $2.7 million. That was a good deal for him.

The proposition then went to the Canadian Transport Commission which was most concerned that the purchase by Air Canada of 30 per cent of Wardair would not reduce competition in Canada. On the basis that the purchase was only for 30 per cent, the commission decided that this would not produce competition and allowed the transaction to be completed. That decision was appealed to the Governor General in Council and that is where the case has been for over six months.

Mr. Speaker, you will recall that a motion was made in the hearings on this bill before the Standing Committee on Transport and Communications, directing the government not to approve the purchase by Air Canada of 30 per cent of Wardair. The motion delivered by that committee to this House was ruled out of order, however, and the matter could not be debated. Nonetheless, the matter is still before us because in this financing bill, $2.7 million of the $6.7 million that is the reduction set out in this amendment to the statute, is for the purpose of completing the Wardair transaction.

● (1640)

Sir, we examined the Wardair balance sheet. Air Canada suggested that the company was really worth $8 million. We found that Wardair, like all air lines, amortizes its commitments to reflect the true life expectancy of its aircraft. So, we also looked at its aircraft. We found, at the

time of the transaction, that Wardair owned four twin Otters and a Bristol freighter. According to Mr. Baldwin, past chairman of Air Canada, the Bristol freighter is not of much use. In addition, the company leases other equipment. The Wardair balance sheet, which shows a company value of $3.5 million, reflects the true value of the company's assets; yet Air Canada, in its wisdom—that company really knows how to make deals—will acquire 30 per cent of Wardair for $2.7 million.

We wondered if Air Canada wanted to learn from Wardair how to operate the charter business. If the company hired Mr. Ward to run the Air Canada charter business, that part of the operation might be profitable. But that is not to be the case. The company is acquiring a minority interest in Wardair. Indeed, the decision of the Canadian Transport Commission says that Air Canada is entitled to no more. If Air Canada wants to exercise its option and buy all of Wardair, it will need to go before the CTC again. The company is prepared to invest $2.7 million of public funds in Wardair, out of the $140 million to be advanced under this bill, to acquire a minority interest in the charter air line. That will not extend service for the people of Canada.

This move will do little except provide more holiday accommodation. It will not do anything about the real, social problems of Canada. Air Canada will merely expand its operations. It will become involved in another enterprise. Like some other Crown corporations, it is not satisfied to do the job Parliament entrusts to it. It wants to become bigger and grander. It is time this House called a halt to this, and time the government did, too. If Air Canada cannot provide necessary, regular route services to the various parts of Canada, we should let somebody else do it. We should not permit Air Canada to grow and grow and use money of the taxpayer of Canada to expand into fields not normally related to its business.

It was suggested that Wardair was not a bad buy, that the shares were valued at about $2.50 each. You will find that they are worth $1.60 on the Vancouver market. They are being traded on the basis of 30 times earnings. You will find, also, that the Wardair balance sheet indicates a deficit in working capital. That being so, you wonder, are the directors of Air Canada using sound business judgment when they decide to expand into a business venture that is not related to their main business? That is why this amendment has been brought forward.

By bringing forward the amendment we are not attempting to say that the people who work for Air Canada are incompetent or do a poor job. They do a good job. We have a good air line, but we could have a better air line if the people running it paid more attention to it instead of looking for other investment opportunities. In a moment I shall deal with the Comstock matter.

Speaking of investments, Air Canada incorporated on January 1, 1973, a company known as Econaire Holidays Limited. The company was to be in the charter business. The Minister of Finance (Mr. Turner) will be pleased to know that in nine months of operation this new company lost only half a million dollars. The minister can probably lose money more quickly himself. Yet here we go again. The directors of Air Canada wanted to go into another business. They incorporated Econaire Holidays Limited,

[Mr. Blenkarn.]

booked charter flights, provided air line service on the cheap and lost only half a million dollars. That is the kind of thing other Crown corporations have done, as was suggested in the debate on the previous motion to do with Canadian National Railways.

Apparently Air Canada wants to become a colossus in its field. You might not mind if Air Canada were a real profit maker and returned big dividends to the people of Canada. Actually, it returned dividends of about $200,000 a year, or less than 3 per cent on investment or turnover. Indeed, Air Canada seems to be only half as profitable as other airlines in North America, which is a sad reflection. Canadian Pacific is over twice as profitable and Delta two and a half times as profitable. Air Canada would perform better if it were better managed. Certainly, the management should not flit around and invest in subsidiaries.

Let me give you another example of inefficiency. There is in Toronto a certain terminal which was designed for handling people. By a mistake, the Ministry of Transport built a terminal which nobody can stand. It is almost a cattle barn and would be an excellent freight shed. Yet who takes the terminal over, apologizes, and says that it is a wonderful terminal? Who else but Air Canada, even though that terminal, in the year ending December 31, 1973, cost Air Canada in lost revenue at least $1,500,000. That shows what sort of management runs Air Canada.

In speaking of subsidiary ventures, I shall now refer to the Comstock deal, and to the sorts of answers Mr. Pratt, president and chairman of the board of Air Canada, gave to the committee when dealing with the issue in question. If my memory serves me correctly, it is proposed that Air Canada will put up $4 million, that Comstock International will put up $6 million and that the two companies will borrow, interest free, $16 million approximately from the government of Canada. So, the government is really putting up $20 million. The common stock of the new company will be divided in the ratio 60/40, the government-owned corporation owning 40 per cent of the stock although the government will put up a greater percentage of the money. This will happen. The company will go ahead and acquire General Dynamic's position in Canadair and de Havilland's position in the facilities in Toronto. We asked about this. Air Canada, in a paper put out for its employees, set out some parts of this transaction. We found that the company has almost made the deal. It is telling its employees, "By golly, we are going into the aerospace manufacturing business." The proposals are there, we are going ahead with them.

● (1650)

My colleague, the hon. member for York Simcoe (Mr. Stevens), asked the president of Air Canada about this transaction. He said that it was just in the talking stage, but they did not know the government's policy so of course were not committed to it. However, they tell their employees, through their own employee news service, that they are going ahead. If they are not committed to it, why is there provision in the estimates for money for this transaction? Why is this bill being pushed on us to provide $6.7 million for further investment in subsidiaries? Why do we get the runaround in committee meetings when questions are asked about the money involved and the profitability of the government of Canada, through Air

Canada, getting involved in the manufacture of aircraft or whatever?

It is time that Air Canada used its efforts and management capabilities to run an airline, to run it well and profitably. Air Canada has no authority from this House to get involved in hotels, manufacturing, subsidiary interests and other charter business. Air Canada is supposed to be our prime national carrier. It has a preferred position in air traffic. With that preferred position, it should be able to generate a significant return to the people of Canada, and at the same time supply them with exceptionally fine service. If we are going to have an airline, let's have an airline. If we are going to have another colossus in the investment field, then let's change the nature of Air Canada and get some good investment people in it. This corporation should not be an investment vehicle. It should be directing its efforts toward what it should be able to do best.

At one time Air Canada had a monopoly on the Vancouver to Victoria route. It also had a monopoly on the Calgary to Edmonton route. Those routes have largely been taken over by another airline which has been able to provide far better service than Air Canada. I ask this House, when will this airline get into the business of supplying air service and quit trying to pretend that it possesses the ability to be a financial colossus?

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

Mr. Mackasey: Mr. Speaker, I had anticipated making a speech, but if we could go ahead with the question, I would be glad to defer because we have been over this many, many times in committee. I would be very happy to waive any participation and go on to the next stage of the bill.

Mr. Stevens: Mr. Speaker, I intend to speak on the motion that is before us, but in view of the fact it is now three minutes to five, I wonder if I could call it five o'clock.

Mr. Mackasey: Mr. Speaker, it appears from the hon. member's remarks that he intends to speak later this evening. If the three minutes are not going to be used to have a vote and if the hon. member intends to speak at eight o'clock,—

The Acting Speaker (Mr. Laniel): Order, please. Perhaps we could call it five o'clock. If the hon. member wishes to seek the floor before five, he can do so and then we can pursue the debate after eight o'clock.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, my remarks will be rather short and to the point. I listened with a great deal of attention to the hon. member for Mississauga (Mr. Blenkarn). I think we have mutual respect in this area. We were on the committee together and we went over this issue of the role of Air Canada. I think there is a philosophical difference of opinion as to whether you can run an airline without having access to hotels and charter flights, and whether you can have access to what I think is a very rapidly changing environment for the airline industry.

The airline industry is much more complicated than it was three, five or 10 years ago when it was nothing more than a domestic operation. I can hardly visualize any airline operating without access to hotels and the charter business. For this reason and no other, Air Canada's participation in the charter field and hotel business is not only logical, but it would be very illogical if they were not. Whether they are in it properly and operating efficiently is a matter of opinion. Possibly we even share an opinion on that subject. I should not say we share it because it is a very grey area. It is opinion. However, I think we all agree it is virtually impossible for the national airline of a country, in a very competitive world, to expect to be able to remain competitive in its fight to attract sufficient passengers in the future if it cannot offer a complete service. That complete service must, of course, include access to hard to find hotels in certain parts of the world and an upgrading of expertise in the charter field. May I call it five o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver South (Mr. Fraser)—Northern Affairs—Request for reconsideration of decision to permit seismic exploration on Bathurst Island; the hon. member for Sault Ste. Marie (Mr. Symes)—Oil pipeline extension to Montreal—Reason for rejection of extension of existing Sarnia-Toronto line; the hon. member for Perth-Wilmot (Mr. Jarvis)—Agriculture—Dairying—Request for statement on long-term policy.

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

● (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

MOTOR VEHICLE AND FARM IMPLEMENT PARTS ACT

MEASURE TO GUARANTEE SUPPLY OF PARTS FOR MOTOR VEHICLES AND FARM IMPLEMENTS

Mr. Elias Nesdoly (Meadow Lake) moved that Bill C-103, respecting the guarantee of supply of parts for motor vehicles and farm implements imported into

Canada or sent or conveyed from one province to another be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, this bill, numbered Bill C-103 and cited as the Motor Vehicle and Farm Implements Act appears in my name because I feel there is a problem in this country in obtaining parts for motor vehicles and farm implements. Essentially, this is a simple bill whose main purpose is to make certain that anyone who buys a motor vehicle or farm implement which is manufactured in Canada and conveyed from one province to another, or anyone who buys a motor vehicle or farm tractor which is imported into Canada, shall be guaranteed a supply of parts for a period of ten years. As a result, farm tractors in particular, will not remain idle while the farmer loses money and waits an indeterminable length of time for a part to arrive from abroad. The owner would be able to approach his dealer with confidence and obtain the necessary parts in short order.

Very briefly, Mr. Speaker, this bill provides for the Governor-in-Council to make regulations prescribing that a supply of parts for farm implements and motor vehicles covered by the Act shall be guaranteed for a period of ten years from the date of sale to the user thereof. It also provides that no manufacturer or distributor shall send or convey, or deliver for the purpose of sending or conveying from one province to another a farm implement or a motor vehicle manufactured in Canada unless he complies with the regulations under section three of the Act. It also stipulates that any manufacturer or distributor who violates the act is guilty of an offence and liable on summary conviction to a fine not exceeding $10,000.

I bring this matter to the attention of the House because of a number of situations which have arisen in the area of Saskatchewan that I represent. I am sure similar instances have occurred many times in other parts of Canada. In one instance a farmer was busily combining when a major part broke on his combine. He contacted the local dealer. The dealer did not have the part available and phoned warehouses in the province only to find that parts were not in stock and that the only place where one could be located was Calgary. The distance from the farmer's place to Calgary was 420 miles. He and his son set out on an all-night drive to Calgary, picked up the part and were combining again 24 hours later. They had been put to considerable inconvenience and expense and it would obviously have been far better had the part been available in Saskatoon, Regina or some other major centre in Saskatchewan. After all, we are the leading agricultural province in Canada.

Another farmer was compelled to keep his tractor out of commission for about six months because he could not get a simple repair carried out. When this farmer wrote to me I notified the Agricultural Implements Board in Saskatchewan and the Board was able to see to it that the farmer got his repair work done. In this case there was probably a breadown in communication between the farmer and his dealer.

Another farmer purchased a tractor. He ordered a belt pulley as an extra. He had to wait for eight months before he finally got his pulley. One of the problems arose as a result of a discrepancy in the company's records. The inventory indicated a substantial supply of pulleys on hand, but they had somehow disappeared. Possibly a computer was at fault. Eventually the factory was convinced and a further supply was shipped. The farmer finally obtained his pulley, but not before there had been a long delay. I could give other examples of extreme difficulty encountered by farmers in getting repairs done for their tractors and farm implements. The same applies to farm trucks, snowmobiles or powered toboggans and automobiles. I, personally, had to wait several months for repairs to be carried out to an automobile I owned. It is frequently very difficult to obtain spare parts for farm vehicles or other vehicles, when they are more than six or eight years old. It seems to me as though many companies are pursuing a policy of deliberate obsolescence. They are not interested in a vehicle after it has been in service for seven or eight years.

The constitution is not clear as to whether this whole question of repairs to machinery and motor vehicles is the responsibility of the provincial governments or of the federal government. Many of the provincial governments are doing good work in this field. However, I feel that the federal government cannot shirk its responsibility, especially when the farm implements or motor vehicles concerned cross provincial or international boundaries. At this time, four provinces in Canada have enacted laws which deal with the whole question of farm repairs and farm machinery. I have no knowledge of laws dealing with automobiles and powered toboggans. These provinces are Alberta, Manitoba, Prince Edward Island and Saskatchewan. It is possible my information may be somewhat out-dated on this point—I got it from the report of the Barber Royal Commission on Farm Machinery. Essentially, the purpose of the acts in those provinces is to protect the farmer in his relations with suppliers of farm machinery. The Barber Royal Commission recommended that all provinces review the legislation passed by the four provinces in this field and consider whether they should not introduce legislation of their own, if they had not already done so.

I shall review very briefly the legislation passed by some of the provinces. In Saskatchewan, the Agricultural Implements Act was passed in 1968 and amendments were added up to, and including, 1973. The act sets up an Agricultural Implements Board and one of its functions under section 6(C)(b) is as follows:

> To take such action as may be necessary to reduce or correct unreasonable delays in the delivery of repairs, and unreasonable charges for them, and to recommend to the minister appropriate action to alleviate such problems.

Section 6(D)(1) stipulates:

> A farmer who feels himself aggrieved or who considers he has incurred a loss due to an unreasonable delay in the availability of a repair or who considers he has incurred a loss due to the vendor or the general provincial distributor not fulfilling the conditions or warranties as set out in a conditional sales contract . . . may apply to the Board for an award of compensation for the damages or loss he has suffered.

Section 6(D)(2) states:

> Upon receipt of an application under subsection (1) the Board may, subject to the regulations with respect to notice of the hearing to interested parties and the conduct of the hearing, dismiss the application or make compensation to the applicant farmer out of the Agricultural Implements Compensation Fund.

Section 8 states:

Every general provincial distributor who has sold or distributed implements, or has implements sold or distributed on his behalf, and those implements are in operation in the province, who fails to maintain in the province an adequate supply of repairs that may be required for those implements is guilty of an offence and liable on summary conviction to a fine not exceeding $500.

That is a broad summary of the legislation in Saskatchewan. But since Saskatchewan really has no authority over machine companies who bring equipment into the province or over machine companies located in Ontario, the authority of the province is somewhat limited. In summary, then, Mr. Speaker, the purpose of the Agricultural Implements Act in the province of Saskatchewan and the Agricultural Implements Board, which is a creature of the act, is to make sure that any new implement sold in the province is backed by a responsible distributor. Second, its purpose is to give consumer protection through sales contracts, with specific warranties and conditions. Third, it provides for a mediator to assist in disputes with an implement dealer or manufacturer on warranties and contracts. Fourth, it provides protection against costly losses due to negligence by manufacturers or distributors in honouring warranties or providing parts. Fifth, it helps in the location and delivery of parts, and lastly provides compensation payments from a fund to be established in the near future. Farmers may be compensated for losses or damages because of delayed parts delivery or poor warranty service.

● (1710)

In 1967 the province of Alberta passed the farm implement act. Section 7(1) of this act states:

Notwithstanding anything contained in the agreement, every sale agreement of a new farm implement shall be deemed to contain a warranty that a sufficient supply of repair parts for the implement will be made available by the vendor for a period of 10 years from the date of agreement.

(2) Repair parts shall be made available to the purchaser within a reasonable length of time after a request therefor is made to the vendor, but the vendor is not responsible for any delay in delivering a required part that is due to circumstances beyond his control.

With regard to this particular section, Mr. Speaker, I argue that if the vendor is not responsible for delay due to circumstances beyond his control, then there is not much that can be done for a farmer if the delay occurs in a factory in Ontario where the required parts are being manufactured. Therefore, this simply lends credence to the fact that we need a new national act such as the one I am proposing today in order to ensure that all motor vehicles and farm implements are guaranteed a supply of parts for at least 10 years.

I should indicate that this year the province of Saskatchewan is in the process of passing an act entitled "the Agricultural Machinery Institute Act". I believe there is co-operation with the provinces of Alberta and Manitoba in this respect. This institute, by the way, was also recommended by the Barber Royal Commission on Farm Machinery, and I am glad that the federal government is co-operating in this regard. Its main function is to test and appraise under actual or similar working conditions machinery that is sold or is intended for sale, to undertake development work to improve and develop machinery for agricultural use, and to publish reports, pamphlets and bulletins which will be passed on to the farmers regarding the status of certain types of farm machinery. There have been some advances made, but I still feel that we need an act that is national in scope.

In this regard I received a letter from a farmer some time ago who had this to say:

The farmers of western Canada and I am sure the ones in the east have been subjected to more "legal and illegal rustling" by offshore companies than by any other "rustlers".

He is applying this expression to farm machinery companies which he feels have not always met their obligations.

One of the resolutions passed by one of the farmers organizations in the west concerning farm machinery read as follows:

Be it resolved that farm machinery companies and their dealers be held responsible to uphold any warranties or conditions stated in the bill of sale or instruction manual and in default of this responsibility, their license be suspended until all losses incurred by the farmer are paid by them.

I might indicate that this resolution has been partly resolved by some of the provincial acts that I cited earlier.

There were many recommendations in the Barber Royal Commission on Farm Machinery. This government has not acted on too many of the recommendations, though I must say it has acted on a few of them. However, I am particularly interested in the Barber Royal Commission statement in their report on farm machinery parts, which is as follows:

Farmers repeatedly complain about the difficulty frequently encountered in obtaining spare parts to repair farm machinery, particularly when it breaks down in the field during peak seasonal activity. Occasionally a part ordered on a routine basis in the off season may turn into a part needed on an emergency basis because the part is out of stock, and a long delay occurs before it becomes available. All companies should develop some method of dealing with this situation. Farmers also frequently complain of their inability to find out when the required part will arrive. If all companies could provide their dealers with a prompt estimate of how long it would require to fill an out-of-stock emergency order, the farmer involved would be better able to deal with his problem. In some situations he might be able to have a substitute part produced in a local machine shop.

I feel it should be the responsibility of the machine companies as well as the automobile companies to provide a supply of parts for at least 10 years, perhaps I might even say for 20 years if we want to preserve our resources. As I said earlier, it seems to me that we live in a society of deliberate obsolescence. There would be far less waste in our society if the various farm machinery companies and motorized vehicle companies planned to ensure that they had an adequate supply of parts for equipment and implements in every province of Canada in which they do business. I am not sure that this is always the case. In other words, I feel there should be a central warehouse, or several central warehouses, in each province conveniently located, stocked with a good supply of parts which would be available to farmers within a few hours' notice. If they are not, then the companies should be held liable.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have no hesitation in supporting this bill presented to the House by the hon. member for Meadow Lake (Mr. Nesdoly). I understand some of the problems that are inherent in our agricultural machinery industry, but I wonder why

in the world this kind of bill is introduced in this House of Commons. I do not think there should ever be a need for this kind of legislation. The industry itself must realize that it is not just a question of salesmanship, of being able to sell big machines. It is not simply a question of computerizing and tabulating farm implement sales on a balance sheet at the end of the year and congratulating salesmen on a tremendous job done. The industry has to do more than that. It must understand that in order to gain the confidence of the people it has to be able to earn it, and in this regard I think the industry has, to some extent, been very sadly lacking. In interprovincial transactions, provinces have the right of scrutiny of terms and conditions. I think the same right should apply equally in regard to companies that operate within the province. I do not think that companies that sell equipment, machinery and motorized vehicles in all provinces should be singled out.

The situation outlined by the hon. member is a very common and irritating one. I have personally had countless experiences of this kind. I had one combine which sat idle all fall waiting for a piston cap to arrive, and we had to use only one combine. This kind of situation is ridiculous. I had an experience where another farmer and I were working together and started to harvest very early. One of his machines broke down and he waited about three weeks for a part to arrive. Finally, when I completed my own combining my machine had to work his fields as well, and he was a little disturbed that his machine had to stand idle. He had only recently purchased it, yet he could not get the part required. I told him I would fix that in a hurry and I phoned the company. I had a little difficulty trying to get through in order to explain to them the nature of the problem. Of course, the officials were away and the secretary was just acting as sort of a buffer between those making the complaints and those at fault, so the matter was continually put off.

● (1720)

While I do not like to use my position to bring pressure to bear, I finally had to resort to this. I told them that, as a member of parliament, I was taking the matter up on behalf of one of my constituents, and might have to use other measures to force the company to realize there was a problem. After about half an hour, I finally got a call through. I must say that the dealer was very hard-pressed. He sent off no less than three telegrams and made a phone call. He did everything possible, and I am convinced that he was not to blame. The representative of the company in question said: Okay, what is your problem? I knew the part number and I said: We need these parts immediately. He said: Well, we will look into it, and within two days they did send out the parts.

After I got through to the president, the company unloaded all the parts, in addition to the one we ordered, that the dealer had ordered over the past six months, all send c.o.d. This dealer was probably having difficulties with the company and he had to run all around the countryside to collect enough money to pick up that one c.o.d. which may or may not have contained the part we wanted. In any event, they did send the one part. The following day the dealer had another consignment sent to him c.o.d., and he had to run around the country to all the people who owed him money as well as to all the credit sources he had in order to pay for that one consignment. At one time he went to the fellow at the bus depot and asked him to open up the consignment. That fellow said: I can't do it; you pay for the c.o.d. and I will open it up. The dealer said he did not even know whether the part was in there.

Mr. Knowles (Winnipeg North Centre): All you wanted was one nut.

Mr. Korchinski: That was about the size of it, but that is exactly how ridiculous the situation can be. You can tie up a $15,000 or $18,000 piece of machinery, yet the dealer does not know who is at fault. It may not even be his fault. Dealers have had their financial difficulties and I am very loath to fault the local dealers because of their difficulties.

I have had similar experience with the John Deere Company which is discontinuing machine dealerships all across the country. It does not matter how many machines these dealers have sold in the past, that is not important. The important thing is how many machines the dealer has sold in the last year. I have seen the same situation in respect of other companies such a J. I. Case and International. These companies have forced dealers to move from one part of the country to another and have just caused some of them to go bankrupt. Then, if a dealer has not sold anything in the last year the company tells him he is out.

At the same time I think I should point out one other thing. We are all too ready to lay the blame on the company, but we must recognize that there are people working within those companies. Very often the attitude of those employees is that they could not care less. They do not care whether they drop a part and it breaks or whether it is in proper condition when it is received. Apparently that is not their concern. I suggest that transportation companies adopt the same attitude of not caring. They feel that they have done their job and if the part is broken that is not their fault. They believe it must be somebody else's fault.

I have heard of many cases of people phoning in and not being able to get any response on a Saturday or a Friday after three o'clock. Can we really blame the companies for everything that goes wrong, and assume it is the responsibility of the company? It seems that is what most of us assume? I suggest that the general attitude of our society is not conducive to improving conditions. I think workers employed by those companies must share a part of the blame. It is too easy for most of us to put the blame on the machine companies, but these companies cannot operate without the services of the people who work for them. I think we must recognize that a great deal depends upon the attitude of those within the organization, and it is this attitude that produces good relationships all the way down the line. Surely, the dealer does not want to lose a customer, the machine company does not want to lost the customer, and surely to goodness the people employed by these companies do not want to lose their jobs.

It is too easy for hon. members such as the hon. member for Regina East (Mr. Balfour) to suggest, as he did a few moments ago, that it is the fault of the companies, because the companies are big and they can take the blame. Some members take this attitude because they must restrict themselves in their criticism. That statement may be a

little strong for the NDP, but everyone in this society must realize that we are all at fault. Do we or do we not care enough about what happens to the other man? I have seen this so often, as I am sure every hon. member of the House and of this country has. I have in mind the sloppy work that is so often done, yet people want to earn more and must earn more in order to counteract the effects of inflation. They think that the little bit they do is insignificant, but I suggest everything must be added to the cost of a commodity.

Mr. Paproski: You were referring to the hon. member for Regina-Lake Centre (Mr. Benjamin), not the hon. member for Regina East (Mr. Balfour).

Mr. Knowles (Winnipeg North Centre): Don't heckle your own member.

Mr. Korchinski: Regina-Lake Centre, that is correct. What I said was wrong.

An hon. Member: You might as well put the blame where it belongs.

Mr. Korchinski: I only wanted to say that it is too easy to say somebody else is at fault, and that very often we must all share the responsibility. I agree with the hon. member who suggested that society is geared for planned obsolescence. When you consider the way some of the young fellows drive these vehicles into the ground, I would rather let them drive an old truck than buy them a new one, so long as the old truck was serviceable. That is fine for my purposes. We are not trying to compete with the Joneses out there. Therefore, I think there is a need for this type of legislation, and I think governments at all levels should take a firm stand.

When we consider our limited resources, what use is there in having one scrap pile after another in the farmers' yards just for the sake of a few missing parts? I know many farmers who operate old machines that are just as serviceable and just as handy as the new ones, and they are not making annual trips to the bank to get mortgages in order to buy new machines. In fact, these machines are just not available any more. So what is the alternative? Instead of scrapping the whole thing, perhaps one should adjust some things. All I am saying is that the government should consider this matter very carefully in view of the limited resources in this area. If this is done, perhaps someone in one of the big cities will suddenly take note of the fact instead of just saying that farmers can afford these machines. Someone should pick up the cudgel and say, "Let us provide the parts that are necessary. Let us carry the message not only to the machinery companies but right into the factories. Let us see if we cannot preserve some of the resources which we have, because they are limited".

● (1730)

I have no hesitation in supporting the hon. member for Meadow Lake (Mr. Nesdoly) on this occasion, but I want to point out the other side of the story rather than simply blaming the machinery companies. For example, I could say that I think improvements could be made. A telex system could be adopted which would provide instant information. After all, we have the Zenith telephone system. This is an example of the kind of system which I think could be put into operation. I have had unhappy experiences with machines. They are pretty expensive. I do not think one has to go farther than five or ten miles from his own home town to find enough examples to fill a book. I believe the time has come when not only the provincial governments but the federal government must move into this area because of the absolute waste of resources that is occurring.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it gives me pleasure to rise this afternoon to discuss Bill C-103 whose purpose is to ensure that anyone who buys a motor vehicle or farm implement which is manufactured in Canada and is conveyed from one province to another, or that anyone who buys a motor vehicle or farm tractor that is imported into Canada shall be guaranteed a supply of parts for a period of ten years.

Mr. Speaker, I would like to quote here a few survey notes in that respect. In its public hearings, the Royal Commission on Farm Machinery was struck by the number and the firmness of the complaints made by all farm organizations about the difficulties encountered by farmers in finding efficient and reliable parts service. It seems to be felt generally speaking that manufacturers should be in a position to provide better service than now, particularly by stocking more parts with their dealers and branches. That is of prime importance for the farmer because a delay of a few days in getting a major piece of farm machinery going during a difficult harvest could result in very serious losses.

To better appreciate the nature and the extent of that problem, the commission made two surveys. The first one in November 1967 was limited to four provinces—Ontario, Manitoba, Saskatchewan and Alberta—and urged farmers to point out any particular problem they had encountered in obtaining parts or maintenance for their implements in the period after April 1, 1966.

The second survey in January 1968 included the distribution of a shorter questionnaire to a specifically selected sample group of farmers across Canada. The purpose of the questionnaire was to provide an overall assessment of the extent and the seriousness of the problems encountered by farmers with respect to parts and maintenance.

During the first survey, some 50,000 questionnaires were distributed. Out of that number, 7,259 or about 15 per cent were returned. About 22 per cent of the forms returned mentioned a problem of spare parts or maintenance. The complaints dealt with 78 various kinds of material, but the ground of a great number of grievances, that is about 43 per cent, was tractors. Comparing the number of complaints and each kind of implements on the farms, it became clear that as far as the number in use was concerned, the combine gave more trouble then any other equipment, perhaps due to the complexity of the machine and the large number of working parts.

In a more thorough follow-up of the survey 20 typical complaints were selected for each of the four provinces and an interviewer met with the farmers, the suppliers

and eventually the staff of the companies in order to determine the circumstances of each complaint. They were all provincial residents who had a good farming experience and had at least completed two years of agronomy or agricultural engineering at the university.

● (1740)

The talks with farmers took place immediately after the crops, when those surveyed had the time to discuss their problems with the facts still fresh in their memory.

Of the 80 cases reviewed in detail, the great majority of those surveyed complained that they could not immediately find spare parts when they needed them. The most significant findings of this study in depth were, I believe, that the dealer was wholly or partly responsible in about half the cases.

The typical remark of the interviewer in this case was that the parts ordered by the dealer were not the right ones; that the dealer had not ordered the parts or had been slow in ordering them; that the dealer had not advised the farmer when he received the part.

In 5 of the 80 cases reviewed, it was found that the farmer has no cause for complaint. In 7 other cases, the farmer was found partly responsible. Of the 69,000 questionaires sent across the country over 55 per cent were returned, which is a wide response for a postal survey.

Besides, about 48 per cent of those who answered complained of having had much difficulty in obtaining parts in the past two years. As regards the manufacturer's problem, it seems at the present time that all big factories have to keep in stock a number of various parts most of which account eventually for few sales every year.

Massey-Ferguson pointed out that the number of various parts in stock in North America had increased from about 68,000 in 1958 to more than 100,000 in 1967. Out of that total, 30,000 parts had not been bought even once in 1966. Of the 54,000 parts for International-Harvester farm implements kept in stock in Canada, almost half had been ordered only once or not at all during the previous year.

The International Co. pointed out that about 60 per cent of the parts in stock were for machines not manufactured any more. Massey-Ferguson pointed out that tractors' and combines' parts remained in stock at least 15 years after the company had stopped manufacturing the machine and that spare parts were still available for many machines not manufactured for 20 years. Considering the particular problem spare parts posed for manufacturers, the tremendous number of parts to be kept in stock, the very small number off sales in a year, the high storage costs and the unpredictable fluctuations of the demand for such parts, it is obviously hard for the companies to decide how many parts should be kept in stock and where.

For instance, should Massey-Ferguson double its stock of all parts of which fewer than 50 were sold in 1966, they would have to increase by $7.2 million their total inventory of spare parts. Considering the estimated 15 per cent in interest, storage and maintenance charges, annual costs would amount to about $1 million.

While this figure exceeds only slightly 4 per cent of the total number of parts sold by the company, it would represent 55 per cent of the annual sales of that type of parts.

[Mr. Corriveau.]

Of course, each firm must set up the best way of distributing costs for surplus stocks according to the advantage they would gain if they were able to supply spare parts as required. Since farmers insist on the possibility of getting maintenance parts as required, all firms are interested, from a competitive viewpoint in satisfying this demand.

According to testimonies before the commission, most if not all major manufacturers of farm implements have been making a concerted effort for the past few years in order to improve the quality of their spare parts service.

Almost everywhere now, computers are used to set up a careful list of available parts so as to ensure that new parts are ordered as soon as stock for a given part begins to decrease more rapidly than expected.

Moreover, several farm implement manufacturers are trying to improve the level of parts services in their agencies. Agents are individual businessmen and take their own responsibilities concerning the quantity of parts to stock. However, manufacturing firms can exercise a strong influence on these decisions, which they have done so far apparently. A number of firms have given some details on the direction that they give their agents regarding the systematic stock control and forms to use in the stocking of parts.

Moreover, most firms offer their dealers special premiums to push them into storing fast-selling parts before the so-called use period. Several firms suggested the establishment of special arrangements for the return of parts, in order to lessen the risks for the dealer who stocks parts never requested. In spite of these efforts, the commission's report clearly indicated that the dealers' quality and competence often leave much to be desired. It seems in the best interest of the firms to reduce the number of marginal or ineffective dealers, and intensify their efforts to improve the quality of service provided by the remaining ones.

A number of farmers and farm organizations have submitted a proposal that dealers should stock a larger number of parts. Such a proposal does not seem promising as a means to solve the part-stocking problem. We need only look at the data supplied by Massey-Ferguson on the trade of parts in North America. In 1966, this company had 2,643 dealers on this continent. It was keeping in stock a little under 99,000 various parts, but out of this number only 1,561 parts sold more than 3,000 units a year. So, if the individual dealers were keeping in stock all the parts for which the average sales in a year amounted to 1.1 unit or more per dealer, the company would stock only these 1,561 parts, that is less than 2 per cent for all the various parts figuring in the inventory. On the other hand, when a dealer keeps in stock parts whose annual sale amounts to one unit or less, he runs the risk of having some of these becoming obsolete and left on his hands. On the whole, the stocking and distribution costs of spare parts would be much higher.

With regard to seldom required parts, the analysis suggests that the most profitable formula would be to stock parts in a central place and to rely on the swiftness of

transportation and communications for their delivery to those farmers who need them. With the development of dealerships, each dealer will be able to stock a greater supply of parts. On the debit side, the longer trips required of the farmer to obtain parts must be taken into account. However, some farmers have said in briefs or before the commission that they are ready to travel greater distances to get parts provided they are sure that the dealer will have them on the spot.

I humbly suggest, Mr. Speaker, that common supply points would be one the best solutions put forward up to now.

According to this evaluation of the problem, what conclusions should be drawn regarding the resolution that companies set up central parts depot? In the opinion of the commission, any advantage of such a system is strongly overcome by its disadvantages. Under the present arrangements, whereby each company is responsible for its parts distribution, it is very easily determined who is held liable for any supply shortage. Since the reputation of each company depends partly on its capacity to offer a quick and reliable parts service, it is entirely to its advantage to develop and maintain a good service.

● (1750)

If the parts were provided through a central co-operative stock, the areas of responsibilities would be much less well defined. It is at least possible that the service would worsen under such an arrangement. Moreover, the service now provided by each company is an integral part of the parent company's parts business in North America. If all the central stocks of Canadian companies were placed under the same roof, we could sever the direct communication and responsibility links which now exist. I am thinking about problems beyond the influence of manufacturers.

Since the very nature of the repair parts problem makes the stocking of a great number of parts in regional and central stockrooms inevitable, the existence of an efficient and quick emergency service requires prompt communication of the farmers' needs, and immediate action by the company to ensure that the farmer's order is filled and delivery of the part will be made as soon as possible. Even though we now live in an era where the rapidity and efficiency of communications and transportation have improved, there are many obstacles to the emergency distribution of spare parts to the farmers.

From a technical standpoint, communications have made a lot of progress. Since all the parts are now registered on computers, some companies pretend that they can find a part anywhere in North America in only a few hours, even if only a few copies exist. The dealers often communicate with the branches by telex. The communication problem seems to lie most often at the human level. The farmer does not say to the dealer that his need is urgent, or else the dealer does not follow the procedure prescribed by the company so that the urgent nature of the order is not recognized at the branch level. The commission's investigation suggests that such errors are more common among smaller and less efficient dealers. Their frequency should diminish as farm machinery companies continue to upgrade the level of their dealerships and to reduce their number.

Even when the spare part is in stock at the branch or central warehouse, there can be, for many reasons, considerable delay in delivery to the farmer. The farmers in remote areas must often rely on trucking, bus or express services to get their parts. Trucking companies and express offices do not usually operate on Sunday. At times, bus companies are not too eager to transport huge or awkward parts nor to deliver them to remote spots lacking staff.

Four Canadian provinces, namely Alberta, Manitoba, Prince Edward Island and Saskatchewan have passed laws on farm equipment to regulate and moderate the relations between the three parties interested in the purchase and use of farm equipment: the company, the dealer and the farmer. One of the prime objectives of these acts would seem to be protection of the interests of the farmer in his relations with the suppliers of farm machinery. The dealers are eventually subjected to a licensing system to allow the adoption and the maintenance of minimal standards of production. On the other hand, attempts are being made to guarantee—

Mr. Speaker: Order. I am sorry I have to interrupt the parliamentary secretary, but his time has expired. Of course, he may continue his remarks with unanimous consent of the House.

[*English*]

Is there consent?

Mr. Knight: No.

Mr. Speaker: The hon. member for Assiniboia (Mr. Knight).

Mr. Bill Knight (Assiniboia): Mr. Speaker, I regret my refusal to extend the time of the hon. parliamentary secretary, but I am sure he is aware that this debate will be over at six o'clock and with his great interest in the problem he would not want to prevent my speaking on the subject and allowing the bill then to be referred to committee.

I rise merely to say a few words. In presenting this bill to parliament, the hon. member for Meadow Lake (Mr. Nesdoly) did a notable job of outlining the problems of farmers in all parts of Canada who face a serious situation when farm machinery parts are not available. The hon. member for Meadow Lake, the hon. member for Mackenzie (Mr. Korchinski) and the hon. Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) are to be commended for their contributions which show that this question goes beyond mere partisanship. I hope we can end the debate before six o'clock and send the bill to committee so that the whole subject may be investigated and the government enabled to bring forth legislation for this House to consider.

If any hon. member should follow me in this debate he would be doing a disservice to the farmers of Canada by killing the bill and sending it to the bottom of the order paper. I usually speak for much longer than I shall now, but I will curtail my remarks so that the House may allow the bill to go to committee. I hope no other member will

speak, and so allow this most important subject to be referred to the committee on agriculture.

Some hon. Members: Question.

Mr. Maurice Foster (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I am happy to have an opportunity to speak on this bill this afternoon. There can be no question that this matter is of great concern to the farmers of this country, so I congratulate the hon. member for Meadow Lake (Mr. Nesdoly) for bringing it before the House. If I had time, I would go into some detail as to whether this problem is more properly dealt with by the federal government or by the provincial governments.

This bill seeks to guarantee a supply of farm machinery parts for a period of ten years. This is an important aspect of the whole problem of spare parts for farm machinery, but equally important is the problem of servicing and providing those parts on a speedy basis when breakdowns occur. Many of us go to farm meetings and hear about the problem of being unable to get spare parts almost on demand, especially during the harvest season when there are many machinery breakdowns and there is a regional or provincial problem in obtaining speedy delivery of spare parts.

At the meeting of the Canadian Federation of Agriculture held last February in Saskatoon, the following resolution was passed concerning farm machinery repairs:

(a) That retailers keep a sufficient parts inventory to make possible the quick repair of farm machinery, especially during rush periods.

(b) That farm machinery parts and repair services be offered to farmers during the weekends deemed necessary and during lunch hours.

(c) That there be more standardization of parts in the farm machinery industry.

(d) That individual machinery repair parts be made available rather than having to purchase an entire unit.

In addition, a farm machinery committee was established. Its terms of reference include the development of a comparative evaluation of machinery manufacturers—

Mr. Speaker: Order, please. I appreciate that the hon. member was making a most interesting speech, but it is six o'clock and the Chair must advise the House that the time assigned for the consideration of private members' business has expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Knight.]

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, just before the supper break I rose to participate briefly in the debate. I propose to comment on this bill and on some of the observations of the hon. member for Mississauga (Mr. Blenkarn). Passage of Bill C-5 has been delayed for some time. Members of the House have the right to delay passage of a bill; nonetheless, this has proved to be an embarrassment both to the CNR and to Air Canada because, no matter what some members may think, these companies are entitled to funds for financing. Members, of course, may question that financing.

It seems to me that we were given ample opportunity in committee, under the able chairmanship of the hon. member for Crowfoot (Mr. Horner), to investigate these matters and question officials of the CNR and Air Canada on various aspects of the operations of both corporations. I do not want to debate with the hon. member the Air Canada-Wardair transaction which he mentioned this afternoon—whether Air Canada is paying too much or not enough for 30 per cent of Wardair shares, or whether they should pay 30 times, 15 times, or 10 times earnings. It boils down to how one defines earnings. Do we mean earnings after depreciation, or before; earnings declared for income tax, or for the purpose of corporate tax?

I think the hon. gentleman would agree that this is not the real issue. Unintentionally, I am sure, the hon. gentleman implied that Air Canada agreed to pay to Wardair considerably more than it had to pay. Perhaps I read more into the hon. gentleman's speech than he intended. He is an able debater and I am sure he did not mean to intimate that, even unintentionally.

The fundamental question is, should Air Canada be buying into Wardair at all? What may not have been said—I do not know, since I have not listened to or read every speech made in this debate—is that before entering into this financial arrangement with Wardair, Air Canada obtained the best possible advice from acknowledged experts in the field. Certainly this was mentioned forcefully in the standing committee when this matter was considered during the last session.

The question is, what is Air Canada receiving in return for its investment in Wardair? It is not whether Air Canada paid a fair price. A fair price is a matter of

opinion. According to observers and consultants in the aeronautical industry, Air Canada offered a fair price. The question is, is this transaction unique, is it unusual, is Air Canada breaking new ground in acquiring part of the business of another airline? Further, what was its motive, and what will it get in return for its money?

The hon. gentleman said this afternoon, and I agree, that if Air Canada bought into Wardair simply to acquire equipment, the deal was not lucrative since Wardair equipment is limited, much of it being leased. Some of its equipment is useful in fulfilling contracts in the northern territories. Fundamentally, I do not think Air Canada bought Wardair shares in order to acquire more equipment, as it would be better to buy or lease equipment directly from the manufacturer. The intriguing question is, what would Air Canada want with Wardair in the first place?

I should emphasize that other airlines tried to acquire Wardair and failed. The owners of the business, the family group, would not give up their control of the airline business despite the cyclical nature of the industry which has made Wardair and other airlines conscious of the need for liquidity. If you look at the balance-sheet objectively you will see that Wardair improved its financial position consistent with the financial trends in that particular industry.

● (2010)

The significant thing is not so much the evidence that came forward at our committee hearings, but it did whet my curiosity to the point that I obtained transcripts of all the Canadian Transport Commission hearings, which are available. Let us presume, for the moment, I was persuaded by members of the standing committee that it was a terrible deal for Air Canada and a bad deal for the taxpayers that Air Canada, a Crown corporation, pay more than it should for the purchase of shares of this particular firm.

I was rather intrigued. I wondered why all these other corporations such as CP Air, Nordair, and Pacific Western were so publicly minded that they would go to the Canadian Transport Commission hearings and oppose the purchase of 30 per cent of the shares of Wardair by Air Canada. Was this a wonderful gesture on the part of these particular airlines to protect the Canadian people from Air Canada's alleged foolishness? It is nice to know private industry cares so much about the taxpayer that they would go to the Canadian Transport Commission and say they opposed the purchase by Air Canada of 30 per cent of the shares of Wardair. I am naive by nature, but I am not quite that naive. I just could not visualize large corporations such as CP Air, Nordair and two other firms hiring the best legal counsel in Ottawa, Toronto and out west for weeks of hearings simply to protect the Canadian taxpayer against a foolish gesture by Air Canada.

It seemed, there ought to be something a little deeper behind it all than just protecting the average taxpayer from the foolishness of Air Canada. It would be nice to believe this is the reason; however, when you read the testimony you find it is very incidental and not the main purpose at all for the opposition by these carriers to the proposed purchase of Wardair shares by Air Canada. Their opposition to the proposed purchase was legitimate. Certainly CP Air is a very legitimate organization: it has provided the very best in competition for Air Canada, and continues to do so. In case members opposite have any illusions, I tell them to make no mistake about CP Air. I have travelled CP Air as much as the next person, and I have enjoyed it as much as travelling Air Canada. If anything, I find their competition has improved the situation across Canada.

I am not so naive as to think CP Air would appear before the Canadian Transport Commission simply to protect the taxpayers' dollars when Air Canada proposed to buy 30 per cent of Wardair shares. When you read the five or six volumes of the hearings, it becomes very obvious that the fear of CP Air, Nordair and Pacific Western was that collectively Air Canada and Wardair could very well become a monopoly of the air charter business. The affinity group concept is disappearing, or has disappeared, and the shape of things to come is pretty well known in the airline industry. The traveller today wants some kind of package deal, if not for the sake of money at least for convenience. It is recognized there is very little use travelling half way around the world by any airline if you cannot have decent accommodation when you get there.

It is obvious that Air Canada, CP Air and other large competitive airlines realize that in the future they must be able to offer more to the travelling public, especially those who travel in the tourist rather than the business area. They want more than just air travel; they want a complete package.

It is obvious from the testimony given before the Canadian Transport Commission that the concerns, legitimate or otherwise, of CP Air and Nordair are that in the future Wardair-Air Canada as a package would wield a virtual monopoly over this type of operation in the Canadian air industry. This may be a very legitimate concern but it is an entirely different one from whether Air Canada is paying too much for the purchase of 30 per cent of the Wardair company.

I am not a lawyer, but I read the arguments placed before the Canadian Transport Commission with a great degree of envy because each and every company was more than ably represented by counsel: they were obviously specialists in this particular field. However, what decided the Canadian Transport Commission to approve in principle the purchase by Air Canada of 30 per cent of Wardair was the realization that unless this type of merger was made, the Canadian airline industry collectively was in danger of losing a greater and greater percentage of this type of business.

Statistics show that of the 450,000 charter flight passengers—I think that is how you designate these people—who travelled to and from Canada and the United Kingdom, 52 per cent travelled by foreign carriers. That is a considerably higher percentage than in previous years. Of the 48 per cent carried by Canadian carriers, Wardair carried 24 per cent, Air Canada 13 per cent, CP Air 7 per cent and Pacific Western 4 per cent. British Caledonia and BOAC carried 23 per cent.

● (2020)

So it was proven so far as the CTC was concerned that the relationship between Wardair and Air Canada was

desirable from a domestic point of view, if not necessarily desirable from the point of view of CPA, Pacific Western or some other Canadian airline. The relationship was desirable from the standpoint of improving our ability to compete against foreign-owned airlines. Therefore it seems to me it was either a good deal, in which case Nordair and CPA were quite logical in their opposition, or it was a bad deal. And if it was a bad deal, I cannot see them wasting their money opposing the Air Canada-Wardair deal in the first place.

Much as I appreciate CPA, Nordair and those other companies in whose aircraft we travel from time to time, my gullibility does not extend to the point that I believe they would spend many thousands of dollars in hearings before the CTC to protect a competitor against a bad investment. The reason, as stated at the CTC hearing, was simply that they feared what might happen in the course of time. It was not brought out during the committee proceedings, though it could have been—it had already been made public at the CTC hearings—that if and when the Ward family sells more of its shares, those shares will be sold to Air Canada. So in time, with the permission of the CTC, Air Canada could conceivably assume majority control of Wardair.

I suspect some understanding was reached at the time that Air Canada will eventually own more than 30 per cent of the shares and use its option to take up sufficient shares to be clearly identified as the majority shareholder in the Wardair operation. Without passing judgment on whether such monopolies are good, I would think the CTC was certainly apprised of all facets of Air Canada's proposed transaction with Wardair, the one which is now before cabinet.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Laniel): Unanimous consent of the House is needed for the hon. member to continue. Is there such consent?

Some hon. Members: Agreed.

Mr. Mackasey: I do not wish to take up the time of the House unduly; I simply wish to summarize what I have said. There is really a question of accounting methods involved here. The hon. member for Mississauga and I have debated this matter before—whether Air Canada offered 30 times the earnings of Wardair. It depends on how those earnings are assessed. But this is really incidental to the question whether or not Air Canada and Wardair should be linked.

Incidentally, and in conclusion, I wish to point out that a relationship between a national carrier and another operator is not unusual. We find that with BOAC, KLM, Swissair, Scandinavian Airlines—virtually every nationally-owned airline in the world. The objection raised to what Air Canada proposes was logical and understandable in light of the competitive situation, but the CTC based its decision upon the fact that unless such a relationship was permitted, year by year, as evidence showed, the Canadian airline industry would lose more and more Canadian business.

The commission ruled, not in the light of whether Air Canada would improve its position vis-à-vis CPA but whether the Canadian airline industry as a whole would be able to retain at least 50 per cent of the charter business operating to Europe. Indications are that as a result of this proposed merger, if it is approved by cabinet, Air Canada will be in a position to meet successfully the erosion of its revenue by the charter business which has been going on steadily for the last couple of years.

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise to speak on the amendment moved by my hon. friend from Mississauga (Mr. Blenkarn) because I think members of this House have little choice but to speak up when we feel there has been a wrong done to the House of Commons. I am referring to the fact that through trickery an amount was voted here last Tuesday night—the sum of $28.8 million—which was passed under the Appropriation Act in a few minutes but which should not have been passed.

Mr. Benjamin: Explain.

Mr. Stevens: In the course of my remarks I shall outline a complete pattern of failure to disclose certain information to members of the House and to the Canadian public who should be entitled to the facts.

Mr. Benjamin: Explain the last remark you made.

Mr. Stevens: I am referring to the fact that there is an option outstanding with respect to the purchase of up to 32 per cent of the outstanding shares of de Havilland of Canada Limited in the amount of $28.8 million. We have endeavoured in committee and elsewhere to determine whether it is the intention of the government to go ahead with this project, and on each occasion we have been told the question is still not decided. At the last meeting of the finance committee, the Minister of Industry, Trade and Commerce (Mr. Gillespie) insisted that the estimate be considered, yet he positively declined to give the committee the opportunity to look at the financial statement of de Havilland of Canada Limited. I think this is most unfortunate. Financial statements concerning de Havilland are available to us though they are not up to date. We know the company has sales valued at $35 million and that it is marginally profitable. We were absolutely startled to find the government seriously considering exercising an option to purchase all of the outstanding shares of that company for an amount that it estimates to be between $28.8 million and $38.8 million.

● (2030)

Let us put the matter in perspective. I am referring to a company with sales of $35 million and marginal profitability which the government is seriously considering purchasing for between $28.8 million and $38.8 million. Yet the parent of that company, the Hawker Siddeley group in England, have another subsidiary in Canada called Hawker Siddeley Canada Limited. I find it relevant to note that this subsidiary has sales of $200 million and a profitability after taxation of $3 million. This company is

selling on the Toronto Stock Exchange today for $50 million. In short, it would be possible for the government of Canada, if it is serious about buying into the aerospace field, to purchase virtually all the stock of a profitable, ongoing company six times the size of de Havilland of Canada for very little more money than it is proposing to put into de Havilland of Canada.

Mr. Benjamin: They should buy it.

Mr. Stevens: My hon. friend to my left says we should buy it. I am sure the NDP would buy anything if it meant state ownership in this country. They lust for power. I think the Minister of Finance (Mr. Turner) in particular should note that these members will buy anything sight unseen. When we attempted to have the estimate with respect to de Havilland reduced in committee, government members, joined by their allies in the NDP, said, "We don't care what the statement of de Havilland looks like. We don't care whether or not it is earning money. We want that estimate to go through".

That is a broad outline of what I should like to deal with tonight when considering the motion before the House. However, the story is bigger that I have indicated, because de Havilland is only one company which the government is proposing to purchase. There is a second company, Canadair, owned by General Dynamics, which happens to have its main plant in Canada in the riding of Dollard. Whether that has any connection with the fact that the riding of the Minister of Supply and Services (Mr. Goyer) is Dollard is not for me to say. However, the minister indicated today that he was willing to pay a dollar for a gallon of oil that one can buy for 25 or 30 cents, so if he has had any input into the purchase of Canadair we as members of this House should be highly suspect of any such purchase.

Let me deal with a few specifics, Mr. Speaker. In the transport committee in December we attempted to explore a deal which was prepared by Air Canada and Comstock International entitled "Proposal for rationalization of the Canadian aerospace industry". This proposal dealt with the possible merger of de Havilland with Canadair to which I have referred. The proposal is nicely bound within glossy covers, sets out pro forma balance-sheets and indicates that generally speaking the government is expected to pay for practically everything yet will not necessarily end up with even 50 per cent of the equity ownership.

This came to us, as Mr. Pratte, the president of Air Canada, pointed out, through a leak. He was highly disturbed that this proposal had been, as he said, leaked to the opposition benches. While during the committee hearings Mr. Pratte and the newly elected president at that time, Mr. Vaughn, were quick to point out that we should not take this document too seriously, that it was only a working paper which they would not necessarily follow, they forgot that they had already written a letter dated October 29, 1973, addressed to Mr. C. D. Arthur of the Department of Industry, Trade and Commerce in which they had this to say:

> We . . . look forward to the opportunity of working closely with your department to bring (our proposal) to fruition.

I am referring to this merger of de Havilland and Canadair. I note that when discussing the anticipated results of the proposal—and undoubtedly NDP members will rejoice on hearing this—it was stated that one of the advantages would be to bring about a closer liaison with government officials, with the head office being located in Ottawa. I make reference to this, Mr. Speaker, because in our questioning we tried to get from Mr. Pratte an understanding of why the government would seriously consider paying $22 million for Canadair and $25 million for de Havilland. Any time we referred to a total purchase of $47 million we were told by Mr. Pratte and Mr. Vaughn that the document was nothing more than a preliminary proposal.

I point out that in their financial statements it was indicated that if these two companies were joined together, it was thought that by 1980 they would have a combined sales volume of $120 million to $150 million, and that Canadair would make 2.7 per cent to 3.7 per cent profit during the next ten-year period of investment. With inflation at the present time running, thanks to our Minister of Finance, at 9 per cent to 10 per cent, the government is seriously considering an investment that it thinks will yield 2.7 per cent to 3.7 per cent in a ten-year period.

I am not going to take up hon. members' time to read all the conditions attaching to the proposal, but if all conditions are met it is stated that it is felt the company would be viable and profitable. I suggest, Mr. Speaker, that it is natural that they would take that attitude, because they know that the two companies they are attempting to merge will find it extremely difficult to make money in the highly competitive, energy short era in which we now live so far as the manufacture of aircraft is concerned.

They project that this $47 million investment will yield a sales potential in the year 1980 of $150 million, presumably totally ignoring the fact that they can buy Hawker Siddeley Canada Limited for $50 million, a company already having sales of $200 million and yielding a $3 million profit. I suggest that this is the irrational type of behaviour with which we are having to live so far as certain Crown corporations and the government of this country are concerned.

I now come to the main reason for feeling I had a duty tonight to put before this House and the public of Canada some hard facts. I see no reason why taxpayers' dollars should be channelled into an investment unless those who wish to do the channelling accept the responsibility of putting statements on their proposed investment before the House so that members can review them and make up their own minds whether the investment that is proposed is worth while. Again, I am pleased to see the Minister of Finance here tonight, since it may well well be that he does not know what kind of deals are being made under his skirts as far as certain departments of this government are concerned.

● (2040)

Let us come to some of the specifics. When he appeared on December 17 before the transport committee, I asked Mr. Pratte whether he could furnish the committee with the statements of Canadair and de Havilland. At that time Mr. Pratte said—I emphasize this—that he would supply these to us through the chairman as soon as he got back to Montreal. That was the commitment by Mr. Pratte of Air Canada. He promised us statements for de Havilland and

Canadair, but these statements have not been forthcoming: the chairman of the committee has heard nothing further from Mr. Pratte in this respect.

Mr. Pratte, when we attempted to get some justification for proposing to pay $47 million for these new companies, suggested that after all this was only a working document and he felt we should not be pressing as though this transaction was a *fait accompli*. When we indicated that the natural thing to do was to get an assurance from Mr. Pratte and Mr. Vaughn that in the meantime, between that committee meeting and June 30, 1974, they would not buy the shares of de Havilland or Canadair, leaving us with no opportunity to review the deal, the president of Air Canada gave us this commitment. I asked him the following:

—what assurance can you give us that by June 30, 1974, you will not become obligated with respect to the purchase of Canadair or de Havilland as set out in this proposal?

MR. PRATTE: I have offered at the last meeting to give that assurance to you, sir, and to members of the committee.

He went on to say:

—I can certainly give you the assurance that there will be no commitment to subscribe or to permit any money for the purchase of any interest in Canadair or in de Havilland or in any company that would have any interest in de Havilland or Canadair.

I said:

I am relieved to hear that.

When I pressed Mr. Pratte, he went on to say that they might have to spend half an hour or so actively pursuing the deal if they were requested to do so. I asked him if he would also give assurance that he would not press the deal further, and he said:

However, in terms of committing money, or committing ourselves to go into that proposition having to do with de Havilland or Canadair, I am prepared to give a commitment at any time.

I repeat, "half an hour or so"; and that is the way it was left at the committee meeting. We pressed him for further assurances and we were left with what I regarded as a clear undertaking that there would be no commitment on the part of the government of Canada or any Crown agency of the government to purchase the shares of de Havilland or Canadair between that date and June 30. That is why I believe hon. members will understand my surprise when I found in the main estimates tabled in this House by the minister responsible for Treasury Board an estimate in the amount of $28.8 million, being vote L20, for the payment in current and subsequent fiscal years in accordance with the terms and conditions approved by the governor in council for the purchase of shares of the capital stock of de Havilland of Canada Limited.

We had a commitment from the president of Air Canada that between that date and June they would not purchase the shares of de Havilland. Then we had an estimate tabled in this House and, as I said earlier, this question came up for review before the Committee on Finance, Trade and Economic Affairs. At that time I asked the Minister of Industry, Trade and Commerce whether he would be good enough to give us the statements concerning de Havilland so that we as members of the committee could decide whether this $28.8 million was an appropriate amount to pay for de Havilland. We were told flatly that this was a confidential document and would not be turned over to us. I refer to the *Minutes of Proceedings and Evidence* of the committee for March 26, page 2:26, when I asked the following:

Mr. Chairman, could the minister then furnish the committee, so that we may tell whether the $28 million figure is a fair new estimate, with de Havilland's statements for the past five years showing balance-sheets, profit and loss picture for this company?

MR. GILLESPIE: I believe that is private to the company itself, Mr. Stevens. I cannot give you that undertaking.

Keeping in mind that we had the president of Air Canada assure us he would deliver the statements, that under no circumstances would they be committed to buying this stock but that in the interval they might have to spend half an hour discussing it, the minister went on to state:

A good deal of work is being done by my department to assess the potential of the firm.

Again I asked whether we could have the financial statements for this company and the minister replied:

Those are confidential to the firm.

I then asked:

Have you requested de Havilland or the Hawker Siddeley people if they have any objection to making these statements public so that they can be properly reviewed at this committee?

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his allotted time has expired. However, he may continue his speech if there is unanimous consent. Is this agreed?

Some hon. Members: Agreed.

Mr. Stevens: Thank you, Mr. Speaker. The minister went on to state that he would make the statements available at the appropriate time. I suggested that the appropriate time was then and there, if he wished the estimates to be passed. And this is what I regard as sheer trickery: unknown to me, there was placed on the order paper of this House a notice that it was proposed to pass item 25 of the estimates of the Department of Industry, Trade and Commerce, vote L20, in the amount of $19,731,000. I was not aware of that until Tuesday evening when we were furnished with an appropriation bill in which I noticed a reference to de Havilland and the amount of $28.8 million. I suggest that no member of this House had the opportunity to debate that amount. We had only a fleeting moment to realize that the amount was being passed by the parliament of Canada.

Let us take a clear look at this matter. The statements of the Hawker Siddeley group of England are quite clear as to their investment in de Havilland. They spell it out much more fully than did the Minister of Industry, Trade and Commerce. These statements point out that there is an option outstanding in the name of the government of Canada to purchase shares in de Havilland on or before June 28, 1974. At the committee hearing the minister admitted that the government wanted the estimates passed in order to meet the deadline of June 28, 1974.

● (2050)

In what position does that put the members of this House when in committee we have a firm undertaking from the president of Air Canada that under no circum-

stances will he buy de Havilland shares for any price, and we have the Minister of Industry, Trade and Commerce telling us that he must have an estimate cleared and who, through trickery, gets it cleared through the Appropriation Act knowing that he has to make the deal by June 28 and he will do it or the deal is lost? Surely that is not being fair to the members of this House or to the public of Canada. What are they hiding in this de Havilland deal? For what reason will they not table the relevant documents and statements and in some way try to gain the confidence of this House which I sincerely believe they have lost? They need to gain the confidence of the House in the method they are using with respect to the purchase of these companies.

It may be that de Havilland is a good purchase and it may be that Canadair is a good purchase, but it would take a lot to convince me. But at least the people of Canada are entitled to see the profit and loss statements of these companies before we have this irresponsible trickery on the part of a minister who feels he is entitled to the confidence of the House.

Those are the reasons for which I have risen to speak on the motion before us. I believe that the CN financing bill is one which we have no alternative but to scrutinize closely, particularly when we are treated in the way I have indicated with regard to the purchase of a new Crown corporation by this government. How can one have confidence when one looks at these companies and finds that, while there is a nominal profit in relation to capital in Air Canada of $17 million before taxes, there is a deficit of $17.8 million in the CNR? Then one is told to go ahead and pass the CN financing legislation when we know that in all likelihood some of the silliest imaginable deals will be made unless someone in the House calls it for what it is. We were "had" on the oil purchase last November, and we are going to be "had" on the purchase of shares in June, or before if members of the House do not realize what is going on.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in rising to debate the motion before us I wish to speak about Air Canada operations. It is ironic that Air Canada celebrated its thirty-fifth anniversary yesterday and in a news release from the Department of Transport the minister's message reads:

> Air Canada today enjoys a reputation second to none in world aviation for flight safety and good service.

I cannot agree with that statement at all. I would suggest that the Minister of Transport (Mr. Marchand) consult the employees of Air Canada, speak to the general public and to members of parliament. I also suggest that he review the *Hansard* index, when he will see how many times Air Canada has been the subject of criticism in the House. Also, I suggest that he read the 70-page document which contained condemning criticism of Air Canada from A to Z. Of course, we all know the number of strikes that Air Canada has had over the past number of years, and I bring that fact also to the attention of the minister.

One aspect which I would like to discuss this evening is air safety in Air Canada. Last fall, Air Canada stated that a safety study had been undertaken in conjunction with the unions, and the committee on transport and communications was told that everything was O.K. The committee was informed by Mr. Pratte that air safety was controlled by employees filing union grievances. We were told that unions had no safety complaints. I would like to quote from a newspaper article which reads as follows:

> —Yves Pratte, chairman of the airline, told the committee the allegations were not based on any facts since employees "who have any doubt about any safety feature, have an obligation to report their doubts to their union safety officer and have it processed as a grievance."
>
> However, no worker had reported any safety preoccupations of any kind in the past year, so that the allegations could not possibly be founded.

I will prove otherwise as I have documents that were submitted to Air Canada on safety infractions at Dorval. In the latest airline lodge news there appears a complaint from the employees at Dorval which I would like to read into the record. It states:

> Unfortunately, the shop stewards in customer service have to deal with first level Air Canada supervisors that are not interested in resolving grievances or applying the collective agreement. The supervisors' only concern is trying to run a schedule operation at all costs. The result of this attitude causes one of our largest problems and most frequent violation of the collective agreement, i.e. 'SAFETY'. The collective agreement is quite clear in that management is specifically charged with the duty of initiating and monitoring all practices necessary to ensure the safety and health of employees as well as ensuring the safety of all equipment.
>
> Because of the attitude of first level supervision and their refusal to initiate safety, the shop committee is presently handling the problem at the second level of the grievance procedure which is the regional vice-president or his designated representative.

Last fall I read into the record a complaint from a lady in Vancouver who stated:

> On November 23, 1973, I boarded Air Canada's flight 280 to attend an archaelogical symposium at the University of Calgary. Within twenty minutes of take-off, I experienced that sense of continuous "ear popping" (for want of a proper medical term). The aircraft became instantly chilled and to my horror, the oxygen cabinets opened and we were instructed to use the orange masks. You can well imagine the anxiety especially among the more aged passengers. In addition, not all the masks produced oxygen. the man sitting next to me tried in vain to operate his, but without success.
>
> Now if Air Canada's flights are so well supervised during maintenance and repair, why was this overlooked?

Apparently the problem still exists in Air Canada. You would think they would take immediate action to rectify it. Last Tuesday, March 26, an Air Canada flight out of Quebec City while climbing at 14,000 feet lost cabin pressure. Of the masks deployed, only 40 per cent supplied oxygen. So the problem is still with us. Last fall, eight employees at Dorval submitted a document to the maintenance quality supervisor of Air Canada. This was signed by four former Manitobans and four Quebeckers. I should like to read some of their comments into the record as follows:

> It is our opinion that the quality audit program has not been thoroughly and adequately developed. Many managers, lead mechanics, mechanics and others are not fully aware of the quality audit program and its objectives. It is not sufficient just to have an 862 Maintenance Quality Manual; shop personnel must be made aware of the basics of the inspection function. Either 901 Manual instructions or other means to inform personnel is considered necessary.
>
> In our opinion the quality audit program is not working as it was designed to do. In one or two areas it is receiving token acceptance but no efforts are made to prevent discrepancies from reoccurring, e.g., errors reported are given attention but that is all that is done. In some areas, virtually no attention is given to audit reports—as evidenced by quality audit annual summaries.

We feel that the quality inspection department cannot function properly without regular meetings for the purpose of evaluating the inspection program, keeping aware of organizational, administrative and policy changes, general information, beefs, etc. For example, we learn of staff changes and other relative information via the grapevine.

● (2100)

We have never been asked but our collective experience suggests that a program of direct inspection (with proper ratios of inspectors to production personnel in all required areas) followed up with audits at suitable intervals would be of greater benefit and have a better chance of meeting the prescribed standards of the 862 Maintenance Quality Manual.

I would like to point out that it is not the union grievance that are raised with regard to air safety standards, but that these standards are laid out in the 862 Maintenance Quality Manual. They go on to explain the ratio of inspectors to mechanics in the various areas, and these are far below standard. The grievance continues:

Presently there exists two inspection formats, i.e., audits and direct physical type methods. Some inspectors are totally involved in audit reports only; other inspectors apparently are not involved in audit report writing and only do direct inspection. Some work areas, e.g., radio, process and paint shops do not have either type of inspection. Unit and support shop inspectors feel the above is inequitable and disregards the intent of the inspection function.

This certainly challenges Mr. Pratte's statements to the transport committee.

The change from direct inspection to the audit report methods has resulted in many changes for unit and support shop inspectors. Previously the inspection function did not necessitate the following:

Presentation of discrepancies in written form. Constant adjustment to a program which has seen many changes in the methods of presentation and which involves a very high degree of verbal instructions.

Investigative work outside the immediate shop area. Development of forms to suit the distinct areas (pioneering of audit program).

Responsibilities to discuss and explain audit findings at the general foreman level.

The above changes have taken place without benefit of any monetary adjustments or company consideration of the difficulties arising from the new inspection format. Of particular concern is the requirement to submit written evidence of our fellow unionists' errors or discrepancies.

Erosion of the status of shop inspectors is considered to have taken place in recent years. Shop inspectors do not have the same respect they formerly had. Most managers have never accepted the audit program, as evidenced by the lack of action and lack of answers to the audit reports.

It seems ironic and unjust that unit and support shop inspectors, the group within Air Canada which has pioneered and developed the audit program, should be so low in the esteem of management that we have lost our full-time stenographic support and indeed some of our identity by the integration of our employee pay roster into the paint shop.

It is difficult to understand the logic of having unit and support shops under the supervision of the power plant organization, which is remote and presently believed to be functionally different. Since the relocation of the P.P. shop, unit and support shop inspectors rarely have any contact with the superintendent of quality inspection.

Interpretation and general understanding of the 862 Manual is apparently left to the discretion of the individual inspector. Unfortunately not all inspectors are in possession of an 862 Manual. Four only out of the eight inspectors in this formation have these manuals.

It is no wonder the oxygen masks are not working on Air Canada planes.

It is a source of embarrassment to be an inspector submitting written reports of area discrepancies and at the same time knowing that many areas of 901 Forms and Report Manual Instructions are incomplete and out of date. Instructions in these areas require a complete examination

[Mr. McKenzie.]

to revise (update) and rectify the many and varied discrepancies. Simple procedural instructions for certain applications appear never to have been completely formulated or finalized, e.g., modification instructions are incomplete in that the location within the shop area for filing modification instructions is undesignated.

Revisions that are made to the forms and reports section of the 901 Instruction Manual, which are of important significance to shop inspectors, are not forwarded to them. Policy changes, standards revisions etc. are made without any notification being provided to shop inspectors. This condition also applies to 911 Manual Instructions. A current example is the "release permit" now in use but for which there is no information provided to the shop inspector.

There exists a number of areas where an inspector is not able to find concrete policies and is left without any information to guide or direct him. Some examples:

Reference the MOT letter of approval, the terms "standards acceptable" is not defined. (MOT inspection information is not readily available.

Required measuring or testing equipment is unavailable and reported in audits. If action is not undertaken, what is the appropriate procedure, when and by whom?

To what degree is it allowed for maintenance engineering to deviate from manufacturer's specifications e.g. allowing units to have a visual check only, due to test equipment not being available, deletion of specified tests from the vendor's manual for the same reason?

Is the procedure to audit inspect supplier and subcontractors being followed; is it an MOT requirement? If so, who is responsible to ensure its compliance?

Why is there no formal contact between shop inspectors and MOT regional staff inspectors?

In the interest of highest possible standards we seek to know why FAA representatives' visits are preannounced allowing abnormal cover-ups to be carried out.

Unit serialization policy, shelf life expired units policy, modifications etc. are considered to be unclearly defined and in need of attention.

We feel that the work responsibilities and skills of shop inspectors involved in quality audits are equal to, if not greater than those of shop foremen, engineering technicians, planners etc. However, to our knowledge, no meaningful consideration has been given to this matter by management.

Unit and support shop inspectors believe that they are limited in opportunities unjustifiably, both within the inspection department and the shops where they have originated. Promotional opportunities and even relief assignment experience in the respective shop areas are generally non-exitent. No consideration is given for shop advancement to shop inspectors; in other words, to become a shop inspector is to be ignored within your own area for any advancements. Considering the kind of experience gained in this category, this condition is considered a disadvantage to the inspectors and to the company. In general, promotional opportunities within the inspection department are few and the practice has been to award positions above foreman to personnel from outside the inspection department. This too, we feel, is a disadvantage not only to the inspectors and the company but also to the individual who has not had actual inspection and audit report experience.

The major and underlying reason for the creation of this submission was and is the existing low morale and the fact that all eight inspectors are planning in one way or another to leave the inspection department.

There are many workers with Air Canada who cannot wait to get away from the place and take early retirement at age 55. They go on to explain in this submission:

One inspector is currently bidding on another position. One other is on loan and hoping to become a permanent instructor. Two are awaiting lead mechanic bulletins (one of which is expected to be actioned by November, 1973). The remaining four are contemplating early retirement.

We realize that this is a very critical submission but must emphasize that its purpose is in the interest of creating a better maintenance

quality product. It has been compiled and endorsed by all eight unit and support shop inspectors in this formation.

It is no wonder the vice-president in charge of maintenance at Dorval has been replaced. But I do not think that is enough.

Mr. Blaker: He has not.

● (2110)

Mr. McKenzie: I am quoting from the Toronto *Sun* of March 24, 1974, where the following appears in Doug Fisher's column:

Meantime, over in the head office world of Air Canada, Yves Pratte, the chairman, has reached into the U.S. to hire a boss of maintenance for the national carrier, apparently in a determination to get costs down in this aspect of the company's spending. It's a sad commentary on the ability of our airline industry to produce capable administrators.

If this statement is wrong, as the hon. member has stated, we will know when I check it out tomorrow; but it is my information that the vice-president of maintenance has been replaced.

With these statements, Mr. Speaker, I would suggest to the Minister of Transport that he launch an immediate investigation in to the whole Air Canada operation, their morale problems and air safety.

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

Some hon. Members: No.

Some hon. Members: On division.

Mr. Knowles (Winnipeg North Centre): Nobody said yes.

Mr. Turner (Ottawa-Carleton): They said on division.

Mr. Deputy Speaker: Is it agreed that the said proposal is negatived on division?

Some hon. Members: Agreed.

Motion No. 4 (Mr. Blenkarn) negatived.

Mr. Deputy Speaker: We now proceed to motions Nos. 3, 5 and 6. It is my understanding that points of order will be raised with regard to Nos. 3 and 5 standing in the name of hon. member for Central Nova (Mr. MacKay). It is the feeling of the Chair, as was indicated earlier, that these are perhaps out of order. I understand that the hon. member for Mississauga (Mr. Blenkarn) is prepared to do battle on behalf of his colleague, and I call upon him to defend the motions. The hon. member for Mississauga on the point of order raised by the Chair.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I understand the concern of the Chair, but the motions really only require an addition and do not reduce the amount of the loan or in any fashion affect the position of Her Majesty in making a recommendation to the House. All that happens is that they direct that the financial statements filed by the railway and by Air Canada in connection with the advances contain the information that would normally be given to any lending institution when an advance is made. Considered in that vein, there seems to be no reason that these amendments should not be in order.

It has been suggested to me that if they alter the terms of Her Majesty's recommendation, then perhaps they are out of order. But they do not. All they do is require the detail of expenses that would normally be given to any other corporation in accordance with regular corporate practice. All they do is insist upon disclosure. They are not amendments that in any way reduce the amount of the advance. All they do is ask for particulars from the corporations as to the detail of the advances and as to the conflicts of interest and expenses that might be incurred as a result.

The amendments are not of a nature that would interfere whatsoever with Her Majesty's recommendation. Indeed, they are the kind of thing that should have been in the bill in the first place. In a sense, they are housekeeping measures and the Minister of Finance (Mr. Turner) should be prepared to go along with them. They are not the kind of thing that indicate there is any restriction on the advance of funds. They really require, as a condition of a loan, that a report be available. Surely that is a normal condition.

They do not in any way affect the royal recommendation but merely add provisions in connection with information that would normally be available in any case. I say that these are housekeeping measures and are therefore quite in order. In my opinion Motions Nos. 3 and 5 standing in the name of the hon. member for Central Nova (Mr. MacKay) should be put to the House.

Mr. Deputy Speaker: The Minister of Finance (Mr. Turner) on the same point of order.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, with respect to motions Nos. 3 and 5, I submit that requiring as a precondition of a loan the annual report of Air Canada in one instance, and the Canadian National Railways system in the other, and submission of a list of the remunerations and expenses paid to the directors and executive officers of the companies is out of order in each case. First, because they are irrelevant to the aspect of financing set forth in the bill; second, because they are beyond the scope of the bill; third, because they are beyond the scope of the act to which the bill refers. They are quasi-amendments in the respect that there are no conditions of this sort in the underlying statute governing both the Canadian National Railways system and Air Canada. For these reasons, on the grounds of irrelevancy and scope, I would submit to Your Honour that the amendments are beyond the competence of the House at this stage.

Mr. Deputy Speaker: I thank the hon. member for Mississauga (Mr. Blenkarn) and the Minister of Finance (Mr. Turner) for their contributions on the point of order that originally was raised yesterday by the Chair with regard to the relevancy of motions Nos. 3 and 5.

Both of these motions would attach conditions to the proposed guarantees and introduce certain requirements which, in the opinion of the Chair, would be foreign to the substance of the bill and would relate to the context and form of the company's annual report. The hon. member for Mississauga has argued that such conditions should have

been in the bill in the first place, and I suppose they could. The hon. member also argued that they do not affect the royal recommendation, and that they are housekeeping measures. But the fact is that they would form a substantial departure from the measure that we have before us as it was approved by the House on second reading. I think they are foreign to the substance of the bill. I would quote from May's eighteenth edition, page 508, paragraph (1) as follows:

An amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill—

For that reason I would have to say that motions Nos. 3 and 5 as they stand at the report stage cannot be presented to the House.

Perhaps I should put the motions on the record. The hon. member for Mississauga (Mr. Blenkarn), for the hon. member for Central Nova (Mr. MacKay), moved motions Nos. 3 and 5 as follows:

Motion No. 3.

That Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be amended in clause 7 by inserting therein, next after line 6 on page 5, the following:

"(3) It shall be a condition to which a loan made under subsection (1) is subject that the annual report of Air Canada, first made after the ending of the period referred to in that subsection, shall include, in respect of each of the directors and executive officers of Air Canada, the amount paid to him by way of salary, other remuneration and expenses, the terms of his tenure of office, and the duties of his office."

and by renumbering subsequent subclauses accordingly.

Motion No. 5.

That Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be amended in Clause 9 by inserting therein, next after line 14 on page 7, the following:

"(2) It shall be a condition to which a loan made under subsection (1) is subject that the annual report of the National Company for the calendar year 1973 shall include, in respect of each of the directors and executive officers of the National Company, the amount paid to him by way of salary, other remuneration and expenses, the terms of his tenure of office, and the duties of his office."

and by renumbering subsequent subclauses accordingly.

● (2120)

We now turn to the point of order in connection with motion No. 6, in the name of the hon. member for Central Nova but moved by the hon. member for Mississauga, which reads as follows:

Motion No. 6.

That Bill C-5, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be amended in Clause 13 by deleting line 6 on page 9 and substituting therefor the following:

"the 1972 fiscal year of the Na-".

[Mr. Deputy Speaker.]

As I have indicated, the Chair has certain reservations concerning the relevancy and admissibility of motion No. 6. I gather that the hon. member for Mississauga is prepared to speak to the point of order.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, motion No. 6 is different from Motions 3 and 5 on which Your Honour just ruled. It was suggested that motion No. 6 might be defective in that it is consonant neither with the provisions of the recommendation accompanying the bill nor the title of the bill. First, I maintain that there is no difficulty whatsoever with respect to the title of the bill. Clause 13 refers to the purchase by the government of CNR preferred stock. This is mentioned nowhere in the title of the bill, therefore the title applies verbatim whether the amendment is passed or not. In addition, I draw your attention to citation 409 which points out that the title of a bill can be amended and if such an amendment were necessary it would be done on the motion for final passage. I do not think that the title matters in this case.

The first point made was that the amendment might not be consonant with the terms of the royal recommendation which specifically mentions the authorization by Her Majesty to purchase preferred stock up until December 31, 1973. It is important to note that the recommendation is for the purchase of preferred stock up until December 31, 1973. The key citation in Beauchesne's referring to the financial initiative of the Crown, citation 246(3), reads:

The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

This citation, which is a direct quote from May's, comes under the heading "The royal demand or recommendation fixes the limits of the charge". The citation sets out very clearly the limits which are placed on the ability of a member to move for increases in expenditure beyond the royal recommendation. In short, any amendment which in any way increases the financial obligation of the Crown is not permissible. The royal recommendation sets out precisely the upper limit of what can be spent and to what purpose it can be allocated.

However, this citation does not refer at all to the member's ability to reduce the amount to be paid out, which is what the amendment submitted is all about. In other words, there is nothing wrong with a member moving an amendment to reduce an amount of expenditure. That is perfectly proper. It is only when the expenditure is to be increased or extended that it is beyond the competence of a member to move an amendment.

Beauchesne's does not deal specifically with reducing the amount recommended, but May's does. In the eighteenth edition, at page 744, under the heading "Provisions involving the reduction of charges", May says:

No special form of procedure applies to proposals to reduce existing charges, and they may be moved in the House or in committee without the royal recommendation.

This is clearly the practice we follow, the practice accepted by the Chair's acceptance of motion No. 1 which also reduces the amount to be spent. May goes on to make it clear what sort of amendments for reductions are in order. He says:

A proposed reduction of a charge may consist in reducing its amount, or restricting its objects or inserting limiting conditions, or shortening the period of its operation.

Clearly, this is what is being done in this particular amendment. The amendment seeks to remove reference to the year 1973. We are saying that the advance for the purchase of preferred stock in the Canadian National system can only be made with respect to the year 1972, not 1973. The amendment would drop one year. It seeks to reduce the amount of money which can be advanced to the national system.

I suggest that this is acceptable as the royal recommendation sets the upper limit on expenditure in this House. In no way does the royal recommendation insist, nor can it be so construed, on setting both a minimum and a maximum. Here we are talking about reducing the upper limit, about the purchase of stock on the basis of the 1973 year-end statement of the Canadian National system.

I will refer to one example of an instance in which the Chair allowed an amendment which, if passed, would have rendered inoperative the precise wording of the royal recommendation. The House will recall the lengthy debate on Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses. The royal recommendation for Bill C-203 read in part:

His Excellency the Governor General recommends to the House of Commons a measure to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses; upon receipt of the prescribed certificate of the Chief Electoral Officer, to provide for the reimbursement to candidates who are elected or who obtain a number of votes equal to 20 per cent of the number of votes cast in the appropriate electoral district to the extent of sixteen cents for each of the first twenty-five thousand names appearing on the preliminary lists of electors for their electoral districts and fourteen cents for each additional name—

And so on. You will recall, Mr. Speaker, that the bill was amended. The percentage of subsidies was raised to 20 per cent, even though this was in excess of the royal recommendation. That amendment was allowed.

In the amendment before the House we are asking for a reduction in the amount of money which can be advanced for the purchase of preferred stock in the Canadian National system. There are many reasons for this. In one sense, the financial statement for the year ending December 31, 1973, has not been available to this House, yet the royal recommendation now before the House calls for the pruchase of capital stock up to and including the period ending December 31, 1973. In a sense, the provision we are now seeking to amend is out of line with the royal recommendation because the amount of capital stock which can be purchased cannot be computed until we receive the financial statement for the Canadian National system for the year ending December 31, 1973. The stock would have to be purchased before December 31, 1973, and it would have to be on the basis of statements received before the year even ended. In a sense, the present bill is therefore beyond the royal recommendation.

• (2130)

All we are attempting to do is to reduce the provision in the bill for the purchase of capital stock back to the royal recommendation. Therefore, I suggest that this amendment is clearly in order. Indeed, it is probably more in order because of the royal recommendation than in spite of it.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I want to make three submissions to Your Honour to the effect that this amendment is out of order. First, the amendment would render the bill inconsistent with the royal recommendation; second, the bill in its own terms provides for a continuous style of financing over an 18-month period; that this financing hangs together by way of borrowing authorization of the two companies or by authority given to the companies to purchase preferred shares. By eliminating the words "and the 1973 fiscal year" the amendment really negates the bill, interrupts and destroys it. It goes to the heart of the bill and negatives it. In other words, the hon. member has the more legitimate alternative, if he wishes to make an amendment, to negative the bill by voting against the bill in its entirety.

My third submission is that the amendment indirectly affects the balance of ways and means, caused by depriving the national company of accepting preferred stock during the 1973 year which would force the national company to seek financing in the commercial sector, with the result that CN would have to pay interest at commercial rates. The results for the year would be worse than if they were able to get more favourable financing through preferred shares from investment by the government of Canada. That being so, a subsequent bill would have to reflect this in the further financing necessary for the CNR upon the authority of the government, thereby imbalancing ways and means.

Mr. Deputy Speaker: I thank the hon. member for Mississauga (Mr. Blenkarn) and the Minister of Finance (Mr. Turner) for discussing this point of order. It is indeed helpful to the Chair. The point that must now be considered by the Chair is whether the point of order originally raised by the Chair is correct. The point of order is whether the bill should be amended in clause 13 by deleting line 6 on page 9 and substituting therefor "the 1972 fiscal year".

I think it is clear and accepted by all hon. members that there is a right to take particular provisions in a bill as they relate to proposed expenditures and seek to reduce them. I do not think there can be any question but that hon. members have a right to do that. However, I do not think that is the question that has to be determined by myself at this time.

The bill as it was approved on second reading provided for the provision of money to meet certain expenditures for a period from the 1st day of January, 1973, to the 30th day of June, 1974, and to guarantee certain securities to provide for these moneys. The amendment proposed by the hon. member for Central Nova (Mr. MacKay) and argued on his behalf by the hon. member for Mississauga would, in the opinion of the Chair, negative the principle of the bill as determined by this House on second reading. I would quote to the hon. member for Mississauga para-

graph 5 of May's eighteenth edition, page 509, wherein it is stated:

> An amendment which is equivalent to a negative of the bill, or which would reverse the principle of the bill as agreed to on the second reading, is not admissible.

In my opinion, the substitution of one particular year for another particular period of time is fatal to the admissibility of the amendment, and I therefore have to declare it out of order.

Hon. John N. Turner (Minister of Finance) moved that Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications, be concurred in.

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

Some hon. Members: Agreed.

Mr. McKinley: On division.

Motion agreed to.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I hesitate to rise again on the same bill, but it should have been withdrawn by this government and not pressed forward, especially in view of statements made by the Minister of Transport (Mr. Marchand) in this House in the past two weeks in connection with national transportation problems.

This bill pumps millions of dollars of money of the people of Canada into Crown corporations running our transportation system. The Minister of Transport clearly said in this House that he is not satisfied, that he cannot control the transportation companies that he is responsible to supervise, and that there is nothing he can do about transportation. The Minister of Finance (Mr. Turner) says, "O.K. fellow; I don't mind that. Here is some more money for the railway company and for the airline. They need the money. Let them have it. We have no control over these companies." The Minister of Transport said he cannot control the companies, yet the Minister of Finance is prepared to finance them. The minister responsible does not know what is going on and has no transportation policy. That is an amazing situation, yet it is the one we are faced with today with this government.

There is no question that the companies probably need some financial support. In the debate today, yesterday and previously we mentioned our concern about the management of the companies. Clearly, the Minister of Transport must have this concern. We are surprised he has not been here for this debate. He is the person who admitted this government has some very serious concerns about the management of transportation in this nation.

The Minister of Finance says the companies need the money, they are going to get it, here it comes and they can have it. Air Canada can go into new ventures without explaining them to the people of Canada and to this House. The railways can spend money on hotels and towers without the Minister of Transport being concerned about whether the money is being properly or sensibly invested. The Minister of Finance does not understand what is going on in transport. He says he only looks at things in the global view.

● (2140)

The Minister of Transport says he doesn't even look at things, he doesn't understand what is going on, he doesn't even have a transportation policy. Yet here we have a bill before the House, now at third reading, supported by the government and supported, of course, by the New Democratic Party. They don't care about the money of the people of Canada either. They say, "Let's pass this bill and let's give this corporation more money, because the government doesn't have a policy for transportation so we might as well support their policy to pour out money."

I was indeed suprised that the Minister of Finance in the matter of the amendment that he argued was out of order, and which Your Honour ruled was out of order on the basis of previous citations, should suggest that this bill and the royal recommendation is correct and that the government is entitled to subscribe for shares in the Canadian National Railways on the basis of the gross revenue of the company for the year ending December 31, 1973; to buy the 4 per cent preferred shares of the company, even on the basis that they haven't got a statement for the year ending December 31, 1973, at the present time.

So we have an open-ended bill allowing the advance of funds, the purchase of capital stock in the Canadian National Railways, a bill that organizes the purchase of that capital stock, how much we don't know, when we don't know, on the basis of what financial statement and what gross revenue we don't know. And the Minister of Finance does not know. Yet the Minister of Finance was prepared to argue that procedurally this was in order, that he had the right to spend the money, that the Crown authorizes him to spend money. He doesn't know how much money, he doesn't know why so much money, he hasn't any real idea of what is going on in transportation, but let's spend some money—because that is the attitude of this administration.

Let us consider for a moment these 4 per cent noncumulative preferred shares. They were first set up in the provisions for the refinancing of the Canadian National Railways in the bill of 1952. In that statute there was provision made for the conversion of the debt of Canadian National into preferred shares. The preferred shares bear a dividend if, as and when there are dividends to be declared. Naturally, they never declare a dividend, so the preferred shares never offer any return on investment.

On the basis of the 1972 statement the government is proposing to invest $43 million in preferred shares in the Canadian National Railways. On the basis of the 1973 statement—and we will never know when the 1973 statement will be available—the government may invest another $43 million or another $45 million or perhaps

another $50 million. Who knows? But they are prepared to invest in more shares of the Canadian National Railways.

The Minister of Finance does not even know what he is going to invest further in these 4 per cent, never pay, no dividend, no profit shares of the Canadian National system. And that is what the bill says and this is what we have before us for consideration. It is an impossible situation when you have a Crown corporation and a government which is prepared to shovel out money without coming to grips with the transportation problems faced by the nation, without coming to grips with the commuter problem spoken about this afternoon by the hon. member for Scarborough East (Mr. Stackhouse), and without coming to grips with the grain transportation difficulties spoken about so eloquently by hon. members from the west, without coming to grips with the situation concerning rail line abandonment, without coming to grips with the situation in which trains do not move along some lines even though those lines are not among those which have been abandoned.

A member of parliament tells the House that the last train that went through on his line was in February and the next train is scheduled to go through maybe in June, July, or maybe never. This is the kind of government that says it is running this country, and this is the kind of transportation policy we have. Yet here we have the Minister of Finance in this House prepared to say that he is entitled to subscribe to more capital stock in the Canadian National system based on 3 per cent of the gross earnings of that system in the year ending December 31, 1973, when he hasn't even got a financial statement for the year ending December 31, 1973. If he does have such a statement, he hasn't tabled it before this House.

Here we have an open-ended contract to pour money into a system without looking at that system and without coming to grips with the reality of the financial facts in the country. We are neither getting the service required by the people of Canada, nor are we getting the kind of performance and policy in transportation that the people of Canada demand. Even the Minister of Transport is unhappy. Yet the Minister of Finance is prepared to shovel out the money with the support of the New Democratic Party, because they really don't care about economics—

Mr. Knowles (Winnipeg North Centre): Are you going to vote against it?

Mr. Blenkarn: —and they really don't care about transportation. All they want to do is make sure that Crown corporations have more and more money, and they don't want to worry about performance. That may be their attitude toward their constituents. It certainly is not the attitude that my constituents would buy. The taxpayers of this country should certainly not be subjected to being continually asked to supply money without any real accountability of the management of Canadian National and Air Canada. These corporations have not necessarily served us well as has been admitted even by the Minister of Transport. He admits he has problems with these corporations. Yet we continue to have bills presented before this House to refinance Air Canada and the CNR.

What are we doing? We are taking public funds which could be put into housing, which could be put into commuter services, which are needed in many other areas, and we are pouring them in without any control of how these companies operate. These companies have clearly demonstrated that they are prepared to go into new fancy deals, buy up a piece of de Havilland, buy Canadian, get into the Wardair deal, run a company called Econair Holidays Limited. Yes, and build a tower in Toronto, and ask for money to put into a losing hotel chain. This is the kind of proposal we hear from the government and this is the kind of proposal the bill means. The bill means that the government has abandoned its responsibility to closely scrutinize the activities of the Crown corporations for which it is responsible, and the passage of this bill is an indictment of both the government and its helpers who are left.

Mr. Knowles (Winnipeg North Centre): Are you going to vote against it?

Mr. Blenkarn: The bill is a travesty. It is improper at the present time. The government should hold it back until it has made a thorough investigation of the national railway system and Air Canada. It should review the direction management is taking and then refinance this Crown corporation properly. Until now it has not been operated properly. The Minister of Finance should listen to his colleague, the Minister of Transport, in connection with transport policy, and say, "When you have got it organized, come and tell me and we will refinance it properly and make sure it is all right, and we shall all be with you."

There are a number of things which must be done in this country, but the bill before us does not require the CN or Air Canada to conduct their affairs properly and in the best interests of the public. It just shovels money out, money which they have proven in the past they are incapable of handling in a sensible fashion.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise at this late hour and I look across to my neighbour, the Minister of Finance (Mr. Turner), with some sympathy, recalling that today, yesterday and earlier in this parliament he has sat here patiently listening to debate on a matter which really is only peripheral to him, a matter which in terms of responsibility should have been attended to by the Minister of Transport (Mr. Marchand).

● (2150)

The fact that the minister has had to sit here is an indication—indeed, perhaps an indictment but certainly an indication—of the decrepitude to which transportation matters in this country have fallen. It is perhaps an indication, as well, of the truth of the statement made by the Minister of Transport that his department is indeed in a mess; that he found it in a mess when he took over the department. Certainly all of us know he has done nothing to clean up that mess since he has been there.

So my first words are words of sympathy to my neighbour, the Minister of Finance, for having to shoulder this responsibility. We all know he has tremendous responsibilities in the Department of Finance. Although we have divided opinions as to how he is carrying out his responsibilities, I think it is unfair to load on to his young shoulders the ineptitude of his colleagues.

The question with which we really have to deal, and what is really the essence of all the speeches that we have heard on this bill, is that there are not simply problems with transportation in Canada—there are new challenges to meet. The long and the short of it is that as an operating railroad the CNR has not met those challenges. In a day when our cities are becoming overfilled with people, when there is a requirement to build new towns in my part of Ontario, indeed in all metropolitan areas of Canada, when we are putting more and more people into smaller and smaller areas, we are not developing in this country a transportation capability that will make a viable new towns concept, as proposed by the Minister of State for Urban Affairs (Mr. Basford), really workable.

If we choose to slow the increase in the rate of population in our urban areas, there will be no foundation for this very worth-while program. The key to the success of that program will not merely be the provision of land, sewers and water, but the assurance to the people who will make a commitment to new areas which we are trying to establish, and which we hope will be established in this country some day, that they will have a transportation system that is speedy, efficient and inexpensive to operate.

There is no provision in this bill to give anybody any encouragement that the railroad companies, the CNR in particular, are being armed to meet this new challenge. We need only consider what has happened to the rail service in this country over the past few years, regardless of the admitted inability of the Minister of Transport. The railroads in this country have operated in such a way that they are attempting perhaps to do indirectly what they might better have done directly, namely, to drive passengers away from the railroads and to other modes of transportation.

It seems to me that while we must admit that the railroads, and perhaps Air Canada as well, need funding, there is no direction given either in the bill or in any government policy to assure the people of Canada that the transportation system of this country will be able to meet the challenges—a favoured word of hon. members opposite—of the seventies. Each of these challenges is being short-changed in terms of government policy.

I am about to sit down, Mr. Speaker, but I just wanted to express my personal sympathy, as well as the sympathy of all members on this side of the House, regarding the burdens that the Minister of Finance must carry. I hope he will take a very active part in the review of the transportation policy of this country, a policy that a senior minister of the government has admitted is chaotic, to be charitable, and is in a mess, to be honest.

[*Translation*]

Mr. Godin: Mr. Speaker, may I call it ten o'clock?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am rising on a point of order. I am under the impression that another hon. member might speak. We could end this debate tonight, with the consent of the House. It would not be long.

Mr. Godin: Mr. Speaker, I will have a few words to say tomorrow. I know that one of my colleagues also wants to speak on certain problems peculiar to his constituency and regarding companies under government jurisdiction.

The Acting Speaker (Mr. Boulanger): As I understand it, the House agrees that we now call it ten o'clock.

Agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NORTHERN AFFAIRS—REQUEST FOR RECONSIDERATION OF DECISION TO PERMIT SEISMIC EXPLORATION ON BATHURST ISLAND

Mr. John A. Fraser (Vancouver South): Mr. Speaker, on April 1 I put some questions to the Minister of Indian Affairs and Northern Development (Mr. Chrétien) in connection with whether or not the authority that he had given for exploration on Bathurst Island had been subject to the environmental impact policy which the Minister of the Environment (Mr. Davis) had recently announced to the House. The minister replied in words that I can only say avoided the question. I quote his reply for *Hansard* for April 1, as reported at page 1024:

> Mr. Speaker, there is in fact considerable co-operation between my department and that of the environment. We consult each other every time we are up against a problem, but decisions were taken, as they should, by my department and the Department of the Environment expressed no opposition.

In answer to a further question the minister replied:

> Mr. Speaker, as Minister of Indian Affairs and Northern Development, I make the decisions. Naturally, when problems come up, we have consultations with the Department of the Environment, and in this case that department had no major objection to the work under progress.

Those answers, of course, beg the question that was put to the minister, but I think it is of considerable importance that this House learn tonight whether or not the federal environmental assessment policy, which was recently put before the House and has been criticized not only by my party but by other parties, actually works. I was extremely critical at the time the Minister of the Environment put forward his environmental impact statement. I said, among other things, that the environmental impact policy that the government was putting forward was, first of all, secretive and, secondly, was not mandatory and that as a consequence the public could not be assured that in all cases that required it a mandatory environmental impact assessment would be made.

It is of interest to note that in the Canadian Arctic Resources Committee publication "Northern Perspectives" of December-January, 1974, Professor A. R. Lucas of the

law school of the University of British Columbia had this to say:

There are two very basic difficulties with the Davis proposal. First, it is apparent that the proposed assessment procedure will be implemented through administrative changes only. There will be no new legislation. Review of assessments will be done wholly within the Department of the Environment, according to departmental guidelines. Thus, the entire process will be in-house and subject to political pressure and bureaucratic self-interest and inertia. This approach was taken despite a recommendation in a report by a Department of the Environment task force composed of senior officials and based on some five months of research, that an independent environmental review board be established by statute outside the department to require and review environmental impact assessments. Mr. Davis himself has admitted that there will be a "natural resistance in the bureaucracy to another set of checks and balances".

● (2200)

My concern is that it is all very well to talk about natural resistance within the bureaucracy, but I think unless there is a very satisfactory explanation given to the House tonight a great deal of the resistance is not within the bureaucracy at all but, rather, is within the cabinet. In his statement the Minister of the Environment said, and I quote from *Hansard* of March 14, 1974:

Federal departments, Crown agencies and private companies with government contracts, grants and loans will have to prepare environmental impact statements. These statements will be screened by a panel of experts in my department.

In this way you do not get before the public the actual environmental impact statements at all; you get the government's own screening of the impact statements and, as a consequence, you get the government's own interpretation of what it wants you to hear; and I said this on March 14. The minister went on to say:

Recommendations for action, that is, for approval, for modification or for denial, will be made to the Minister of the Environment. Final dispositions will, of course, have to be worked out in consultation with other ministers of the Crown.

What does this really mean, and what does it mean in view of the answers given by the Minister of Indian Affairs and Northern Development (Mr. Chrétien) yesterday? Apparently it means, if you take the answers of the Minister of Indian Affairs and Northern Development at face value, that within the department, in spite of this policy that has been set down, every department is going to assert a certain sovereignty in opposition to the very policy which the Minister of the Environment presented to the House the other day.

It is interesting to note that in view of whatever advice the Minister of Indian Affairs and Northern Development had to proceed with the drilling over the opposition of the Eskimo people who said this would drive the game upon which they depended from their traditional hunting grounds, Professor Milton Freeman of the department of sociology and anthropology of McMaster University said on March 25:

—I can only conclude that Mr. Chrétien has been very badly advised to allow this work to proceed in ignorance of much of the pertinent information available, and with so much of a critical nature still unknown.

It is incumbent upon the government tonight to answer certain questions. I think it is fair to ask the Minister of Indian Affairs and Northern Development, in view of the answer to the question whether this environmental policy has any influence in the north—and certainly it was not followed in this instance—to tell us just exactly what is going on.

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, in the three minutes at my disposal tonight I am sure I cannot deal with all the points raised by the hon. member, but I will consider his representations and send him a report a little later in respect of those points with which I cannot deal.

I want to assure the hon. member that the Department of Indian affairs and other people concerned with the development of the north are paying a great deal of attention to the recommendations of the Department of the Environment and, indeed, a great deal of attention to the environment whether in the case of ecological disturbance or environmental disturbance.

The minister has stopped seismic operations in two cases in point—in the open waters off Southampton Island where seismic work was stopped because of fears of disturbing walrus herds in that area, and on the Bathurst peninsula where no seismic work has taken place for three years because of the fear of disturbing the cariboo herds in that area. In the particular case about which the member is talking, the matter of the Bathurst Island seismic operations came before the advisory committee on January 9 and January 30 and received approval to proceed.

This followed the normal procedure adopted for the processing of all land use applications. The Northwest Territories land use advisory committee is made up of officials of the Department of Indian Affairs and Northern Development together with representatives from several other federal agencies, including the Department of the Environment—wildlife services, fisheries and marine service, and environmental protection service. The NWT government is also represented on the committee by the territorial game management division. There was also communication between the minister and Mr. Tagat Curley, president of the Inuit Tapirisat, on this proposal. The community of Resolute Bay was advised of the application and its subsequent approval.

On the recommendation of the various experts consulted, and from previous experience with similar seismic operations in other areas of the Arctic, it was the consensus that the operation could take place with minimal disturbance to the environment.

ENERGY—OIL PIPELINE EXTENSION TO MONTREAL—REASON FOR REJECTION OF EXTENSION OF EXISTING SARNIA-TORONTO LINE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise tonight to pursue a question which I raised last Friday and subsequently to the Minister of Energy, Mines and Resources (Mr. Macdonald) concerning the construction of the Sarnia-Montreal pipeline. I asked the minister why, in light of the fact that there already exists a pipeline from Sarnia to Toronto, the government did not plan to merely extend the Toronto pipeline to Montreal, thereby saving construction time, saving money and avoiding the disruption of farmland in southwestern Ontario.

In view of the replies I have received from the Minister of Energy, Mines and Resources I can only conclude that he has misled Canadians and members of the House as to the original reasons for which this pipeline was necessary and that, more than that, he is guilty of perpetrating a hoax on the Canadian public about the building of an all-Canadian pipeline.

The minister's arguments for the Sarnia-Montreal pipeline are many and varied and seem to be changing daily. At first when this proposal was advanced, he said the reason for it was time, that we had to get oil to Montreal as quickly as possible. Members of parliament accepted that reason. Now there is clear evidence that the Sarnia-Toronto pipeline has the capacity to fulfil the initial requirements of 250,000 barrels a day of the Montreal market. When I pointed this out to the minister, he then switched his argument by raising a number of red herrings. First of all, he said the Toronto extension was not possible because to get that capacity to the Montreal market would require cutting off three U.S. refineries. The minister knows that these refineries are on a monthly contract, that they can find oil elsewhere in the U.S., and there would be no immediate cut off because it could be phased-in during the construction of the Toronto extension.

He then changed his argument to one of capacity, saying that although the Toronto extension would provide initial requirements of the Montreal market, it could not fulfil future requirements of up to 500,000 barrels a day. I propose to the minister that the future requirements of the Montreal market might easily be met by, first of all, developing the all-Canadian pipeline in phases: phase one from Sault Ste. Marie to Montreal, hooking up with the existing pipeline in Michigan; phase two from Winnipeg to Sault Ste. Marie, thereby completing an all-Canadian route.

Upon hearing this argument, the minister brought out further obstructionist arguments saying there would be problems in getting right-of-way through Michigan up to Sault Ste. Marie, some 80 miles. There already exists a natural gas pipeline through Michigan in the same area. The minister then said, "Well, there are all the objections from the U.S. environmentalists which would delay such an application". This is still pure conjecture and I fail to see how any time would be saved by the proposed Sarnia-Montreal pipeline when there are some 4,000 farmers ready to object to the disputed overland rights-of-way in that area.

Then today he brought out another argument, saying that we cannot have the Toronto extension because it will not be reversible. Of course it will not be reversible. What is the point of having a reversible pipeline from Sarnia to Montreal? What are we going to reverse through it? To date there are no great oil finds off the east coast. The existing crude oil coming into the eastern market is from Venezuela, not the Middle East. It has characteristics different from western crude and the refineries in southern Ontario are not capable of handling this offshore crude.

[Mr. Symes.]

• (2210)

My conclusion has to be that the Sarnia-Montreal pipeline is not just an interim solution and that the government's announcement of an all-Canadian route through northern Ontario is a hoax. Both these arguments put forward by the minister seem to indicate to me that there will never be an all-Canadian route, because of the very nature of the Sarnia-Montreal pipeline and the minister's expectation of its upgrading and expansion. Because we will not have an all-Canadian route, this will only perpetuate the government's discrimination against northern Ontario and its hoped-for development in the form of refineries and subsidiary industries. Further, Mr. Speaker, we will not have security of supply if we do not get the northern route.

The minister is continuing to play into the hands of the oil companies to the detriment of a truly Canadian oil delivery system for the benefit of all Canadians. I call on him to reassess the Sarnia-Montreal pipeline, and I challenge him to give a definite commitment on the date when an all-Canadian pipeline will be built.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the only hoax involved here is that perpetrated by the hon. member who is trying to fabricate an issue. Once more I will repeat to him the cumulative reasons for the decision to build the Montreal-Sarnia line. As I say, they are cumulative, but I have no expectation that they will make any impression on him. First, the additional capacity in the line from Sarnia to Toronto would be 250,000 barrels a day if indeed the export to Buffalo were cut off. It may be that in time the export to Buffalo would be cut off, but I do not share his enthusiasm for the bad relations with the United States that would be engendered by cutting off these 135,000 barrels a day. New demand in Toronto for refineries now under construction in the Sarnia-Toronto area totals 130,000 barrels a day. That means, instead of having the capacity mentioned by the hon. member there is a balance of only 120,000 barrels a day. So to accept the hon. gentleman's argument one would have to lay a new pipe. So much for his argument about the suggested capacity, Mr. Speaker.

In fact, what we have done is to propose a 500,000 barrels per day capacity, one that will be financed initially by a Montreal throughput of 250,000 barrels a day, with the strategic opportunity of increasing that to 500,000 barrels. The hon. gentleman referred to Sault Ste. Marie construction. It is clearly on the records of this House that this would take six months longer. What is more, there is a further incalculable period—neither I nor any other person can calculate it—for administrative delay in the United States. We are concerned about the Montreal market and getting oil to it at the earliest possible date. This is why we picked this route, Mr. Speaker.

Is it reversible? Yes; and that is to take care of the possibility of Atlantic offshore oil being brought into Canadian refineries. It is only an option. There is no certainty that we will develop that capacity, but it certainly would not be available to us with the Sault Ste. Marie route. Further, that would not be a route for an all-Canadian pipeline. It would undoubtedly be a route which would parallel the existing TransCanada pipeline which

follows up through the Canadian clay belt. In that sense, the Sault Ste. Marie route is really not an option because it would be dependent upon passage through the United States, passage which we cannot guarantee.

These cumulative reasons I have given before. I have repeated them for the hon. gentleman this evening, but I have no expectation that we will not hear further from the hon. gentleman as he tries to think up new arguments for his proposal.

AGRICULTURE—DAIRYING—REQUEST FOR STATEMENT ON LONG-TERM POLICY

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, the purpose of my question earlier today was to determine if, in fact, the government does have a long-term dairy policy. I suppose this could be extended by asking whether the government intends at some future date to formulate such a policy. For our purposes this evening, however, I will accept at face value the assurances of the Minister of Agriculture (Mr. Whelan) that he does intend to have a long-term policy. One must be concerned, nevertheless, with the difference between the minister's intentions and cabinet's acceptance of those intentions, because we have had ample evidence in this parliament that, while the minister is rushing around giving great speeches, usually well received by the agricultural community, his cabinet colleagues are the last to listen to him, let alone concur in his recommendations.

Having said this, Mr. Speaker, let us trace the recent unhappy history of a long-term dairy policy for Canada. For years agricultural groups, associations and individual producers have suggested, recommended and demanded a five-year program. Today, in reply to my question, the minister indicated that a five-year plan was too short. Possibly he is suggesting a ten-year plan is twice as good as a five-year one. If such is the case, one can only assume that the minister claims an expertise and knowledge of the industry that is superior to the Federation of Agriculture, the dairy farmers of Canada, the Ontario Milk Marketing Board, the Food Prices Review Board, the federal task force on agriculture and heaven only knows who else.

But let us even ignore this. The minister, on March 22, 1974, in this House had this to say as reported at page 783 of *Hansard*:

> I have told the farmers and have said publicly that we are working on a long-term dairy policy. Announcements will be made by April 1 according to the legislation.

Later he said:

> —we have been working on it for three months as hard as we can. We have worked very closely with the dairy industry. I do not think another Minister of Agriculture has worked as closely as I have with the dairy industry.

Again, for our purposes tonight I will accept the minister's assurance at face value. I and many other members of the House waited, along with all Canadian dairy producers, with great expectations for the minister's statement of a long-term dairy policy when he rose to make his announcement last Friday. It is to be regretted, Mr. Speaker, that the minister did not make his statement on Monday, April 1, because then it could be excused as a poor April fool's joke in so far as a long-term dairy policy is concerned. Last Friday the minister made his long awaited announcement. It took 36 lines in the official report, of which but 14 were about long-term policy. And what is this policy? I quote from the minister's words of last Friday, at page 978:

> The Canadian Dairy Commission has been authorized to enter immediately into discussions with producers and other groups—

The only action the Department of Agriculture will take is to authorize discussions. This is from a minister who claimed just over a week ago, "We have been working on it for three months as hard as we can". This is from a minister who says, "I do not think another minister of agriculture has worked as closely as I have with the dairy industry." The sole result of these so-called three months of work and the so-called close association with the industry is to authorize discussions. I ask the minister, Mr. Speaker, the following: What is his long-term policy to solve low financial returns? What is his long-term policy to solve lower production? What is his long-term policy regarding the 700,000-pound limit on subsidy eligibility quotas? What is his long-term policy regarding fluid milk producers who from time to time provide industrial milk?

Then I ask: What is his long-term policy to save the farm separated cream industry, except to import more and more creamery butter, an increase in imports of 362 per cent in 1973 over 1972—an increase of 362 per cent in one year alone. What is the minister's long-term policy on skilled farm labour for the producer? What is his long-term policy regarding the merger of market sharing and subsidy eligibility quotas? What is his long-term policy about a market price of products? Are subsidies permanent, or will the consumer be asked to pay the cost plus a reasonable return to the dairy producer? What is the minister's long-term policy regarding government service programs? What is his long-term policy to maintain a proper milk feed ratio?

There are other questions to be asked, Mr. Speaker, but I pose these to prompt some response, any response, from the minister. I appreciate, and sympathize with, the minister's difficulties in convincing cabinet that there even is a Canadian dairy industry, let alone convincing them that a long-term policy is essential. I hasten to assure the minister that we in this party will co-operate and assist in developing this policy, as we have in other agricultural problems which have faced Canadian farmers. I urge the minister not to accept a watered-down, do-nothing policy from his cabinet colleagues; and I am very concerned, Mr. Speaker, as a result of the minister's answer to my question today, that this is what is happening in cabinet.

Earlier today I asked the minister to make a definitive statement of his long-term policies for the dairy industry. In his reply he emphasized the need for consultation with the producers. I agree with this need. I regret that such consultation has not been going on on a regular basis as requested repeatedly over the years by the Federation of Agriculture, the dairy farmers of Canada and others. The minister then indicated that the government was ready to make a proposal to the industry and had instructed the Canadian Dairy Commission accordingly. What I fail to understand, Mr. Speaker, is what the commission is supposed to do now. Are they to consult with dairy producers, are they to negotiate with dairy producers, or are they to dictate terms to dairy producers? The minister then went

on to say that the Canadian Dairy Commission has instructions to proceed along certain unnamed guidelines. Are these a secret? If the minister wants constructive suggestions from producers, let him tell this House the guidelines so that producers will have removed from their livelihoods this shroud of secrecy.

● (2220)

I have here in my hand ten speeches by the Minister of Agriculture given between February 13 and March 22 of this year. All of them discuss the need for a dairy policy. Through you, sir, I say to the minister that the time has come for him to talk for the dairy producer, not to him. On March 22, as recorded at page 783 of *Hansard*, the minister said:

> It is obvious that we must make our dairy industry capable of supplying every product we need.

I agree. But I submit, sir, that this is impossible unless the government gives long-term policy commitments. On behalf of every dairy producer of Canada, I say to this government and to the minister: the time to give such commitments is now.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I was rather surprised that the hon. member of the opposition should choose to discuss this topic on motion for adjournment. In his remarks, he certainly expressed no doubt that dairy producers wish to be consulted on a matter of such importance to their livelihood as a long term dairy policy.

Not so long ago, the Dairy Farmers of Canada presented a brief to the Minister of Agriculture (Mr. Whelan) which dealt in detail with a long term dairy policy. The minister gave very special attention to that brief and is now endeavouring to formulate a long term dairy policy in the best interest of dairy farmers and consequently in the best interest of all Canadians.

Considerable work has already been done on the formulation of a policy. Still, it is of vital interest that the minister be made aware of the views of dairy farmers before this policy is finalized.

The Canadian Dairy Commission has been dared to consult the industry, and if the brief of the Dairy Farmers of Canada recently received by the minister is any indication, such consultation would certainly be very welcome.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, April 3, 1974

The House met at 2 p.m.

[*Translation*]

GEORGES POMPIDOU

TRIBUTES ON DEATH OF PRESIDENT OF FRANCE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we were deeply grieved to learn of the death of Mr. Georges Pompidou, President of the French Republic.

The range of his talents, the variety of his careers had made him known to Canadians much before his accession to the presidency of the Republic. A man of letters, high official, financier and politician, success had become rightly familiar to him. President of the Republic since 1969, he had won renown for his particularly intense activities in the field of international relations as well as on the national scene. Thus the influence of his action expanded beyond the French borders.

Tried by illness, he recently gave to all of us the example of a sense of duty which brought out the stamp of his character.

[*English*]

President Pompidou's death will be regretted by Canadians. His moderation and realism, qualities which he owes as much to his origins as to his wide and worldly experience, have been reflected in relations between France and Canada. Under President Pompidou our relations have developed within a framework of concrete co-operation. I am sure that this House and the Canadian people join me in offering our deepest sympathy to the family of President Pompidou, to the government of France and to the French people—a people to whom we are closely linked by language, by culture and, above all, by friendship.

I should like to add, Mr. Speaker, that on behalf of the government and the people of Canada I shall be attending the funeral ceremonies in Paris. At this time I should also like to apologize to those Canadians in Saskatchewan and in Ottawa who will be forced to see me postpone events in which I was to partake with them.

[*Translation*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, France is mourning today the loss of its president. Mr. Georges Pompidou was a great statesman. He devoted most of his life to the service of his country playing an important role within the European Community.

[*English*]

His contribution to the construction of a better world equilibrium will often be cited as an example to be followed. President Pompidou never rejected great challenges; on the contrary, when he was called to serve he always responded, well aware of his duty to work for the welfare of his fellow citizens.

● (1410)

[*Translation*]

Mr. Speaker, that man will go down in history as having been the man of great times, the wise man who always sought negotiation rather than confrontation, the man of the happy medium, the man of *détente* and conciliation.

Mr. Speaker, we all know in this House how difficult it is for the political man to resist the wear and tear of time. Still, Mr. Georges Pompidou managed to keep the high esteem of everyone, thanks to the deep sense of honesty and devotion which characterized him throughout his life.

On my own behalf and on behalf of my party, I therefore wish to pay a last homage to Mr. Georges Pompidou who always pursued his task with the greatest respect for the individual and deepest love for political institutions.

Mr. David Lewis (York South): Mr. Speaker, the warm relations between Canada and France are deeply-rooted in Canadian history. It is therefore with special sorrow that Canadians learned of the death of President Pompidou.

He was a statesman whose greatness extended beyond the boundaries of his country as far as the European Economic Community and the world. He was a man who left the imprint of his character and ideas on his times.

On behalf of my colleagues, I extend our deepest condolences to the French people, Madame Pompidou and his family.

Mr. René Matte (Champlain): Mr. Speaker, one is always stricken by the death of a famous man, especially when he was head of state.

The death of French President Pompidou is all the more impressive and particularly afflicting for us because of the historical, linguistic and cultural links between our two countries.

His predecessor, one of the greatest statesmen of the century, passed on to Mr. Pompidou the delicate responsibility of making more harmonious the relations between the Canadian and French governments. In spite of some susceptible dispositions of the Prime Minister of our country towards France, after the now famous events of 1967, we must admit, Mr. Speaker, that Mr. Pompidou showed magnanimity in the circumstances and we must recognize that his actions made possible good and sound relations between our two countries.

For these reasons, the death of the President of the Republic of France afflicts us deeply.

On behalf of all my colleagues and as a French-speaking member from Quebec, I extend to the family of Mr. Pompidou and to all of France my most sincere condolences.

Newfoundland

ROUTINE PROCEEDINGS

[*Translation*]

PRIVILEGES AND ELECTIONS

First Report of Standing Committee on Privileges and Elections—Mr. Laflamme.

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

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[*English*]

PUBLIC SERVICE

TABLING OF PART II OF REPORT BY JACOB FINKELMAN ON EMPLOYER-EMPLOYEE RELATIONS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wish to table part II of the Jacob Finkelman report on employer-employee relations in the Public Service of Canada.

* * *

NEWFOUNDLAND

ABSENCE OF PRIME MINISTER FROM CELEBRATION OF TWENTY-FIFTH ANNIVERSARY OF UNION WITH CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I rise to seek permission of the House to present a motion under the provisions of Standing Order 43 on a matter of considerable importance not only to the people of Newfoundland but to this country as a whole.

As the House is aware, on April 1 the province of Newfoundland celebrated the twenty-fifth anniversary of its union with Canada. Notably absent from the ceremonies that were held in the province commemorating the occasion was the Prime Minister (Mr. Trudeau). I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the House regrets the fact that the Prime Minister of Canada did not see fit to attend the celebration and that his absence in no way represents the true feelings of this House or the government and people of this country toward the importance of the occasion and the great benefits that have accrued to Canada as a result of its confederation with Newfoundland.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[Mr. Matte.]

PUBLIC SERVICE STAFF RELATIONS ACT

AMENDMENT TO WIDEN SCOPE OF COLLECTIVE BARGAINING

Mr. Peter Reilly (Ottawa West) moved for leave to introduce Bill C-270, to amend the Public Service Staff Relations Act (arbitration awards).

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

* * *

INTEREST ACT

AMENDMENT TO FACILITATE REDEMPTION OF MORTGAGES BY MORTGAGORS

Mr. Mark Rose (Fraser Valley West) moved for leave to introduce Bill C-271, to amend the Interest Act.

Some hon. Members: Explain.

Mr. Rose: Mr. Speaker, the purpose of this bill is to enable a mortgagor to redeem the mortgage by paying the amount of principal and interest then due, plus three months further interest. In this way, unscrupulous mortgages will be deterred from introducing excessively severe penalty clauses in the small print of the contract.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

CANADIAN FORCES SUPERANNUATION ACCOUNT

Question No. 28—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount at credit in the Canadian Forces Superannuation Account as at (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

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

3. What amount of interest was credited to the Canadian Forces Superannuation Account during the fiscal years ending (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

4. What was the total amount paid out of the Canadian Forces Superannuation Account during the fiscal years ending (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

Hon. James Richardson (Minister of National Defence): 1, 3 and 4. This information is tabled in the House of Commons annually in accordance with Revised Statutes, and also appears annually in the Public Accounts.

2. (a) Rates of Interest for: 1973/71, Quarter ending June 30, 1970, 1.3174 per cent; Quarter ending September 30, 1970, 1.3262 per cent; Quarter ending December 31, 1970, 1.3427 per cent; Quarter ending March 31, 1971, 1.3597 per cent. (b) 1971/72, Quarter ending June 30, 1971, 1.3838 per

cent; Quarter ending September 30, 1971, 1.3896 per cent; Quarter ending December 31, 1971, 1.4004 per cent; Quarter ending March 31, 1972, 1.4157 per cent. (c) 1972/73, Quarter ending June 30, 1972, 1.4601 per cent; Quarter ending September 30, 1972, 1.4659 per cent; Quarter ending December 31, 1972, 1.4778 per cent; Quarter ending March 31, 1973, 1.4931 per cent.

WINTER CAPITAL PROJECTS FUND

Question No. 136—**Mr. Laprise:**

Within the Winter Works Investment Program announced by the Minister of Finance on December 6, 1972 (a) which provinces participated in the program to date (b) how many projects were there and what was the amount involved in each case?

Hon. John N. Turner (Minister of Finance): (a) All the provinces are participating in the program. (b) To the end of February 1974 the number of projects and the amounts involved were as follows:

Province	Number of Projects Approved*	Total Approved Loans** ($ thousands)	Advances ($ thousands)
Newfoundland	103	11,663	8,500
Prince Edward Island	30	2,105	1,493
Nova Scotia	86	13,953	—
New Brunswick	78	10,405	9,699
Quebec	161	106,955	75,812
Ontario	280	69,875	230
Manitoba	52	10,924	9,400
Saskatchewan	120	13,442	479
Alberta	100	14,950	4,291
British Columbia	64	24,371	6,632
Yukon	—	—	—
Northwest Territories	1	400	400
	1,075	279,043	116,936

*Excludes cancelled projects,
**Includes loan commitment revisions.

GOVERNMENT FOREIGN BORROWING

Question No. 230—**Mr. Stevens:**

1. Is the government planning to reduce its reliance on CSB's in 1974 and to enter the domestic long bond market?

2. Does the government plan to borrow abroad so as to share with the provinces some of the exchange rate risks of foreign borrowing?

Hon. John N. Turner (Minister of Finance): 1. The extent to which the government will tap the capital markets in 1974 for net new funds and the type of obligations chosen will depend upon government cash requirements, alternative sources of financing and prevailing market circumstances.

2. No.

Order Paper Questions

*ECONOMIC TARGETS FOR 1974

Question No. 231—**Mr. Stevens:**

What are the economic targets of the government for 1974 in terms of real economic growth, employment, real wages (before and after income taxes) and prices?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the government will be seeking to guide the economy to as high a real growth rate and level of employment as the economy can achieve without inducing further inflation. It is the conviction of the government that high employment and production will make the best contribution to dampening inflation and the retarding effect of inflation on the growth of real incomes.

It is the intention of the Minister of Finance (Mr. Turner) to review the government's policies and the prospective achievement of the economy in 1974 in his budget address.

Some hon. Members: Hear, hear!

CANADA SAVINGS BONDS

Question No. 428—**Mr. Reynolds:**

As the Department of National Health and Welfare requires that a warning be put on every cigarette package advising of danger to health, will the Minister of Finance put a like notice on all Canada Savings Bonds which advises that danger to the health of the pocket book increases with the purchase of Canada Savings Bonds?

Hon. John N. Turner (Minister of Finance): No.

COST OF BREAKWATER AT TURKEY POINT AND MARY TOD ISLAND, VICTORIA, B.C.

Question No. 482—**Mr. McKinnon:**

With reference to the answer to Question No. 2,966 of the First Session of the 29th Parliament concerning the total cost of the breakwater between Turkey Point and Mary Tod Island near Victoria, what is the expenditure by year?

Hon. Jean-Eudes Dubé (Minister of Public Works): Fiscal year: 1959-60, $298,968; 1962-63, $6,634; 1963-64, $1,114; 1968-69, $9,132; 1969-70, $22,970; 1970-71, $15,580; 1972-73, $173,501.

DISTRIBUTION OF COPIES OF ADDRESS MADE BY MINISTER OF AGRICULTURE IN LETHBRIDGE

Question No. 506—**Mr. Cossitt:**

Was a political address made by the Minister of Agriculture to the meeting of the Lethbridge Liberal Association, Lethbridge, Alberta on Tuesday, March 12, 1974 reprinted at public expense and, if so (a) how many copies were printed (b) how many copies were distributed (c) what specific individual authorized this expenditure of public funds?

Hon. E. F. Whelan (Minister of Agriculture): No. (a) to (c) not applicable.

Order Paper Questions

*IRVING CASE—LEGAL FEES

Question No. 545—**Mr. Howie:**

As of March 15, 1974, what and to whom was the total amount paid for prosecution of the Irving interests under the Combines Investigation Act?

Mr. Pierre De Bané (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, here are the particulars on the cost of New Brunswick newspapers prosecution in the Irving case, but they do not include travelling expenses and time of Department of Justice personnel and of officers on the staff of the Director of Investigation and Research. William L. Hoyt, Q.C., Hoyt, Mockler, Allen, Dixon & Godin, Fredericton, N.B., (Crown Counsel): Legal Fees, $88,021; disbursements, $23,587. T. Joseph Scanlon, Dean of the School of Journalism, Carleton University, Ottawa, Ontario, (Special Assistant to Crown Counsel—Consultant): Fees, $9,100; disbursements, $3,367. Winnifred Johnston, Saint John, N.B., (Witness): Cost, $630. Total: $124,705.

"SAFARI KIT"

Question No. 591—**Mr. Schumacher:**

1. Under whose authority was the "Safari Kit" issued?

2. What is the purpose of this kit and of what does it consist?

3. How many copies of this kit were prepared (a) in English (b) in French?

4. What is the present distribution of the kit and the anticipated distribution for the future?

5. What was (a) the cost to date (b) the projected cost of this kit?

6. Was a contract given out for (a) the preparation (b) the production (c) the distribution of this kit and, if so (i) by whom (ii) to whom?

7. What are the names and addresses of the directors of the company which received this contract?

8. Was the contract open to tender and, if so (a) how many firms tendered and what were the names in each case (b) if not, for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Commissioner of Official Languages reports directly to Parliament and not through a Minister. Questions may be put to him directly.

* * *

QUESTION PASSED AS ORDER FOR RETURN

PROFITS OF AND SUBSIDIES TO FOREIGN CORPORATIONS

Question No. 236—**Mr. Olaussen:**

1. What were the amounts, in dollars and as a percentage of total after tax profits, of dividends paid by Canadian corporations to foreign parents and affiliates and of profits paid by unincorporated branches of foreign corporations operating in Canada in each of the years 1965 to 1972, by each of the 37 industry groups and by asset size (a) less than $1 million (b) $1 million to $4,999,999 (c) $5 million to $9,999,999 (d) $10 million to $24,999,999 (e) $25 million and over?

2. What were the total amounts of subsidies given to foreign-owned companies in each of the years 1965 to 1972, cross-classified by industrial group and asset size?

Return tabled.

[Mr. Whelan.]

Mr. Paproski: Mr. Speaker, I rise on a point of order. I have had a question on the order paper for the past five or six months with regard to positions and salaries of women in the Public Service. It is question No. 319. There must be some reason why the government is refusing to answer. Maybe they have no women on salary over the $15,000 mark or maybe they just do not care about women.

• (1420)

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADMINISTRATION

INTENTION RESPECTING MODERATION OF RATE OF INCREASE IN EXPENDITURES IN VIEW OF RATE OF INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister relating to the continued high rate of inflation in the country and the fact that the estimates of federal government spending tabled for the current year are some 40 per cent higher than the corresponding estimates of federal spending tabled only two years ago. I should like to ask the Prime Minister whether he has any firm intention of moderating the rate of increase in the expenditures of his government as part of a fight against domestically-induced inflation?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. We shall certainly do our best, particularly in the area of bringing to an end programs which have run their time, and we hope we can count on the support of the opposition parties in bringing such programs to an end.

Some hon. Members: Oh, oh!

Mr. Stanfield: Is it the position of the government, and particularly of the Prime Minister, that the growth in the estimated expenditures of the government, amounting to 40 per cent over a near two-year period, is appropriate in light of the current inflationary pressures in the country?

Mr. Trudeau: When we are talking of global figures it is good to remember the individual programs which form part of those increasing expenditures, and once again I call

all members of the House to support the government in trying to cut back on some of these programs.

An hon. Member: What government?

Mr. Guay (St. Boniface): Ask them in Nova Scotia.

Mr. Stanfield: Whenever my hon. friend wants to test the water in Nova Scotia federally, we will be ready.

Some hon. Members: Hear, hear!

Mr. Bell: Or anywhere else, even Quebec.

Mr. Hees: How would you like to test us in Ontario and New Brunswick? We are willing.

Mr. Turner (Ottawa-Carleton): You are like corpses over there.

Mr. Crouse: Sitting right there is the only member from Nova Scotia you will ever have, and you are not going to hold him.

Mr. Speaker: Order, please. Perhaps we might have order. I believe the Leader of the Opposition has a supplementary question.

Mr. Stanfield: My supplementary is quite specific. In view of the intense inflationary pressures in the country and the very sharp escalation in the rate of expenditures by the government, does the Prime Minister propose to bring before the House in the near future any firm plan to moderate the rate of increase in the expenditures of his government?

Mr. Trudeau: If I might comment on the noise which accompanied the Leader of the Opposition's talk—

Mr. Hees: That is not what you were asked to do. We are sorry, but you cannot.

Mr. Speaker: Order, please. I suggest to the Prime Minister that he should not.

Some hon. Members: Oh, oh!

* * *

COMBINES

REQUEST FOR INVESTIGATION OF PRICE INCREASES BY ASPHALT ROOFING MANUFACTURERS AND POSSIBLE CREATION OF ARTIFICIAL SHORTAGE OF BUILDING MATERIALS

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. In view of the reported price increase of 10 per cent imposed on April 1 by all three manufacturers of asphalt roofing—Building Products Limited, Canadian Gypsum, and Domtar Limited—and having in mind that during 1973 the price of asphalt roofing rose by almost 20 per cent over the price in 1972, will the minister instruct the director of investigation under the Combines Investigation Act to find out whether there is a conspiracy on the part of this cartel to fix prices?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I will be happy to draw this matter to the attention of the combines investigation branch.

Mrs. MacInnis (Vancouver Kingsway): In view of the past record of this cartel in the matter of price fixing, will the minister instruct the director of investigation under the Combines Investigation Act to determine whether this cartel has deliberately brought about an artificial shortage of building materials through restriction of trade, thus contributing to the soaring costs of new housing and housing repairs?

Mr. Gray: Mr. Speaker, it is the responsibility of the director in carrying out an inquiry to look into all aspects in order to determine whether or not there has been an offence against the act.

* * *

[*Translation*]

AIR CANADA

TRANSFER FROM MONTREAL TO WINNIPEG OF MAINTENANCE OPERATIONS FOR BOEING 727 AIRCRAFT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Transport.

In view of the answer that he gave in the House on Friday, March 22, 1974, following a question put by the hon. member for Winnipeg South Centre, has he had any further contact with Air Canada concerning the closing of the overhaul base for Boeing 727's and its transfer to Winnipeg?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, there has been no contact on this specific point. Ongoing discussions are taking place with Air Canada. No decision has been made yet, to my knowledge, by Air Canada and the situation is exactly as before. Anyhow, for the information of the hon. member for Champlain, I will say that our relations with Air Canada are as good as those with France.

Mr. Rondeau: Mr. Speaker, I should like to put a supplementary question to the Minister of Transport.

How long does he think it will be before Air Canada is in a position to inform the minister of its decision on this important matter?

Mr. Marchand (Langelier): Mr. Speaker, I think that the hon. member knows about the status of Air Canada. The decision must be made by that corporation, and as soon as I am told about it, I shall be pleased to inform the hon. member for Shefford.

Oral Questions

[*English*]

GOVERNMENT ADMINISTRATION

INCREASE IN EXPENDITURES AND NUMBER OF PUBLIC SERVANTS—INQUIRY WHETHER GUIDELINES ISSUED TO DEPARTMENTS RESPECTING RESTRAINT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary to my leader's question is directed to the President of the Treasury Board. In view of the undoubted inflationary effect of these massive increases in government expenditures and in the number of public servants employed by the federal government, can the minister tell us whether there have already been guidelines issued to the various departments in respect of restraint on government expenditures and the employment of people in the public service?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, no specific arbitrary guidelines have been issued. However, there has been a clear indication that restraint will be exercised during the course of the current fiscal year.

Mr. Lawrence: In view of the fact that in 1969 the Prime Minister pledged that a freeze would be placed on the growth of the public service—

Mr. Turner (Ottawa-Carleton): Order. That is argumentative.

Mr. Stanfield: It is a good argument.

Mr. Lawrence: —and that is has grown massively since that time, has there been any specific reference regarding growth of the public service itself, or will there be in the near future, from the President of the Treasury Board?

Mr. Drury: As I indicated, there will be, as there have been to some degree in the past, restraints on increases. The justifications for further growth will be more severely tested. But I would point out that over the past four years the increase in the federal government's expenditures for goods and services, including salaries, has been at a rate less than the growth of the gross national product.

* * *

THE CANADIAN ECONOMY

INFLATION—ACTION TO RESTORE PURCHASING POWER OF WORKERS' PAY CHEQUES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a question to the Minister of Finance. As the figures released yesterday by Statistics Canada show that average weekly earnings are running more than 2 per cent below the current rate of inflation, will the minister advise the House when he intends to take steps to restore to par the purchasing power of the pay cheques of the workers of Canada?

● (1430)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, those statistics also show that the ratio between wages and the cost of living has been returning in the direction of wages. To answer more fully, I would direct the hon. gentleman to statistics of Statistics Canada which reflect that personal disposable income, that is, the income left in the hands of the average Canadian, increased more than 6 per cent last year.

[Mr. Marchand (Langelier).]

Mr. Hees: As the minister knows very well that the figure of real disposable income contains many factors that do not in any way benefit the average working man or woman, when does he intend to stop trying to mislead the workers of this country into believing that they are not losing out very badly on every pay cheque they receive?

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Hees: Up, up, up! Don't try a Trudeau on me. Get up and try to answer.

* * *

ENERGY

AUDIT OF GOVERNMENT PURCHASE OF HEATING OIL FROM ROUMANIA TO DETERMINE WHETHER THERE WAS CONFLICT OF INTEREST

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the President of the Treasury Board. Has the minister conducted an internal audit inquiry into the purchase of oil on the open market by the Department of Supply and Services and, if so, is he satisfied that the purchase of Roumanian oil did not involve a conflict of interest?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, there has been no specific inquiry into or no specific audit of this particular transaction.

Some hon. Members: Oh, oh!

An hon. Member: Why not?

Mr. Drury: I might add I have no reason to believe there was any conflict of interest.

Mr. Andre: In view of the fact the Department of Supply and Services did purchase an option from its own adviser, has the minister at least requested the Auditor General to investigate further government expenditures on heating oil by the Department of Supply and Services?

Mr. Drury: Mr. Speaker, I am afraid the premise of the question is incorrect. The Department of Supply and Services did not purchase oil from any of its advisers.

POSITION OF CONTRACT FOR PURCHASE OF HEATING OIL BY GOVERNMENT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. In view of the fact the oil purchased at such a high price was surplus to requirements, can the minister inform the House whether the government got

out of the contract for the supply of oil and, if they got out, at what cost?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am afraid I did not understand the question. I will have to read it in *Hansard*. The government did not get out of any contract to the best of my knowledge.

Mr. Stanfield: That's right, it got hooked.

DISPOSITION OF HEATING OIL PURCHASED BY GOVERNMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is for the Minister of Supply and Services. Can he inform the House what he intends to do with this oil which was purchased and is not really required by Canadians?

An hon. Member: Send it to Korea.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we will use the oil to heat the federal buildings in eastern Canada, from now on.

* * *

[*English*]

HEALTH

INCIDENCE OF SILICOSIS AMONG URANIUM WORKERS—ACTION BY MINISTER OF LABOUR

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Labour. In view of the fact the minister has jurisdiction over the health and safety of uranium workers under Clause 10 of the regulations entitled, "Canada Dangerous Substances Regulations", and in view of the fact 10 per cent of the present work force in the Elliot Lake mines are affected to varying degrees by silicosis, will the minister inform the House what steps have been taken by him or what steps he intends to take to protect the workers in the Elliot Lake mine?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member that he is not correct. It is not within my jurisdiction. Had the author of that comment in the north country bothered to check he could easily have found out that was not the case. The jurisdiction falls under the Atomic Energy Control Board and certain activities are undertaken by the radiation division of the Department of National Health and Welfare. I know that my colleague, the Minister of National Health and Welfare, has seen the parties involved and perhaps can give the hon. member a more adequate report. That department is involved and, as I say, the Department of Energy, Mines and Resources, not the Department of Labour.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. I have in my possession the regulations entitled "Canada Dangerous Substances Regulations", and under Clause 10 it specifically states that it is the responsibility of the Minister of Labour.

Mr. Speaker: Order, please. That is hardly a point of order; it is a point of debate.

Mr. Munro (Hamilton East): Mr. Speaker, I rise on a point of order. I do not believe an inaccuracy should be allowed to remain on the record. When I said that jurisdiction did not rest with the Department of Labour, that was quite correct. Other regulations in respect of uranium and radiation clearly state that they supersede any legislative responsibility I have in terms of safety standards. If the hon. member will check, he will find out that he is incorrect.

* * *

ENERGY

PURCHASE OF HEATING OIL BY GOVERNMENT—POSSIBILITY OF CONFLICT OF INTEREST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question that is supplementary to one asked a few minutes ago about conflict of interest. The President of the Treasury Board said that the Department of Supply and Services did not purchase this oil from an adviser to the department and therefore there was no conflict of interest. Will the President of the Treasury Board not agree that the oil was purchased from a company with representation on the advisory committee to the Department of Energy, Mines and Resources which recommended to the Minister of Supply and Services that this oil should be purchased? If that does not constitute a conflict of interest, perhaps the minister could describe what conflict of interest would consist of?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the facts as outlined by the Leader of the Opposition are quite correct. He has established the facts and he is as capable of determining whether there is a conflict of interest, without further inquiry, as is anyone else.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR ADDITIONAL FUNDS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration.

In view of the great many projects submitted for the Opportunities for Youth Program, can the minister tell us if he has recommended to the cabinet that the sum of $25 million be increased for the year 1974?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have not.

[*Translation*]

Mr. Laprise: Mr. Speaker, I would like to ask a supplementary.

Could the minister tell us if he intends to make such a recommendation to the cabinet to allow for the implementation of a larger number of projects proposed by the youth. They have gone through the trouble of submitting them and those projects should be approved by the Opportunities for Youth Program.

[*English*]

Mr. Andras: Mr. Speaker, I think the earlier comment by the Prime Minister in response to a question by the hon. Leader of the Opposition would apply here in terms of allocating more funds. May I also add that we are seeking assistance of the private sector in doing everything possible to expedite the connection between young people seeking jobs and those employers who have vacancies, with more special emphasis this year than in the past.

OPPORTUNITIES FOR YOUTH PROGRAM—ADJUSTMENT OF ALLOCATIONS TO EASTERN PROVINCES

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question to the Minister of Manpower and Immigration with regard to the original allocations circulated roughly a month or five weeks ago. In view of considerable representations from some of the eastern provinces which have been severely cut on a relative basis over last year, will the minister indicate whether reconsideration has been given to the allocations and whether any readjustment of allocations has subsequently been made?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated earlier, I believe, we were going to make a final adjustment based on more current information on job availability versus youth population in various parts of the country, based on February figures which were updated from the ones on which we based our original allocations. The net result of all this is that there will be increases in the allocations to the Atlantic provinces and Quebec, and I believe one other province, but at the moment I cannot remember which one it is.

* * *

TRANSPORT

INQUIRY RESPECTING DEPARTMENTAL REVIEW OF CROWSNEST PASS FREIGHT RATES—CLEARING OF SNOW FROM TRACKS TO EXPEDITE GRAIN MOVEMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Minister of Transport. Is it a fact that a review is now taking place in government circles, in particular in his own department, concerning the Crowsnest Pass freight rates, and that the feeling within the department is that they should be altered and that the Crowsnest Pass agreement can no longer be kept in effect?

Hon. Jean Marchand (Minister of Transport): Surely not, to my knowledge, Mr. Speaker.

[Mr. Andras.]

Mr. Stanfield: Does Joe know anything about that?

● (1440)

Mr. Diefenbaker: Mr. Speaker, possibly the minister might look into that and find out because there is a press report by a most reliable press man, Mr. Nick Hills—

Mr. Speaker: Order, please. I am not sure in what way the right hon. gentleman wishes to ask the supplementary question but he knows it is not regular to ask a minister to confirm or deny a press report.

Mr. Diefenbaker: You know, Mr. Speaker, when the government does not know what is going on in its own departments, sometimes it is helpful for an opposition member to draw their attention to the facts. I would also ask the amiable minister whether or not he will get in touch with Canadian National Railways in order to ensure that the railway tracks will be cleared of snow, some of which recently were covered completely. Dayliners operate on these tracks. Would he see to this because this is a very serious matter in Saskatchewan, where it is anticipated that flooding will be worse than in previous years, so that as much wheat as possible will be moved before the break-up?

Mr. Marchand (Langelier): Mr. Speaker, on account of the presentation of the right hon. gentleman I can tell him that I intend to meet with the president of the CNR this afternoon at 3.30 and this is the first question I will raise.

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AGRICULTURE

REPORTED INCREASE IN FARM LOAN INTEREST RATES—REQUEST FOR STATEMENT

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In light of reports that farm credit loan interest rates have now gone up to 8¼ per cent from 7 per cent, and in light of the fact that the minister's request for an increase in the total loan fund has not been approved by his cabinet colleague, the President of the Treasury Board, is the minister now prepared to make a statement on motions on this matter?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Farm Credit Corporation is operating in a normal manner. It is operating at capacity. There has been no slowdown in the handling of applications. The corporation has the funds with which to operate and it will continue to do so.

Mr. Frank: Mr. Speaker, in light of the fact that the minister has been travelling back and forth across Canada expounding on the necessity of encouraging young people to enter agriculture, or of at least maintaining those now so engaged, is this action by the minister of raising the interest rates not contradictory?

Mr. Whelan: No, Mr. Speaker.

EXTERNAL AFFAIRS

ACTION TO ASSIST CAPTAIN OF "GREENPEACE III" TO OBTAIN DAMAGES FROM FRANCE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wonder whether I could engage the attention of the Prime Minister for a moment. Has the government yet come to a decision on how it might assist Captain David McTaggart in pressing his damage claim against the government of France over the illegal boarding of the Canadian vessel, *Greenpeace III*, in the South Pacific last summer? If a decision has been reached can the Prime Minister tell us what method of assisting Captain McTaggart has been selected by the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs has discussed this matter with me several times over the past few months. I do not find myself in a position to indicate to the hon. member what specific methods have been agreed upon at this time. I do want to say that we feel modest progress is being made and will be made. If the hon. member would permit, I will ask the Secretary of State for External Affairs to report to the House as soon as he feels he is in a position to do so.

* * *

GRAIN

PLANS TO MOVE GRAIN FROM AREAS THAT MAY BE FLOODED

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct a question to the minister in charge of the Canadian Wheat Board, supplementary to that asked by the right hon. gentleman from Prince Albert. In view of possible flooding in the Red River and Roseau River valleys, a situation which the Manitoba flood forecasting committee rates as a distinct possibility, can the minister indicate what emergency plans are ready to put into place to move grain from these areas to prevent the spoiling of grain now in farm storage?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, following the various planning meetings of several weeks ago, an operational committee is now in existence under the chairmanship of a commissioner of the Canadian Wheat Board in Winnipeg to examine the whole question of what trucking is available and what means can be used to move grain in addition to the grain that can be moved on the rail lines that are open. These particular questions, therefore, are brought to the attention of this committee and the Canadian Wheat Board and what can be done is done to move grain from sensitive areas. Obviously, with snow conditions across the prairies being extremely serious in many places, not all of the movement of grain that would be desirable in the next few weeks can be accomplished.

COMBINES

ALLEGATION THAT CANADIAN BROADCASTING CORPORATION INDUCED INFORMATION CANADA TO ADOPT SUGGESTED RETAIL PRICES FOR CERTAIN PUBLICATIONS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs but as he has stepped behind the curtain perhaps I can address it to the Minister of Justice in his absence. In view of the evidence presented to the Standing Committee on Broadcasting, Films and Assistance to the Arts on March 21 by Mr. Beauchamp of Information Canada to the effect that the Canadian Broadcasting Corporation had induced Information Canada to adopt a suggested retail price for certain publications in contravention of section 38(2) of the Combines Investigation Act, will the minister lay charges against the CBC?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would be glad to have a look at the suggestion and the allegations, but of course I would not indicate in advance a decision concerning charges.

Mr. Hellyer: Mr. Speaker, my supplementary is directed to the Secretary of State. Would the Secretary of State undertake to bring this case to the official notice of the Canadian Broadcasting Corporation so that programs like "As it Happens" and "Market Place" will have an opportunity to air it thoroughly before it becomes sub judice?

Hon. James Hugh Faulkner (Secretary of State): I will look into that matter, Mr. Speaker.

* * *

INCOME TAX

ALBERTA PROPOSAL TO ADMINISTER COLLECTION OF PROVINCIAL TAX ON CORPORATIONS

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of Finance. Would the minister inform the House what communication he has had with the government of Alberta concerning a proposal that Alberta administer the collection of its own corporation income tax?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am in constant communication with the province of Alberta and Mr. Gordon Miniely, the minister of finance for Alberta, who called me before the announcement was made by Premier Lougheed. I told him that I understood the priorities of the province to diversify industry beyond a merely primary resource economy into a secondary and tertiary industry economy with particular attention to the small businessman. I thanked him for this advance notice and told him I am looking forward to consulting with him as to how to achieve those objectives without destroying the essential harmony of the tax system across the country.

Oral Questions

MANPOWER

DENIAL OF RELOCATION ASSISTANCE UNDER MOBILITY PROGRAM TO POTENTIAL EMPLOYEES OF CROWN CORPORATIONS

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of relocation assistance available under the Canada Manpower Mobility Program and in view of the fact that such assistance is denied potential employees of Crown corporations, can the minister explain what steps are being taken or will be taken to prevent such discrimination?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will take the question as notice and respond to the hon. member at the earliest possible opportunity.

* * *

AIRPORTS

VANCOUVER—ALLEGED REFUSAL OF CERTAIN OFFICIALS TO MEET WITH PEOPLE ASKED TO LEAVE PROPERTIES BY END OF JULY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Transport regarding the airport planning process now going on between the federal government and the airport community planning association of Richmond. Can the minister advise the House why Mr. Bill Inglis, the airport manager, and Mr. Lenahan, the regional administrator of the Department of Transport refused to meet with the people who are being asked to leave their properties by the end of July?

Mr. Speaker: I would think that question could be placed on the order paper. If there is urgency it could be given priority for consideration at the time of adjournment.

* * *

● (1450)

MANPOWER

LOCAL INITIATIVES AND OPPORTUNITIES FOR YOUTH PROGRAMS—STEPS TO ASSURE MONEY PROPERLY SPENT AND ACCOUNTED FOR

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration, the minister responsible for the operation of the Local Initiatives and Opportunities for Youth programs. In view of the very serious observations the Auditor General made in his last report that both these programs have had serious weaknesses in their administration, a lack of accounting records, and in some cases fraudulent and irregular procedures, what steps is the minister taking to make sure that the Canadian taxpayers' money is going to be spent properly and will be properly accounted for?

[Mr. Turner (Ottawa-Carleton).]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have read carefully the comments of the Auditor General. I note that we would probably have some disagreement with some of his comments but we recognize the validity of others. We note also that the incidence of administrative weakness, or in some cases the possibility of improper practices, is very small indeed, particularly in relation to programs of this nature, something which is pleasing to us. Nevertheless we are going to take all possible steps to follow the advice of the Auditor General and will continue to improve our monitoring and auditing approach.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF ESTABLISHMENT OF AGRICULTURAL FOOD PRODUCT INDUSTRY IN SAINT-HYACINTHE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion.

In view of the master agreement entered into by Ottawa and Quebec, and the fact that Saint-Hyacinthe has now been recognized as a designated area for incentives purposes, does the minister intend to confer with the Minister of Agriculture and their Quebec counterparts with a view to establishing a strong agricultural food product industry in Saint-Hyacinthe?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, the short answer is yes, and those discussions are already under way.

* * *

EXTERNAL AFFAIRS

REPRESENTATIONS BY GOVERNMENT TO OBTAIN RELEASE OF TWO CANADIANS HELD CAPTIVE BY ERITREAN LIBERATION FRONT IN ETHIOPIA

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question pertains to external affairs and I must direct it to the right hon. Prime Minister. It involves another strange anomaly of potential conflict of interest. Has the government made representations to the guerilla force known as the Eritrean Liberation Front, in or near Ethiopia, asking for the liberation of two Canadian taxpaying citizens, Donald Werderfort and Clifford James, now held captive by this guerilla group?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs dealt with this matter two days ago.

Mr. Alkenbrack: Can the Prime Minister inform the House as to the amount of money in the form of a grant that was obtained from the government by the above-named Eritrean Liberation Front which is now holding these two Canadians captive?

Mr. Speaker: Order. The hon. member is asking for statistical information. That part of the question should be placed on the order paper.

* * *

INCOME TAX

REPORT OF CORPORATE TAX MEASURES REVIEW COMMITTEE—NAMES OF CORPORATIONS TO WHICH QUESTIONNAIRE SENT AND THOSE THAT REPLIED

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Finance. No doubt he will recall that on Monday, in reply to a request by me that he table the names of the 1,088 corporations to which the questionnaire resulting in the report on the corporate tax measures was sent, and in response to related questions, he said he saw no reason why that could not be done. May I now ask the minister whether we can expect that information to be tabled, and when?

Hon. John N. Turner (Minister of Finance): The House may expect that, sir, and as soon as possible.

* * *

AGRICULTURE

STEPS TO PREVENT IMPORTATION AND SALE OF MEAT IMPLANTED WITH DES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. What steps is his department taking to assure Canadian consumers that no meat entering Canada to be sold in Canada is actually implanted with DES?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think I reported to the House previously that there will be a meeting in Washington between officials of the U.S. Department of Agriculture and our people, and that we have had meetings in Ottawa. There should be an announcement made shortly on what arrangements have been made between the two nations for certification that meat coming into Canada has neither been implanted with DES nor that the food consumed by animals has had the DES supplement added to it.

* * *

ENERGY

HEATING OIL PURCHASED BY GOVERNMENT—AMOUNT PAID BY CANADIAN FUEL MARKETERS FOR OPTIONS

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question is directed to the Minister of Supply and Services. Having regard to the answer given to my leader that Canadian Fuel Marketers Limited were in fact technical advisers to the Minister of Energy, Mines and Resources, having regard to the fact that this heating oil was bought by the government at 99 cents a gallon, and having regard to the fact that Canadian Fuel Marketers is a subsidiary of Shell International, did the minister take it upon himself to find out what Canadian Fuel Marketers paid for their options before he bought this fuel from them and, if not, why not?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I am quite surprised to see that the government is being urged, on behalf of the Progressive Conservative Party, to meddle with the private affairs of corporations, and I wonder with what authority the corporation concerned obtained options on an international market which, as everyone knows, is very much open to competition.

[*Later:*]

[*English*]

Mr. Morgan: My supplementary is directed to the Minister of Supply and Services. Having said that the information he obtained came from the Minister of Energy, Mines and Resources, did the Minister of Supply and Services take into consideration the fact that they were being advised by the very people from whom they purchased this oil?

HEATING OIL PURCHASED BY GOVERNMENT—ROTTERDAM PRICE AT TIME OF TRANSACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Supply and Services who yesterday told the House that at the time he paid 99 cents for each of these five million gallons of oil the Rotterdam price was 89 cents. Would the minister disclose the source of his information about Rotterdam oil prices at that time, since the Oil Buyers' Guide shows that the Rotterdam price at no time went above 74 cents all winter?

Some hon. Members: Oh, oh!

Mr. Hees: The tar baby is in trouble.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I obtained my information from the Department of Energy, Mines and Resources—

Some hon. Members: Oh, oh!

Mr. Goyer: —and I will certainly check whether the question of the hon. member, as stated, is according to the facts.

* * *

AGRICULTURE

THREAT OF GRASSHOPPER INFESTATION IN WESTERN CANADA THIS SPRING—ACTION TO CONTROL

Mr. Bill Knight (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the fact that this year western Canada will face the severest outbreak of grasshoppers it has faced in decades, and in view of the fact this will affect prime farm land, can the minister inform the House what action he is taking to assist in the fight against grasshoppers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am happy to inform the hon. member that we are offering to the provinces to set up control centres, with equipment and insecticides, and people who are willing to staff these centres, to make sure we are in a better position than we have ever been to control grasshoppers.

Mr. Knight: Mr. Speaker, I wish to direct a quick supplementary to the minister who has shown great interest in the nutrition and diet of people not only in Canada but throughout the world.

Some hon. Members: Hear, hear!

Mr. Knight: Can the minister inform the House if his department, through its marketing agencies, is looking into the possibility of taking this high protein insect, which is a delicacy in many parts of the world, and turning it into a marketable commodity?

Mr. Speaker: Order, please. I gather that this is a representation.

Mr. Knight: On a point of order, Mr. Speaker, although this may appear to be a preposterous question, I want to inform the House that grasshoppers are selling at $3.10 a pound in Japan today.

Mr. Horner (Crowfoot): Maybe Goyer will buy them!

Some hon. Members: Oh, oh!

* * *

INDIAN AFFAIRS

EXTENSION OF RURAL AND NATIVE HOUSING PROGRAM TO PEOPLE ON RESERVES

Mr. Frank Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In light of the recent announcement of his rural and native housing policy, for which my colleagues and myself have developed a degree of appreciation, I would like to ask him if he has had any discussions with the Minister of Indian Affairs and Northern Resources to extend this policy to native people living on reserves?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, as the hon. member knows, there have been some discussions at the official level. We amended the National Housing Act last session to provide that the programs under it could apply on Indian reserves. But the responsibility is essentially that of the Minister of Indian Affairs and Northern Development for the building and provision of native housing on reserves. We have been having some discussions on the application of the new policy to reserves.

● (1500)

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary, followed by the hon. member for Rimouski.

[Mr. Knight.]

Mr. Oberle: Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. What steps is the minister taking to prepare the native community on the reservations to take advantage of this policy that would certainly establish a brand new philosophy of housing ownership and pride of ownership? What steps has the minister taken to inform the natives of the policy?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, discussions have started with the Indians, as my assistant deputy minister indicated in committee yesterday morning, and we have submitted concrete proposals to the Indian Council of Vancouver Island concerning a pilot project which combines the housing programs of my department with those of the Urban Affairs Ministry. We will have shortly a formal meeting with the representatives of the Indian Association of Canada to discuss a new housing policy for Indians living on reserves.

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EXTERNAL AFFAIRS

POSSIBLE ORGANIZATION BY PARLIAMENT OF RECEPTION FOR ANGOLESE DELEGATION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs, but since he is absent, I will direct it to the Prime Minister.

The Canada University Service Overseas (CUSO) has hinted that an Angolese delegation will be in Canada from April 22 to April 30 and wants to organize an official reception for this delegation in the Parliament of Canada. CUSO is reported to have submitted a request to the Secretary of State for External Affairs a few weeks ago. Can the Prime minister tell us whether such a request has been received, whether he intends to answer or has answered it? If so, what was his answer?

Mr. Speaker: Order, please. If this is really urgent, the hon. member can raise the matter again at the time of adjournment.

* * *

[*English*]

GRAIN

FEED GRAIN—GOVERNMENT POLICY FOR NEXT CROP YEAR—ROLE OF CANADIAN LIVESTOCK FEED BOARD

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the minister in charge of the Canadian Wheat Board. Since the minister has outlined at some length details of the governments feed grains proposals for August 1, 1974, the start of the new crop year, is it the government's intention to implement the proposals contained in the document that has been distributed which is entitled, "The Domestic Feed Grain Market"?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I believe the document to which the hon. member refers is a working paper on the technical implications of putting into effect the type of proposals we outlined last August 3 for the long term. We are working on the final decision as to the kind of policy we ought to have without having confirmed that we will go the route of the August 3 proposals. We did want to be sure of our technical grounds and the workability of that proposal and the alternatives we are looking at. This is a document on the technical feasibility of the August 3 proposals and does not indicate a final decision by the government.

Mr. Speaker: Perhaps the hon. member for Lisgar might be allowed a supplementary question, following which the Chair will call orders of the day.

Mr. Murta: Mr. Speaker, I will ask my supplementary question in two parts. I should like to know whether it is the intention of the government that the Canadian Livestock Feed Board will play a more prominent role in determining supply and demand for domestic grain sold in Canada. Also, will the government be prepared to announce its policy by the end of this month, well in advance of the start of the new crop year so that all may have a good look at the proposals?

Mr. Lang: Mr. Speaker, we had hoped to be able to announce the new policy by the end of the month, but it may well be early May or mid-May before we manage to do so. The role of the Livestock Feed Board is being studied and, while no firm decision has been made on that, I think it is fairly obvious that the board will play a more active role in assessing the need for feed grains in Canada and informing the producers as well as the consumers of grain about the way in which sales of grain are progressing and grain is moving.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Tuesday, April 2, debate on the motion of the Minister of Finance (Mr. Turner) that Bill C-5, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the third time and do pass.

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) rises on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order simply to say that there have been some multiparty discussions and I think you will find there is general agreement for a special order providing that the remaining speeches at the third reading stage of this bill be limited to 20 minutes.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, the bill before us, Bill C-5 intituled: "An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada" is evidence that some changes have occurred during the year. In the bill introduced in former years, a very significant word was recurring fairly often and that was the word "deficit". In this bill, Mr. Speaker, this term has been replaced by another, namely, "securities to be repaid". This is fairly more sophisticated and seems rather successful.

Mr. Speaker, although the president of our Crown corporation is always very well paid and several officials have chosen for themselves important positions and applied the planning formula, the results are the same, that is we are virtually facing a fiasco as a result of the incompetence and irresponsibility of the management. And we can always expect the same results. For instance, when it comes to planning, we always find the same incompetence in the field of agriculture and transport as well as in the St. Lawrence Seaway Administration or the Canadian National. Following advanced planning, our country which was a major producer and exporter of goods sought throughout the world has become an importer.

● (1510)

The government planned the system. If fixed quotas and, to be consistent with its plans, went so far as paying western farmers not to produce. This same government even penalized eastern farmers for producing too much. It even mobilized inspectors to visit farms and keep an eye on farmers. In my opinion, the shortcomings in planning result from the very fact that most people responsible for planning are "yes-men".

We all know that, in the private sector, one must not be satisfied with following but must lead the way.

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I think he is being interrupted by some of the conversations that usually accompany the end of the question period. If he would like to rest a moment whilst the House settles down, this period would not be subtracted from his time.

[*Translation*]

Mr. Godin: In private enterprise, as I said, we all know that administration officers develop ideas and put them into practice. Anyone anxious to know the difference between private enterprise and public enterprise does not

need to go out of the country, or even to get into a new field, he can stay on the same "track". One has only to compare the balance sheets of the CN and the CP. The CN operates at loss while the CP shows profits.

In 1973, the CN came before the government begging for credits to plug the $17 million hole. The same year, the Canadian Pacific's balance sheet showed $125 million profit. In the February 12 edition of *Le Soleil,* one could read the following:

> The Canadian Pacific company announced yesterday an unaudited net revenue of $125 million for 1973, including extraordinary items of $6 million.
>
> That is a $29 million increase over 1972.

Mr. Speaker, in 1971 for instance, the CN came before us again with a deficit of $29 million.

In 1968, the CN had tampered with their employees' superannuation fund, had written off a $371 million debt and in spite of all that it still showed a deficit.

During the 60's, the CN tampered and meddled again with the employees' pension fund. They loaned themselves $675 million at 4 per cent interest for 60 years.

Mr. Speaker, the Social Credit members say that the Canadian National, like many other Crown corporations, should be financed through new credits at a low rate of interest. However, we maintain that savings deserve a reward and that the best reward that can be made at the present time is the payment of interests at the market rate.

Moreover, by lending themselves $675 million at 4 per cent, the CN saved $40 million a year, but those savings are at the expense of retired employees and I think that is an abnormal state of things.

If all that tampering gave results, it would be really encouraging but we know the situation remains the same because by financing its operations in a fraudulent way as it does, the CNR remains constantly in the red.

On the pretense of saving, Mr. Speaker, the CNR lays off personnel, neglects the maintenance of its cars and tracks, and trains derail.

A paper tabled in the House earlier this year and submitted by the Canadian Transport Commission indicates, for example, that in the year 1970 the CPR had 60 derailments, and the CNR 193. In 1971, the CPR had 52 derailments, the CNR 192. In 1972, since the figures for 1973 were not available, the CPR registered 80 derailments while the CNR managed to beat its own records with a total of 230 derailments.

All this to say, Mr. Speaker, that those figures prove that there is always room for improvement at the CNR.

In 1973, CNR authorities forgot to order cars. Officials always on holidays forgot that you have to have cars to move things.

Imagine, Mr. Speaker, a dairy producer who would forget to have his cows inseminated.

Imagine a corner-store owner who would forget to renew his inventories.

Imagine a gardener who would forget to sow or a taxi company who would go into business without cars.

[Mr. Deputy Speaker.]

Regardless of the business involved, it is obvious that inadequate and irresponsible administration would give the same results.

As a matter of fact, regardless of the business in which they were involved, those businesses would be doomed to bankruptcy unless they managed to obtain a grant as the CNR does every year.

Mr. Speaker, the car shortage is nothing new. The Canadian National authorities have long been aware of it, as was shown to us in previous years.

At that time, the Canadian National invited members of Parliament to information sessions to tell us for instance about the new customer service.

According to the information agents of that time, the service would be greatly improved through the use of a new electronic system.

Since all movement would be directed by the system, they said it would be very easy to control trains and cars.

Simply by glancing at the reports given out by the computers, it would be possible to tell the movement of trains and the numbers of cars in Canada and even in the United States.

Mr. Speaker, in view of the lack of results, we must conclude that the members of this House have simply been had by jokers since, in spite of all the nice promises, there is still a car shortage.

We still give the iron from our mines to the Americans, we export hard wood for Japan's bowling alleys, and, in our own country, we forget to build railway cars.

At the present time, there are not enough cars to move western grain to the east, to move paper and all other kinds of perishable goods in our country. That is the situation. All this simply because we did not think, we did not get the necessary equipment, we did not organize to meet the transport companies' demands in relation with agriculture, trade and industry throughout the country. That is the situation.

Mr. Speaker, this shows a lack of service but it also shows a waste of money. We could prove at any time that the Canadian National spends money for all types of material which is never delivered.

The CN pays for oil to paint bridges which have not been painted in 20 years. But it still receives oil bills and labour bills.

I am quite ready to admit that the railway companies are a public utility and that they should be maintained and improved.

However, I am not willing to admit that we should nationalize the private enterprise to get better service.

In the transportation area, we can also observe how Air Canada and some airports operate.

Last fall, we heard about the way a contract was awarded for snow removal at the Quebec City airport.

● (1520)

Last fall, in November and December 1973, public calls for tenders were issued: four contractors submitted tenders. This invitation to bid involved a three-year contract. The tenders received by the authorities responsible for

snow removal at the Quebec City airport were as follows: $265,696, $288,880, $292,129 and $305,623. Although there was a difference of $40,000 between the lowest and the highest bids the authorities of the Montreal regional agency, which were apparently responsible for this contract, managed to grant the contract to the highest bidder. And among the people interested in this contract, there was a contractor from Sainte-Foy in the riding of Louis-Hébert. At that time, this contractor tried to draw his member's attention to what was going on. He also got in touch with the secretary of the Minister of Transport in Quebec City. Personally, I made several phone calls to the office of the Minister of Transport (Mr. Marchand), in Parliament because I thought he was one of those who could help us. I supplied him with the figures I just mentioned. But apparently he could do nothing. As the minister stated in the House and elsewhere, he has lost control. Is it true or not? In any event, we know that to make profits certain things should be done and others avoided.

We all know that if an honest business calls for tenders, it is in the intention of making a sensible choice to its advantage. It is as simple as that and to date nobody has proved to me that paying the highest price was the most economical principle.

And contrary to our NDP friends, who say that the government should nationalize the CPR, I would rather be in favour of merging the CNR and the CPR. Most of the companies doing business in this country and which are successful in business have often merged. Obviously, some positions in the Canadian National management, starting with that of the president, would disappear. However, in my mind, the benefits drawn from an equitable management of the Canadian Pacific will perhaps lead us to consider the implementation of this practice for other Crown agencies.

Since such a merger policy cannot be realized in one day, Mr. Speaker, we may perhaps attempt some other method, which is that the top management of the Canadian National, including the president, be paid a commission.

Because set salaries are the reason for a stupid and losing administration, I think it would be appropriate to implement our suggestions, as members of parliament, so that government succeeds in instilling awareness and motivation in some management officials and in giving them the guts to do a good job in their companies. I believe this country is prosperous enough to support these transport corporations. In my opinion, if stricter measures were applied, the Crown transportation companies could make their services more profitable and efficient and Parliament would be spared the voting of funds which, until this day, we can only compare to welfare payments. I think the situation is most abnormal in a country that prides itself on being rich, prosperous and well administered. Mr. Speaker, to prove ourselves and show that the country is prosperous, that the administration is honest, we will have to go into action without any delay.

[*English*]

Mr. Don Mazankowski (Vegreville): Mr. Speaker, as hon. members know, this bill has been around for quite some time, almost a year. It is not my intention to unduly delay the progress of it, but I think this situation clearly illustrates the haphazard manner in which the government is managing the affairs of this country. This bill is a bit of a joke because the money provided by it has already been spent. Therefore, it is redundant.

Perhaps we might consider some of the reasons the bill has been around so long. One reason is it has had very low priority on the government's legislative timetable. It has been nothing more than filler legislation. As I said before, the money has already been spent. Members on both sides in committee and in the House expressed reservation about this particular exercise.

The second reason the bill has been around so long is that, for the first time members of the House and the committee have scrutinized this particular piece of legislation. I am not sure whether it is the first time in history, but for the first time since I have been a member of this House, the Minister of Finance (Mr. Turner) appeared before the committee to explain the bill. That was very useful. It gave members a better understanding of the financial structure of these two Crown corporations.

Throughout the committee hearings, it was obvious that a number of the committee members were not satisfied with the financial arrangements that exist for these two major Crown corporations. I believe the Minister of Finance alluded to the fact he would like to see some changes made in the overall financial structure of these two corporations. This suggestion has also been made by previous Ministers of Transport. It is a position which meets with general agreement among the committee members who took part in the debate in the House as well as the extensive committee proceedings that were carried out.

A good number of the committee members were not satisfied with the answers they received from the officials of these two Crown corporations. They were not satisfied with the explanations nor with the fact that on many occasions the officials of these two major corporations refused to give information which committee members were attempting to elicit. The committee members were also concerned about the fact that these two Crown corporations were not utilizing their resources in the proper fashion and discharging the mandate given to them, namely to provide safe, efficient and effective transportation service by air and rail.

We found that these two corporations were engaged in many exotic, collateral ventures which really have no relationship to the matter of transportation services in this country. For this reason, the amendments were proposed at the report stage. We wanted to focus attention on the fact that these two major Crown corporations are not totally discharging the mandate given to them by the people of Canada.

Another major concern of the committee members is the feeling that parliament has no control over these corporations. This feeling came about because in many instances the officials refused to give the kind of information that was being solicited. It was the general feeling throughout the hearings that parliament has no effective control over these corporations.

With regard to Air Canada, the service and profit picture in relation to the number of benefits Air Canada enjoys in terms of the monopoly it has in this country certainly is not satisfactory to many committee members. Service standards, labour relations within the company, the fiasco at terminal two, sales promotion expenditure and the whole question of administration within that corporation are questions that were not answered satisfactorily when committee members cross-examined the officials. We were not satisfied with the fact that Air Canada seems to be very intent on branching out into allied ventures, such as Comstock. Here again their reluctance to give committee members certain information created an aura of suspicion.

If these corporations are going to be responsible and prepared to effectively discharge their mandate, they must be accountable to parliament and the people of Canada. Otherwise, it is nothing but contempt of parliament. There was precisely that feeling in Committee that the officials were somewhat contemptuous of the committee members.

I could say basically the same about CNR. We certainly gained the impression that the railways are not interested to the degree they should be in discharging their mandate of safe, efficient and effective railroad transportation to the country. Here again we witnessed the fact that they are involved in many allied ventures, ventures which really have no relationship to the business of transportation. It is our belief that CNR should epitomize an effective and futuristic railroad transportation system. If it cannot do that, how in the name of God are we going to create an effective national transportation system by nationalizing another railroad? The government certainly has an obligation to hold these Crown corporations to their responsibilities, to force them to discharge the mandate they were given. If these corporations fail to discharge that mandate they should be answerable to parliament.

● (1530)

This leads me to another point which involves the minister. We have the distinct feeling that parliament is exercising no effective control over these corporations. But the minister is suggesting that he, on behalf of the government, has no control. He says, in effect, that the CTC is an all-powerful, autonomous group which has handicapped him in his activities to a great extent. He also implies he has no control over the railways and goes on to suggest further that in these circumstances the only solution to the crisis in transportation, the only way to overhaul the system, is by nationalizing the Canadian Pacific.

There are a number of myths associated with that assumption. One of them seems obvious to me—it is that the people who favour nationalizing the CP are of the opinion that civil servants can do the job of running a railroad much more effectively than those who are employed by private enterprise. It has certainly not been proven to me that a nationalized concern can offer rates below those offered by a private corporation, and unless supporting facts are brought to the surface, what we have here is nothing more than a simplistic, socialistic solution to a complex major problem.

[Mr. Mazankowski.]

The minister tells us that transportation is in a mess, and that the policy of the government has been wrong. Indeed, he suggests now that the government really has no policy. This is surprising, because only a year ago the same minister was stoutly defending his so-called policy. In a speech made in this House on June 19, as reported at page 4902 of *Hansard*, the hon. gentleman is reported as saying: "It must not be said we have not established a policy; we have." Then, he went on to outline the provisions of the National Transportation Act and the role played by the CTC. At the Western Economic Conference held in Calgary last July, he indicated that our transportation system as a whole was one of the best in the world, if not the best. Then, on March 7, as reported at page 268, the same minister stated:

> Something we do not have is a rail policy and I hope that sooner rather than later it will be possible to have such a policy.

That is quite an admission. It is really an admission of failure. It is an admission that the past policy of the government has been a failure, an admission that if indeed, there was a policy it has not been effectively administered.

Since this parliament began back in January, 1973, we have been greatly disappointed by the attitude of the minister and by the attitude of the government with respect to discharging their responsibilities in the area of transportation. The minister's answers in the House have been flippant, evasive, confusing. And now we find they are conflicting, because the interpretation he places upon the role of the CTC is diametrically opposed to the interpretation placed upon it by the president of the commission. Only yesterday, in committee, Mr. Benson indicated that the minister has all the power he needs to over-rule the CTC. In these circumstances, I maintain that parliament ought not to put up with this kind of nonsense any longer. The minister certainly has the necessary powers. Whether he wants to exercise them or not is a matter for him to decide, but if he does not wish to exercise them then perhaps Marchand had better march along.

With regard to the minister's power vis-à-vis the Canadian Transport Commission, it might be worthwhile placing on record in categorical terms the authority the minister possesses. Section 64 of the National Transportation Act states:

> The Governor in Council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the Commission, whether such order or decision is made inter partes or otherwise, and whether such regulation is general or limited in its scope and application; and any order that the Governor-in-Council may make with respect thereto is binding upon the Commission and upon all parties.

That is pretty clear. The minister suggests that this power can only be used in certain circumstances. Yet he has never told us either in the House or in the committee just what those circumstances are.

He also indicates he has no power over the railroads. It is my opinion that the provisions of the Railway Act do give the minister sufficient authority to enable him to compel the railways to discharge their mandate. Subsection 100(1) of the Railway Act provides that whenever the minister is aware that a railway company which has received construction subsidies out of public funds cannot

be safely and efficiently operated, he may apply to the Commission for an order that the railway and its equipment, or both, shall be put in a safe and efficient condition. The Commission is authorized to make such an order. The order may direct what repairs, improvements or additions are to be made to the railways, equipment, or both, and stipulate time limits for commencement and completion.

Section 262(1)(c) embodies the standards which an efficient railway must meet. This particular section requires that a railway company shall, according to its powers, without delay, and with due care and diligence, receive, carry and deliver all traffic offered for carriage upon the railway.

Subsections 235(1) and (2) require that a railway company shall, according to its powers, afford to all persons and companies all reasonable and proper facilities for the receiving, forwarding and delivering of traffic. These requirements are mandatory. If a railway does not meet them, it is derelict in its duty and, therefore, not efficient.

Section 3 of the National Transportation Act embodies a policy statement. It declares that an efficient transportation system is essential to protect the interests of the users of transportation, and to maintain the economic wellbeing and growth of Canada. This section states in no uncertain terms that the efficiency of the national transportation system is to be judged by its efficiency in serving the private interests of users of the transportation system and in serving the general public interest, that is, both the private interests of the public and the public interest. The various private interests of the component parts of the transportation system are, obviously, not a factor upon which the efficiency of the system is to be judged.

We could go on. In his various statements made both inside and outside the House, the minister has clearly indicated that the railways are inefficient, that they are not interested in renovating their rolling stock, that the rails are deteriorating, what some of the bridges, even, are falling down. This is not a situation in which one can expect an effective passenger service to be provided. Certainly that, in itself, is an admission, a recognition of the fact that the railways are not functioning efficiently.

● (1540)

I could also refer to section 48 of the National Transportation Act, as well sections 50 and 51. These sections of policy, which is the National Transportation Act and the Railway Act, clearly and unequivocally define the powers of the minister. Evidently the minister has failed to exercise these powers in such a way as to compel the railways to discharge their mandate.

The minister also has the power of the purse, the power to grant money, such as the moneys provided by this particular bill. I suggest that funds could be earmarked for a specific purpose, such as to upgrade the road bed, to upgrade the availability of rolling stock, or to upgrade various pieces of equipment required.

Let me simply say to the minister, through you, Mr. Speaker, that in my opinion he has failed to discharge his responsibilities as Minister of Transport. He has failed to discharge his responsibilities to the people of Canada and to this parliament. I suggest that, rather than hide behind the CTC and the National Transportation Act, he get on with the job of working with the CTC and the railways so that this country can start moving again.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the CNR financing bill gives the House an opportunity to analyse the way the CNR is spending money. The way the CNR spends money is very important to the people of my riding. In my riding there is a huge railway centre in the city of Melville. I also represent a riding that produces a lot of grain and livestock, as well as potash. Therefore, the movement of these commodities is a very important part of our economy.

This afternoon I want to deal particularly with one or two matters of real concern to the people who work on the railway in my riding. I refer to rail safety, a matter the members of this House should really be concerned about, as well as the condition of the tracks that the men have to work on and the branch lines across the prairies.

Over the weekend an extremely unfortunate incident occurred in my riding. A young man who had just started work on the railways was killed when working on a train. He was a member of a crew the CNR were experimenting with, called a survey crew, in an effort to cut down on the number of men from four to three. As a result of this, and due to the track conditions at the time, this young man was the unfortunate victim in a dreadful accident, one that should be investigated by the minister, the CNR and the CTC. The train in question was backing in to hook up to some grain cars when it jumped the rails and caught this man between a railway car and a bin that held some fertilizer.

This incident has caused great concern among railroaders in my riding, as it will among those right across the country. They are concerned about the CNR's handling of matters such as safety, as well as the condition of rail tracks across this country. In my riding on Sunday I met some union officials employed by the CNR who told me that in the previous 30 hour period there were four derailments in the area serviced by the men working out of Melville, largely caused by the condition of the tracks.

I suggest that in examining the financing of the CNR, we should look at some of the problems experienced by the workers and at the dangers to which they are subjected. We all know winter conditions in the prairies, the large amount of snowfall this year, and we all know the condition of the tracks. At the same time, the CNR picks this period to conduct an experimental survey to cut down on the number of men in a crew. The railroaders in Melville and all across western Canada, I understand, are very concerned by this kind of action on the part of CNR officials and management.

I want to take this opportunity to ask the minister and CNR officials to investigate this accident to which I have referred. A person has died because of what appears to me to be negligence, to be a lack of concern about the safety of men and the conditions under which they have to work. The morale of CNR workers is hitting, in my opinion, a level that is probably lower than it has been for many a year. This is due to some of the matters I have already mentioned. When you combine this with the fact that we are now witnessing more difficulty in moving grain than

we have ever had in this country, then you wonder why the CNR does not examine its methods and policies from one end to the other.

I can very well understand and sympathize with the Minister of Transport (Mr. Marchand) when he says that transportation is in a real mess. This real mess includes the running of the CNR, or at least many aspects of the CNR's affairs across this country. The railway men in my constituency tell me that many safety regulations are overlooked by CNR officials. They are told to do things that are clearly against the safety regulations, and they feel that this jeopardizes their lives, their health and physical safety. I think it is about time we examined some of the matters that affect the day to day lives of people working on the railways, something of great importance to them. And not only to them, Mr. Speaker; it is important to the country to keep the economy moving, to keep commodities like grain, potash, lumber, iron ore and so on moving to our factories and markets.

Another matter of deep concern to the people of my riding is the low priority placed by the CNR on maintaining their trackage, not their main line tracks but their branch line tracks in particular, tracks that serve the small towns, villages and hamlets of Saskatchewan along which grain and other commodities are transported. The CNR seems to be forgetting about these tracks. It also seems to be forgetting about what I think is the mandate of the CNR, which is to serve the public of this country regardless where they live, be it in a city like Toronto or a small village, town or hamlet in rural Saskatchewan. The mandate of the CNR is to serve all people equally efficiently; its mandate is not necessarily to serve only those industries or areas of Canada from which they derive a profit. This is a facet on which I wish to put heavy stress.

I have already referred to movement of grain. At the present time we are several thousand boxcars behind meeting our export commitments, particularly on the west coast. These commitments have at stake, I suppose, the reputation of Canada as a grain exporting nation. Also at stake are the incomes of many farmers in the prairies. We are not behind in our deliveries simply because of heavy snowfall; other things enter into the picture, such as the morale of the men, the conditions under which they work, the conditions of the tracks, and the low priority that both CNR and CPR place on the movement of grain across this country. This is a situation that must be changed, and changed very quickly.

● (1550)

One of the other concerns I have spoken about on behalf of the ordinary citizen of my riding is the intention of the railways in this country to abandon many of their branch lines. There may be some lines that could be abandoned, but I think the railway companies are trying to abandon far too many of them, lines that serve a lot of people in rural communities which should not be abandoned. If these lines are abandoned it will mean a real loss both in economics and services to the farmers, small towns and the people living in those areas, so I think the railways should take a serious look at their intention to abandon rail branch lines in this country.

[Mr. Nystrom.]

Another concern is the phasing out of station agencies. Many have been phased out in the last few years and many more will be phased out in 1974 and 1975. I will give you one ludicrous example, in my opinion, of a station agency that is to be phased out in my riding. I refer to the town of Ituna, a town of perhaps 1,500 to 1,700 people, which is a good size in terms of the people it serves. I have in mind not only the town itself but the communities surrounding that town which will be affected if the station agency is removed, not only this year, but next year and the year after. This is not a small town of 200, 300 or 400 people, but a place of 1,500 to 1,700 people which serves perhaps an additional 700 people beyond those who live in the town. I see no reason for phasing out a station agency in a place of that size. It is on the main line of the CNR which has some passenger service and over which a lot of goods are transported, so there is no reason for phasing out an agency in a town on a line such as that. This action will not save the CNR much money, but it will create much hardship for the community and the people who live around that community of Ituna. This is but one example of many that we on the prairies and, indeed others in other parts of Canada, could give the CNR, the Minister of Transport (Mr. Marchand) and the Minister of Finance (Mr. Turner).

Those are some of the things that concern my constituents in their day-to-day lives as they consider the operations of the CNR and CPR across the country. I think the Minister of Transport was right when he said that transportation is in a real mess. I think the CNR, in terms of the way it is managed and handled across this country, is also in a real mess. We need some new management and controls on the Canadian National in this country as well as on the CPR.

In conclusion, I would say that in this country we indeed need a new transportation policy that removes freight inequities, which will nationalize the CPR and integrate it with the CNR into one transportation system with new management. Then perhaps we would have a system which could efficiently serve the people of this country regardless of where they live. We need a new transportation system that would be integrated and have service as its motto rather than the making of profit or moving into areas that are more easily handled. It seems to me that the people who work for the CNR usually follow the lead of the CPR. If the CPR is not doing something then the CNR will use that as an excuse, or if the CPR is moving in a new direction the CNR again follows that lead. That seems to have been the pattern that has developed over the last few years. I suggest an amalgamation of the two railway companies, putting them both under public ownership and control, running them efficiently on behalf of the people of this country whether they live in Toronto or in a small town in my riding on the prairies.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, there is, of course, a very basic philosophical difference between my position and that of the last speaker. I see very little justification, on the basis of past performance, for the nationalization of any additional industry in any facet of our society by this or any other government or by

any particular Crown corporation that may presently exist.

Perhaps it is not so much from the point of view of opposition to the financing of the CNR and the Air Canada structure that this bill should be discussed in this House, but rather from the point of view that the behaviour of those in charge of this socialized structure is such that members have been denied the opportunity to express opinions, let alone be part of the decision making process. We have been denied the right to express an opinion prior to the time a deal has become a *fait accompli* and then presented as part of the financing bill for the CNR and Air Canada.

Parliament is thus denied its proper right, and the public at large their right to know what is becoming of federal money, and how it is being spent. The hon. member for York-Simcoe (Mr. Stevens) outlined this in great detail. I think his remarks should be considered almost classic and referred to frequently by members of this House who have any concern whatsoever for the expenditure of our public moneys and the knowledge that the public is entitled to prior to such expenditure. This has been denied to the House.

The committee which has met in respect of this bill is another mockery of the opportunity for a member elected by the public to participate in the economic structure of this country. When one has an hour and a half or perhaps two hours twice a week over a three or four week period to discuss an item of the significance of this one, certainly that is virtually no opportunity at all to get an intelligent idea as to how one should express himself on behalf of his constituency in particular, and Canada in general. Yet, this is just another example of how the committee procedure of this House conceals from the public the knowledge of their own affairs.

The transportation system, under the public ownership structure, has been subjected to pressures of a political nature. This has made it virtually impossible for the system to either serve the Canadian people or make a profit on their behalf. It has been compelled, perhaps at some expense, to build the hotels which have been criticized. It has been compelled by the public and political pressures to render services which were not economic. The House is further compelled, as a result of these political pressures, to annually underwrite the losses which the public ownership vehicle has accrued over the years. At no time has there been any directive, publicly noted, from the government saying to this publicly owned structure: It is your responsibility to both serve and to make a profit; it is your responsibility to at least render service to Canada at a minimal cost and prove that you have exercised proper efficiency in your managerial practices on behalf of the Canadian public. It has been some time since there has been any indication that the government has directed the transportation system of this country to give consideration to the necessary national requirements in respect of development, the basic reason for the initial construction of our present transportation system. The challenge of that responsibility has not been met.

At a recent transport committee meeting which did not deal with this particular bill we found ourselves almost completely frustrated in an effort to obtain information in respect of the operation of the railroads, in respect of the function played by the Canadian Transport Commission, and in respect of the authority that can and should be exercised by the minister. We found we were in a virtually helpless position with ineffective legislation and less effective administration, and the combination of the two spells out the death knell of any long-term transportation policy in Canada's best interests.

We find that in this bill continuing evidence to support our belief that there is proliferation of the infringement upon the private world by public ownership. There seems to be no justification given by the Department of Transport for authorizing the railway to invest in de Havilland or in any other industry as it may desire or for authorizing Air Canada to invest in the aerospace industry without an examination of the long-term profitability or the long-term advantage to the Canadian population by virtue of this participation. These are the things which give me great cause for concern as this bill is about to become law by virtue of the vote that will be taken. There is no way this House can deny the funds which have been spent. They must be granted, but it is with great regret I say this when I see the infringement of the parliamentary right of members of this House to participate in the structure of the nationally owned transportation system we have.

● (1600)

The Minister of Transport (Mr. Marchand) does not seem to have any grave concern about the development of the port structure of this country. Whether you are from Vancouver or from Saint John, whether you are in a fishing port or on the St. Lawrence seaway, it seems that Port development is allowed to coast. Its relationship to national development is not given proper consideration. We might consider, for instance, the opportunity we have to develop the port of Saint John and the opportunity Canada has to develop with it. With its railroad connections, the port of Saint John could be developed as a container and other type of port for the benefit of the whole Canadian economy. This has not been considered by the Minister of Transport. Apparently no money is to be made available for a major development in this area. Are we to be served on the Atlantic coast by another domain merely because our government fails to recognize the value of this port to Canada and to the whole east coast of North America.

This House and the Department of Transport will dilly-dally until we learn that somewhere along the coast someone chose to build an island to create a port to service the east coast of the North American continent. With a little initiative on the part of this government such development could be created at the port of Saint John for the benefit of all Canada. It would provide service to all the people of the east coast of this continent. This plan, however, is not forthcoming. The view of the government today is land locked. The government looks inward at development in the main metropolitan areas of Canada and cannot see the relative value of the periphery of this country as it plans its policies in respect of transportation or anything else.

I am very much concerned about the basic operation, for instance, of Air Canada. At one of the meetings of the transportation committee we heard a great song and dance

about the capability of Air Canada to handle air freight and its intention to develop this business. We heard how it had pioneered in this business and had sought it from one coast to the other in Canada to serve the world. The lobster industry of the province of New Brunswick took up the challenge. It expanded its market opportunities. It sent its salesmen throughout the world. It developed markets. The result was a very major increase in the income, particularly of the lobster fishermen on the Atlantic seaboard. Now, we find there is no possibility of any guaranteed space in the Air Canada freight structure. We find that the lobster industry has become so thoroughly disgruntled with the service rendered by Air Canada that it is seriously considering moving its base of operations to the Boston area so that it may obtain service from foreign carriers for Atlantic provinces' products because this service cannot be obtained otherwise.

I wish the Minister of Transport were here. He has been noticably absent from this House during the entire debate to the detriment of transportation and his portfolio. Bear in mind that this market to which I referred was developed because Air Canada, in the promotion of air freight, offered an opportunity to an industry on the Atlantic coast which has virtually been withdrawn because the service offered cannot be maintained. Remember the lobster industry shaped itself for the benefit of Air Canada's freight operations. We are asked to pass this bill while an engineering fiasco is taking place in the harbour of Saint John. I shall not go into this in great detail. However, it is virtually a fiasco. The government of Canada failed to undertake its responsibility in respect of harbour development at Saint John, but insisted upon laying on the engineering structure under which the province of New Brunswick would pay the bills. Perhaps the Minister of Transport should make an all-inclusive statement to this House in respect of the fiasco which has developed.

We are being asked to pay the bill while in my constituency a branch line of one of the railways is being considered for closure. This branch line happens to serve an area in which a new fish plant has been built, where a paper mill is being expanded and where a confectionery industry needs the transportation facilities. I think there is some discussion under way about the closing of this branch line. Apparently a branch line closure can take place at the whim of the railway. The Canadian Transportation Commission has made no comment in this regard. There is merely a rumour that this is to take place, but no suggestion has been made that hearings will be held concerning the needs of the area served and the transportation situation generally there. Neither the commission nor the minister appear to have authority. So, we pour hundreds of million of dollars into a system which the people of the country own but over which the public has no control.

Yes, the money must be voted, but we should not allow this organization to run helter-skelter through our dollars while it continues to do what it sees fit without any control being exercised over it by the House of Commons or the people of Canada. We see the socialistic tendencies and the bureaucratic attitudes which exist. We have the aerospace industry. There is plenty of money for that, although it could very well come from the private enterprise sector. The same situation exists in respect of the business of providing shelter. However, when services are needed for national development, we are denied the moneys required for this by this government and the province of New Brunswick loses faith in the loyalty of the government to its people and the members from this area.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to speak briefly on Bill C-5, the CNR financing bill. Although I spoke during second reading, I feel there are a few additional comments I should make so far as a transportation policy for Canada is concerned. We are presented with a bill like this every year, and members have an opportunity to discuss the transportation problems which effect not only their own ridings but various other parts of the country. Yet during the period that I have been a member of this House I have not seen too much progress made in updating and upgrading our national transportation system. In fact, the minister expressed this rather ably not too long ago when he said transportation policy in general was in a mess.

● (1610)

There are a few points I would like to make. I believe other hon. members have raised them, but I think we should again request that action be taken along certain lines. One of the points repeatedly brought to my attention by railway workers in my area concerns the need for better railway line maintenance. The lack of proper maintenance has led to a number of derailments, not only in Kootenay West but in other areas across Canada. There is growing concern on the part of railway workers that the situation in becoming worse.

Just the other day hon. members received copies of a very interesting brief submitted by the Canadian Railway Labour Association, stressing the need for something to be done with respect to safety on our railway systems. It is a matter that has appeared in numerous reports. The railway workers are requesting that something be done to ensure that we examine the safety factor in a much more critical way than we have in the past.

I am convinced that the Canadian Transport Commission should be doing a lot more to ensure that safety measures are carried out, particularly measures respecting maintenance. I wish to read several paragraphs from the railway workers' brief because they outline the problem very clearly.

> There is a growing concern about the number of derailments and other accidents which occur on railways. One aspect of this problem is the fact that railways are not required by law to make public the reports of its officers concerning the cause of accidents. Section 225 of the Railway Act requires that railway companies and certain of their employees report to the Canadian Transport Commission in respect of certain kinds of accidents and their causes.
>
> The law also provides that the Commission may, by regulation, declare the manner and form in which such information will be given, the class of accident to which the law applies and that information given in compliance with the law may be declared privileged.
>
> The Commission (Board of Transport Commissioners for Canada) gave effect to this law by promulgating General Order 0-1. In addition to setting forth the details about the making of reports the Order contains Section (6) which reads as follows:
>
> Every accident report, or information respecting the same, furnished the Board by any railway company pursuant to the provisions of the Railway Act and of this Order and the report of any person appointed by the Board to inquire into and report upon any accident

or casualty occurring on any such railway is declared to be privileged and shall only be made public or given out by Order of the Board.

The Canadian Railway Labour Association takes exception to section 225 and General Order 0-1 on the grounds that the law and regulations effectively prevent our Association from determining the reported cause of certain railway accidents and efforts to assure that adequate steps are taken to prevent a recurrence . . .

We do suggest, however, that the Minister of Transport should take an active interest in the problem to ensure that changes are made which will meet the public need for information concerning the cause of railway accidents while protecting the legitimate interests of the railways.

The point being made is that the railway unions have difficulty in obtaining reports on the causes of accidents. As a result they are not in a position to effectively deal with the railway companies, or the government, by having certain methods of operation improved. This is a very serious matter. People working on the railways whose lives are endangered are entitled to this information. In this way the unions can seek to protect their members. I know that in some cases this may be privileged information, and that some of it may have to be held back, but basically there is nothing wrong with the general public, and in particular the men who man the trains, receiving this information and taking up with management the question of changes that should be made to ensure that more accidents do not take place.

Just the other day before boarding the plane to return to my riding I received a telephone call from one of the railway unions at Nelson in connection with an accident. Several cars had gone off the rail line. I was told there was not too much traffic on this particular line, and that the railway company was not interested in having the repair work carried out for a couple of weeks. At the top end of that line, Mr. Speaker, there is a mill which ships lumber and chips to market by rail. As a result, the jobs of a number of workers were at stake. Such an attitude on the part of big railway companies is not good. The Transport Commission should check on problems like that to make sure the railway companies no longer get away with the things that they have been able to pull over the past few years. I hope that over the next few months the minister, the government, and the CTC will take action with respect to safety in the maintenance of tracks.

There is another point that I have been pressing for a number of years, and on which I feel we should have an amendment to the Railway Act. It deals with the transportation of natural resources from Canada. I raise this so that when general transportation policies come up for discussion, these things will be brought to the attention of the minister and the government in the hope that some changes can be made.

● (1620)

A number of years ago in British Columbia, a provincial railway was granted a charter by a previous provincial government. It was called the Kootenay and Elk Railway and it was a phony, if you want to put it that way, because it had no rolling stock of its own, no engine, caboose or cars. It was incorporated for one reason only, to take the coal from the east Kootenay region of British Columbia down to the American border where it hooked up with an American railway line for connection with the Pacific coast. Fortunately, the present NDP government in British Columbia stopped this railway by a simple process. While it had a charter and could have built line, it was not allowed to go through Crown lands.

I have spoken many times in an effort to have the government take action to stop the building of this Kootenay and Elk line from the coal fields to the American border because of the loss of 600 or 700 jobs. The same thing could happen in any part of Canada, for instance on the prairies, where they could haul wheat to one of the U.S. rail lines to be transported to the Pacific coast. They could take potash or any other raw material. It is my position that when we have national rail lines in Canada our goods, wherever possible, should be hauled on them. This should be the objective of our national transportation policy. The act needs to be amended to make certain that the same situation does not take place in some other part of Canada as that which was attempted with the Kootenay and Elk Railway. I am going to suggest to the minister that he look into the possibility of amending the legislation to ensure that we never get into this bind again.

I have just one further point to make before I sit down, Mr. Speaker. When we talk about national transportation, we mean not only rail transportation but air and every other type of transportation. It seems to me that over the past years very little has been done by our national rail lines in the area of passenger transportation and I do not think they receive much encouragement from the Department of Transport or the Canadian Transport Commission. In my area, the Kettle Valley line runs through the southern part of British Columbia to the coast. Some sections have practically been abandoned and passenger traffic is non-existent. This has happened all over the country, of course.

When we look around at other nations like Japan and some countries in Europe, we find that the transportation systems are being upgraded and great numbers of people are using the trains. A similar policy has to be adopted in our own country. We are facing an energy shortage and there is no doubt that a great deal can be done and could be done if the two large railway companies were prodded by a government that was really interested in improving passenger service. To subsidize an inefficient line whose trains travel a few miles per hour is a sure way of killing passenger traffic in Canada. In many instances this is deliberate and the railways make it so awkward to get a meal or a berth on their trains, and journeys take so long, that people have stopped using them. We should insist that facilities be upgraded.

I have just one more point in closing, Mr. Speaker. We have heard a great deal about raw materials coming to southern Canada from the north and there has been talk of rail systems and of studies being made. I would suggest again that the appropriate committee of this House thoroughly check the possibility of rail connections with the north. We can bring oil, gas and minerals from the north with an efficient rail system and goods could be transported to the north much more cheaply by air.

I urge that this House and the appropriate department conduct an investigation along these lines very soon. I am not going to say anything more except that I hope we are going to see some action regarding the safety and upgrad-

ing of our railway lines. I should like to see a start made this year.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, it appears that I may be the last or the next to last speaker in this debate on third reading of the CNR financing bill. I wanted to make a few remarks about the railway's operations and the kind of financing that is being done. It is my opinion that the amendments proposed by the hon. member for Vegreville (Mr. Mazankowski) and his colleagues early in this debate were designed to hinder if not destroy a Crown corporation. They complain about Air Canada buying 30 per cent of Wardair, but I doubt if the same people would have objected if Canadian Pacific had been buying instead of Air Canada.

The hon. member for Vegreville complained about the CNR and Air Canada not fulfilling their mandate and meeting the transportation requirements of Canadians. I agree with him. I think he is perfectly right and that both of our national railways have failed, since World War II, to keep up with the growing transportation needs of the country. The growth in the movement of goods and people has not been met by the railway systems, private or public. I should like to say more about that in a few moments, and I hope that the Minister of Finance (Mr. Turner) will be back in his seat by then because I should like to have his comments.

The hon. member for Vegreville says that the CNR and Air Canada are not fulfilling their mandate, and I agree with him, but I want to say that the reason for this is perfectly understandable and logical. I would have thought that he would have realized that, with the kind of transportation policies we have had under successive national governments and the kind of transportation act that we have, Canadian National Railways and Air Canada do not operate any differently from Canadian Pacific Railway and CPAir. All operate within the same framework and on the same ground rules, that is on the basis of competition and profitability. There is little difference between their methods of operation. This makes me sad, because the CNR is not operating as a publicly owned and controlled corporation should operate.

● (1630)

Mr. Turner (Ottawa-Carleton): Let's denationalize it.

Mr. Benjamin: Unless the National Transportation Act is changed, and unless the policies of government change, you will not see much difference between the operations of the CNR and Air Canada on the one hand, and the privately owned CPR and CPAir on the other. These two systems are supposed to be competitive. The Minister of Transport (Mr. Marchand) has agreed that competition in this field does not work in Canada. We have been saying that for years. My party has said it since 1933. So long as the railways merely want to make profits, they cannot possibly meet the transportation needs of Canadians.

Mr. Turner (Ottawa-Carleton): You haven't said anything new since 1933.

Mr. Benjamin: The hon. member for Vegreville believes that the idea of nationalizing the CPR is simplistic and socialistic. I repeat: transportation is an essential public service. The field is a natural monopoly, and therefore must be classed as a public utility. A transport system operates best in the public interest when it is publicly owned and controlled. Another hon. member on my right complained earlier about parliament and the government not having control over our publicly-owned railway and air carrier. Indirectly, he was trying to say what I am trying to say. A publicly-owned and operated transport system must be under public control. This has been the experience of other governments of the world, conservative, liberal, communist, socialist or what have you. Rail and air transport systems in most countries, regardless of political stripe, are publicly-owned, operated and controlled.

I want to say a word about some moves made by our sort of supernumerary minister of transport, the minister in charge of the Canadian Wheat Board. He announced a program for the emergency movement of grain. My goodness, the CPR was even to run four more trains in an attempt to meet targets. I do not know if the minister in charge of the Wheat Board consulted the Minister of Transport (Mr. Marchand), the Minister of Finance (Mr. Turner) or the Canadian Transport Commission before giving his blessing to something both railways have been doing since Christmas, namely, abandoning branch lines in western Canada which were blocked with snow. I am not aware of any permission given by the Canadian Transport Commission for the railways to abandon such lines. Some branch lines have not had trains on them for weeks and weeks, some not even since the new year. There are thousands of country elevators on those branch lines which are full of grain. What did the minister responsible for the Canadian Wheat Board do? He gave his blessing to the railways, allowed them to abandon those branch lines, and told farmers that they are to undertake longer hauls, which means that they will need to go to alternate delivery points or further, to main line shipping points.

The problem with that kind of plan is that starting this week or next week, municipal and provincial officials will place bans on the use of our municipal roads and highways for certain purposes, so farmers will not be able to haul grain to the nearest delivery point, let alone to the alternate delivery point. Again, the minister in charge of the Wheat Board is doing things backwards. The Minister of Transport, or some CTC official, or even railway officials, should point out to the minister in charge of the Wheat Board what is likely to happen. The railroads should be instructed to make extra efforts to clear these branch lines of snow and empty the elevators of grain, because if this does not happen the farmers will be in trouble. They will not be able to haul away their grain. I hope that my good friends on the other side of the House will point out these facts to the minister in charge of the Wheat Board and put a stop to the nonsensical program he initiated a few days ago.

As the Minister of Finance is present, I want to talk about the subject matter of the bill. This is last year's CNR financing bill. No doubt another financing bill to cover this year will be brought in shortly when the government House Leader needs a bill to fill in time. These financing bills are pretty well identical, although the money amounts may vary. There is little evidence to show that money is to be spent on different priorities. The Minister

of Finance may recall that I asked him in the House a number of weeks ago if consideration was being given to the problem of handling the Canadian National debt, and whether consideration was being given to its refinancing. Paraphrasing his answer, he said that this matter was being looked at again. I should appreciate it if he could elaborate on that answer today.

Since the Second World War both our national railways have not placed enough emphasis on spending money on the improvement of roadbed, track, the acquisition of rolling stock, and on locomotives, with the result that events have caught up with them. It will take several hundreds of millions of dollars of expenditures to update and improve to a good standard thousands of miles of roadbed and track and to acquire thousands of pieces of rolling stock, by which I mean not just boxcars, but also refrigerator cars, livestock cars and so on. In addition, they must buy enough locomotives to meet demand at all times of year. In committee, I asked the former president of Canadian National, Mr. MacMillan, just before he took his well-earned retirement, if he would ask the board of directors and management of CNR to look again at priorities and examine again projected needs for rolling stock and locomotive power for the years ahead. Obviously, the railway has allowed its stock of rolling stock and locomotives to fall below what it ought to be, and this fact has caught up with it.

Before bringing in the CNR financing bill for 1974-75, I wonder if the Minister of Finance would meet with the Minister of Transport as well as the managements and boards of Canadian National and Air Canada, and discuss all these things. Let him see if he can get from the railway a commitment to put a higher priority on doing those things I have mentioned, as our transport facilities need updating and enlarging. Even though this may involve an expenditure of another couple of hundred million dollars in next year's financing bill for improving track, buying new rolling stock and locomotives and improving yards in Vancouver and Thunder Bay and for improving track at Churchill and Prince Rupert, it will be well worth it. At least we shall do something to put right the errors which the railways have committed during the last 20 years. I hope the minister agrees that my request is reasonable. Surely, the railroad should place a higher priority on meeting its operating requirements than on the acquisition of real estate or other esoteric projects.

If this is not done, we will still be in the same mess this year, next year and in years thereafter, and the Minister of Transport, poor man whoever he may be, will still get up and talk about the confusion and inadequacy of our transport policy and our National Transportation Act. If the minister asks the managements and boards of CNR and Air Canada to place higher priority on the purchase of new equipment which will improve service, I think, when this sort of bill is debated next time round, he will receive a much more sympathetic hearing from all sides of the House and the bill will be given speedier passage.

● (1640)

I am sure the minister is probably tired, as are many other members, of hearing the same complaints every year. The CNR financing bill would be an excellent mechanism to begin to redirect the priorities of the railway and Air Canada. It may then lessen some of the complaints, so the next financing bill would get more support and an enthusiastic welcome from members, particularly those on this side of the House. I know the minister would miss hearing the hon. member for Crowfoot (Mr. Horner), the hon. member for Vegreville (Mr. Mazankowski) and myself making railway speeches every year. That will only come about if the Minister of Finance (Mr. Turner) brings in a much better and, if necessary, larger financing bill in the next few weeks.

In closing, I want to repeat my main point. We cannot meet Canada's transportation needs until our major modes of transportation, rail and air, are returned to public democratic ownership and control. I emphasize the word "control" for the benefit of the hon. member for Vegreville. They should be operated as any public utility is operated. We must forget about the nineteenth century railroad baron-profit way of running a railroad.

It is illogical to think you can properly operate a transportation system with competition and profit as the objectives. It is an essential public service. It is just as illogical as attempting to operate two competing sewer and water systems running under a main street or two competing highways. If one were to follow the argument of the hon. members to my right to a logical conclusion, we would return to the 1830's and have competing toll roads, owned and operated by private enterprise. If anyone suggested that, they would be laughed out of town. They would certainly be laughed out of this House.

The time has come to integrate our rail and air transportation system with other modes of transportation, including bus and water transportation. When we do that, we will be on the road to a transportation system suitable for a country as large as ours, with a northern climate and thinly scattered population. We will be able to do something about equalized or subsidized or a combination of both, passenger fares and freight rates. We will be able to put an end to discrimination against some people because of where they happen to be located in this country. We might be able to arrange it so that someone can fly from Toronto to Inuvik for the same price as someone flying from Toronto to Winnipeg. It might be possible to purchase a quart of milk in Yellowknife at the same price as in Regina. Over half the price of milk in the north is the cost of transportation.

In this way low and middle income families in the north will be able to purchase the quantity of an essential food which they should be purchasing. With a system of equalized and subsidized rates for essential food and other commodities, people all over the country will be treated much more fairly and equitably. This would do as much for national unity as anything else which members on the government side talk about repeatedly. This has continually been a sore point among people in Atlantic, western and northern Canada.

I am not suggesting that what we in the New Democratic Party propose would be 100 per cent right, but I am suggesting it is the only alternative left. We can no longer tinker with a little bit of public enterprise here, private enterprise there and a combination of both somewhere else. Surely, we have learned our lesson by now. What we have is not working as it should be. The only alternative is

a publicly-owned, operated and controlled public utility for our rail and transportation system in Canada.

The Acting Speaker (Mr. Boulanger): The hon. member for Central Nova (Mr. MacKay).

Mr. MacKay: Mr. Speaker, I will gladly defer to the hon. member for Crowfoot. I am not certain whether he wants to speak first. If he does and with Your Honour's permission, I will gladly let him go first.

The Acting Speaker (Mr. Boulanger): If the House agrees, the Chair is willing to recognize the hon. member for Crowfoot (Mr. Horner).

Mr. Horner (Crowfoot): Mr. Speaker, that is on the understanding that the hon. member for Central Nova will still have an opportunity to speak on third reading.

An hon. Member: No.

Mr. Horner (Crowfoot): I do not think that is the understanding of Mr. Speaker. Am I correct that in rising now with the generous offer—

The Acting Speaker (Mr. Boulanger): In that case, it would be better for the Chair to recognize the hon. member for Central Nova.

Mr. Turner (Ottawa-Carleton): I thought you would need a little more time to recuperate after that election.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to point out to the Minister of Finance (Mr. Turner) that, in recognition of the serious problem that has now beset my province, I am wearing my black suit.

Mr. Foster: It is a serious problem for the Tories.

Mr. MacKay: It is a serious problem for the province. In any event, I apologize to Your Honour for the momentary confusion about me deferring or not deferring to the hon. member for Crowfoot (Mr. Horner). Because of the tangled history of this particular piece of legislation, it was to be expected this confusion would arise, even at this point in time.

Bill C-5 has been an interesting focal point for many months for opposition members to show how inept and generally incompetent this government has been in such a routine matter as financing our two main Crown corporations. I do not intend, as some members opposite have suggested, to filibuster at this point, but I wish to make a few remarks that may be relevant. If nothing else, the proceedings to this point in time have shown the curious reluctance of not only the people who make the policies for our Crown corporations, but the management of Air Canada and CNR to be frank and honest with members of parliament from all parties who are attempting to find out their policy guidelines and what their key officials are doing.

Some members feel it is a pity that our terms of reference did not include the power to have officials of CPR appear before our committee. I certainly agree with that contention. I notice, for example, that the earnings of CP have shown a considerable increase in the past year. May I quote from a newspaper article to illustrate this point:

[Mr. Benjamin.]

The company said record earnings for Canadian Pacific Investments, substantial increase in income from the Soo Line Railroad and marginal raises in CP Telecommunications income were "more than enough to offset the lower earnings of rail, highway transport and containership operations, attributable, in varying degrees, to the effects of the strike of Associated Non-Operating Railway Unions".

We on this side have suggested it would be beneficial if CNR would get back into its primary role of moving goods and people cheaply and efficiently, and forget about some of their more esoteric roles like building hotels, getting into the aerospace business and getting their finances mixed up with Air Canada. I think it is only fair to suggest it would be a good thing if the Minister of Transport (Mr. Marchand) would have a serious look at encouraging or directing CP to divest itself or well, to some extent at least, of those associated enterprises which might distract it from its primary role of moving goods and people efficiently. It seems to me the reluctance to disclose precisely what the railways and Air Canada are doing is carried over into other areas beside the area of management responsibility.

● (1650)

For example, last November a study was released indicating that rail costs in connection with moving Alberta coal into Ontario markets were much less than those quoted by Canada's two major railroads. The Ontario minister of transport and communications told the legislature the study indicated that computed unit train costs—I do not know whether this is the correct way of putting it—were at least 35 per cent lower than the rates quoted by CN and CP rail. Surprised by this information, the minister said that Alberta coal was substantially more competitive in the Ontario market than had been previously believed. He went on to say that if CN and CP did not disclose unit train costs he would press the Minister of Transport to conduct an inquiry. To my knowledge, though, the information in question has not yet been disclosed. It is still being awaited by those government officials and by the Canadian public. This is symptomatic of the lack of control exercised by the Minister of Transport over the railway companies and other transport agencies.

Since this bill was introduced the minister has stated very frankly that he does not possess either the authority or the overall policies which would enable him to do his job properly. If the minister really believes he lacks authority, a view which is apparently not shared by the President of the CTC, let the government bring forward amendments to the legislation, and do so quickly. I see no reason why the support of most members of the House should not be expected.

As to the financial aspect of Bill C-5, I should like to stress the apparent lack of leadership forthcoming from the government over the last several years. When he appeared before the committee, the Minister of Finance (Mr. Turner) addressed himself to some extent to the question whether it would be advisable to separate the financing of Air Canada from the financing of the CNR. He stated that while he himself was not close to this particular issue he could tell the committee that it had not come before cabinet in any concrete form. He added "I could not tell you what the policy dispute is. All I am

saying to you is that if there were a reasonable proposition to split the capital structure, I think it would be a good idea." Well, that seems to be a straightforward statement by the minister and one with which I happen to agree.

The President of the CNR takes an opposite view, and while he is entitled to do so the question does arise: Who is running the financing of the CN and Air Canada? Is it the government of Canada, as I think most Canadians would like to believe, or is it being run at the whim of the executive officials concerned? Mr. MacMillan made an interesting comment when he was asked to define the primary role of the CN. The discussion had centred on whether the CN was paying sufficient attention to moving people and to moving commodities. He stated in the course of his most recent appearance before the Committee on Transport and Communications:

> I think it would be quite wrong for us to restrict ourselves to rail movement because in that way the public is not properly served. The future, I think,.will go even further into the intermodal methodology of handling business.

"Intermodal methodology"; that is a very interesting term and we would like to know exactly what it means. Unfortunately, so far, we have not been able to find out either from the President of CN or from the President of Air Canada what they consider their basic guidelines to be. Mr. Pratte is on record as saying on several occasions that he is not certain what the primary role of Air Canada should be and it appears that Mr. MacMillan is also confused to some extent. Perhaps not, but that is the way it appeared to me, as a member of the committee.

The hon. member for Vegreville (Mr. Mazankowski) stated quite clearly in his speech today that he felt the Minister of Transport does have sufficient authority to direct the affairs of the nation's carriers to the extent he feels they should be directed. In support of his argument, my hon. friend quoted from the Railway Act and the National Transportation Act and gave examples of what could be done. For some reason, the minister has been reluctant to crack the whip and assert the authority he possesses by virtue of existing legislation.

I conclude by saying that, if in fact the minister honestly feels he needs more authority in order to expedite a solution of Canada's transportation problems he should, without delay, bring forward the necessary amendments to the National Transportation Act. It is not as though this were a new situation. It is not as though the government has not had time in which to act. It is not as though this were not a matter of great importance to Canada. As I mentioned earlier, the lack of a transportation policy at federal level has tremendous implications for the future of our regional development programs, particularly in eastern Canada, since in the absence of an efficient and comprehensive transportation policy any meaningful efforts to reduce regional disparity are doomed to encounter needless complication and expense.

Once more, I ask the minister and his cabinet colleagues to remedy the situation which they themselves have caused, and to bring forward quickly any legislative changes which they feel would help to bring Canada back into the forefront as far as transportation generally, is concerned. We do not stack up too badly when it comes to certain aspects of moving commodities but judging from the complaints which come across my desk, as far as moving particular commodities is concerned, it appears we are getting into as bad a situation with regard to moving timber, potash, wheat and apples as we have been in for years when it comes to transporting people. This situation must change before it deteriorates any further, because if the present rate of decline is allowed to continue the effect on our economic development will be very serious.

● (1700)

Mr. J. H. Horner (Crowfoot): Mr. Speaker, the other night when the amendments to Bill C-5 were up for discussion I dealt mainly with the question of rail transportation. On third reading I should like to deal briefly with some of my thoughts about the lack of an air policy in this country of ours.

I listened to my socialist friends to my left speak of nationalization, and this reminded me of our study of this particular bill in committee last year when the question of the government, through Air Canada, acquiring Wardair was being discussed. I tend to think a fabulous price was being asked for a 30 per cent ownership in Wardair. Wardair did not have any planes of its own. It ended up owning one DC-9 and an old Bristol freighter, leasing the remainder of its aircraft. But what the committee study boiled down to in regard to Air Canada buying Wardair was: What did Air Canada really want from Wardair? The answer given by the president of Air Canada to the committee was: "Charter flight know-how".

Never before have I seen a Crown corporation admitting it did not have all the answers and was prepared to go to private industry to buy know-how. To me this is a prime example of why nationalization and socialism will eventually fail. It will fail because it will fail to stimulate and germinate any new thoughts. Approaches become narrower and narrower. To me this was a great admission that nationalization and socialism is not the answer, no matter whether it be in regard to air operations, rail operations, industry or what have you. Eventually, it will have to be admitted that socialism stifles initiative.

One might ask, how has initiative been stifled in Air Canada? Some time ago I spoke in this House about Air Canada owning Viscounts and flying them for 22 years when no other airline could afford to fly them. They were nice, safe little planes. I felt secure when I flew in them. But their fuel costs were astonishing. Today a 747 can fly just as cheaply as a Viscount, yet Air Canada flew them for 22 years. I suggest that is narrow thinking on the part of a Crown corporation. They should have gone out and bought know-how far sooner than they did when they thought of purchasing Wardair.

What else is wrong with our air policy? The other evening I pointed out that the National Transportation Act of 1967 was deficient, and I said so at that time. I roundly debated it with the then Minister of Transport, Mr. Pickersgill, and I still think the act is deficient. But Mr. Pickersgill did create the CTC, and a job for himself. In all fairness to Mr. Pickersgill, in 1966 he did produce a workable solution to part of our air policy when he brought in what is commonly referred to as our regional air policy.

Canadian National Railways and Air Canada

Our two main line carriers are Air Canada and CPAir. CPAir has about one-fifth the number of planes Air Canada has, yet it turns in a profit. This particular measure is to cover debts incurred by Air Canada of $140 million and a recurring debt of $13 million to pay for engines for the Lockheed 1011—and I will be dealing with that in a moment.

Our second largest carrier, as I say, is CPAir, with very limited routes in Canada. A year after we gave Alitalia the right to fly into Toronto from Rome and Naples, the government finally made up its mind to give CPAir the right to fly into Milan. That year of delay and indecision on the part of the government without a doubt cost CPAir quite a bit of traffic from Italy to Toronto, and from Toronto to Italy for that matter. Delays cost private industry money. Delays caused by government, whose tentacles reach out into every corner of private industry, cost private industry a huge amount of money.

Today we have our two major carriers and five regional carriers, and as I said in 1966 the regional air policy is a workable one. The five regional carriers are relatively sound. Air Canada had the bulk of the routes and could fly into any city in Canada, but declared it was losing money on short hauls. It claimed they were too expensive to operate and that they should be given to some of the regional carriers. The regional carriers took them up and made money from them. Pacific Western has grown to the point where it will soon join the big two. Transair, Nordair, Quebecair and Eastern Provincial are all doing very nicely. I have a question I should like to ask my socialist friends to my left. If a nationalized Air Canada cannot make money flying short hauls to the small cities of Canada, how can private enterprise prosper from the same routes? I think my friends to my left should analyze that situation.

Let me move one step further in our air policy. There are something like 125 different carriers smaller than the regionals operating in Canada. The regionals now have grown so big they all use DC-9,s or the equivalent 737's. But they either cannot or do not want to fly to some of these small towns, particularly in northern British Columbia, the Northwest Territories, Yukon, some parts of northern Quebec and so on, and these 125 carriers are begging the government to make a decision on a third line carrier policy. The third line carriers are hamstrung today by government regulations, and they want the government to make a decision so they will be allowed to operate services which are very much required. In the committee the other day Mr. Benson, president of the Canadian Transport Commission, was asked what was the government's policy on third line carriers. He replied that it was not for him to develop government policy, but he had been asked by the minister to assist in developing such a policy. I say that is not good enough. There will be continued delay. This government body is trying to grant licences and make rules under a policy that does not exist.

Only recently a third line carrier was granted permission to fly into Grande Prairie, Alberta. This third line carrier would have been very happy with this decision, but the CTC placed so many regulations on the operation that it has made it practically impossible for this third line carrier to operate that particular route. I am referring to Time Air, a small third line carrier that flies from Medicine Hat-Lethbridge-Calgary-Red Deer-Edmonton and which wants to extend its service into the Peace River area. It is a worth-while enterprise that does not make any large amount of money but provides a needed service to smaller cities in Alberta. Since the Canadian Transport Commission under Mr. Benson does not know what licensing policy to apply, it gives Air Canada the right to fly into Grande Prairie, but ties it up so badly with regulations that in fact it cannot fly into Grande Prairie. This is why we need an air policy that will work.

[Mr. Horner (Crowfoot).]

● (1710)

This lack of a policy is causing financial harm to 125 smaller carriers which are providing necessary service in our northland, or what you might call our hinterland, no matter what part of Canada that may be, in the Maritimes, Labrador, Quebec, Northern Ontario, the northern part of western Canada or the Northwest Territories. We must have a policy statement from the minister saying that the third line carriers will be allowed to serve these areas. The regional carriers are now so strong that the third line carriers could not compete with them even if they had the desire. That is all the third line carriers are suggesting. They are suggesting that if they can provide the service into a place like Grande Prairie, a service which the regional carrier is now providing, it should be given the opportunity to do so. They are not going to fly in with a DC-9 as Canadian Pacific or Pacific Western is now doing, they will fly in with a smaller plane perhaps a little more often than the regional carrier would do.

This indecision on the part of the government is causing the Canadian taxpayers to provide this service to the small consumers at a cost of thousands upon thousands of dollars. It is all right to say that by 1980 or the year 2000 we will all be living in 11 cities in Canada. That may be nice, and many experts have propounded that theory, but I do not believe it. I believe there will be lots of Canadians who will want to live in smaller regions throughout Canada rather than in 11 major cities. These smaller communities need the service, and in some instances to an even larger degree than do the larger cities. For example, how do you get to Inuvik or Yellowknife unless you go in by air? How do you get to some of the smaller centres in British Columbia unless you go in by air?

These third line carriers are being hamstrung by regulation upon regulation. Some of these regulations can not even be cleared away by the Canadian Transport Commission. Mr. Benson the other day made a lengthy statement about his concern for the airline carriers, but he said he could not do anything for them because he did not know what government policy is and it was not his job to devise it. Mr. Benson and I have always been cordial with one another, but I have never been a great admirer of his thinking. However, in respect of that statement I go along with him. It is not his job to devise policy, it is the job of the government and the minister. This minister is bogged down with problems of grain transportation and it is the government's responsibility to help him out. He should be moved to some other portfolio which he can handle, or he should be given a smart executive assistant or a smart parliamentary secretary who can devise policy for him.

Miss MacDonald (Kingston and the Islands): Give him a sabbatical leave.

Mr. Horner (Crowfoot): Give him a sabbatical leave, that would not be a bad idea. Surely, the government must face up to the responsibility that it is it's job to devise air policy which will coincide with the development of this great country of ours. We should not have a policy that will tie up CPA on the Milan route for a year and not tie up the regional carriers which are fairly successful. They should be given some bilateral agreements in respect of Canada and the United States. Eastern Provincial should be allowed to fly to Boston and some other areas in the eastern United States, and Pacific Western should be able to fly into Los Angeles and other areas in the western United States.

The third line carriers should be allowed to provide service to any of these smaller centres; that is not asking too much. The minister shakes his head and says he has no transportation policy, and he is right. We have no transportation policy, we have no rail policy and we have no air policy, yet this Minister of Finance (Mr. Turner) asks the House to pass this bill. It is only effective to July 1, 1974 so out of pity I suppose it will be passed, but it would not be passed if it were handled by the Department of Transport. If this bill were being presented by the Minister of Transport (Mr. Marchand) I think it would be a sin to pass it. He admits he does not know what he is doing with the money and does not know where he is going.

Air Canada is buying up the aircraft manufacturing business. It will buy out de Havilland and tie itself down to one type of aircraft. The Minister of Finance knows very well that this idea of STOL aircraft will not work. This scheme to operate STOL aircraft between Montreal and Ottawa is not a workable scheme. There is some suggestion that we should build another airport just north of Montreal. We do not need another airport in downtown Montreal and we do not need another one in downtown Ottawa. It is only a 20-minute drive between the present airport in Ottawa and Parliament Hill, traffic permitting, and we certainly do not need another airport here.

When you come right down to it, with fuel costs going up in the world the way they have been it is cheaper to move poeple by train over relatively short distances. I think the cost of moving people by air versus train is about 15 to 1. We are spending millions of dollars deciding whether or not we need a new airport at Pickering. Mr. MacMillan has suggested that if we give him the $800 million required to build this airport at Pickering, he will build straight track between Montreal and Toronto and beat the airlines all the way in moving people. I believe he could do so.

We have been caught up with this air transport idea. We have said to heck with the railways, we must give Air Canada all the money it wants for all the expensive aircraft it needs. I am not particularly impressed by the new 1011. Many reports have suggested that this aircraft is not going to prove workable. I read about one the other day flying into Calgary two and a half hours late. I suggest in fact this aircraft has flown into Calgary late more often than on time. What the problem is I really do not know, but I question this expenditure for the purchase of the 1011 type aircraft. This is a new type and Air Canada felt it had to have it, so it put in an order for a lot of them. I suggest that the most popular type of aircraft in the United States for years is a type that Air Canada is just now beginning to buy. It has just placed orders for this type, so it is behind the times. Again I have the idea that socialism stifles thinking; it does not expand it. Socialism will never have the capability that free enterprise possesses given an equal opportunity. Certainly, it will never have the capability of free enterprise as long as we have governments that cannot make up their minds.

The Minister of Indian Affairs and Northern Development (Mr. Chrétien) announced, I think in 1972, that the government intended to purchase 30 per cent of the de Havilland company in relation to this STOL scheme. I think this was an election announcement. I saw that at the time as an election gimmick designed for the voters of Montreal, and I saw it as a wrong step. He and I normally agree on most things.

Mr. Marchand (Kamloops-Cariboo): Now we know where you stand Flora.

Mr. Horner (Crowfoot): —but this was a wrong step for the government to be taking, and I said at the time that the STOL aircraft program was wrong, was unworkable and that the government would end up owning de Havilland. That is exactly what is going to happen.

The STOL scheme will certainly not work between Ottawa and Montreal or, for that matter, between any other cities of comparable size, because over a distance of 300 or 400 miles the cheapest way to move passengers today, with fuel costs going up, is by rail. We have to take a new look at this idea of building new track, even in eastern Canada. When I speak of fuel costs, let me point out that Air Canada is implementing an 11 per cent increase in fares to cover the additional cost of fuel. Officials of Air Canada told the committee that fuel costs amount to 11 per cent of its expenditures. I see the Speaker just waiting to get to his feet, so I will finish just this one sentence.

● (1720)

Mr. Turner (Ottawa-Carleton): Let him finish the sentence.

Mr. Horner (Crowfoot): Mr. Speaker, I would like permission to complete the point I was about to make.

The Acting Speaker (Mr. Boulanger): Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Horner (Crowfoot): I appreciate the generosity of the House, Mr. Speaker. The point I was making was that representatives of Air Canada told the committee that of its total cost the fuel costs amounted to 11 per cent. If fuel costs increase or if they should double, this does not necessarily mean that Air Canada must increase its fares by 11 per cent. If so, there must be something wrong with their mathematics. They must be using some new method of mathematics. It is impossible for Air Canada's costs to increase by 11 per cent because of this, if its total cost attributed to fuel is only 11 per cent.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, what I want the government to do is so clear and straightforward I can say it in a very few minutes. I suspect the Minister of Finance (Mr. Turner) knows what

I am about to say. In fact, he told me a while ago he could make the speech himself. My answer to him is I hope he will go out and make the speech to the Canadian National and also to the Canadian Pacific. Mr. Speaker, this is the third day of April. Here we are into the fourth month of 1974 and there has not yet been any 1974 cost of living escalation in respect of the pensions of retired railway workers either Canadian National or Canadian Pacific. Almost all pensioners whose pension plans are under the aegis of the federal government are now receiving cost of living escalation benefits and in all cases where those benefits are paid they no longer are limited to 2 per cent per year but are made equal to the actual percentage increase in the cost of living.

The Canadian National is an emanation of this government. We are now in the process of voting the Canadian National a rather large sum of money. I contend it is time for the government to tell the Canadian National to get in step with other government operations. It is also my view and that of my party that the Canadian Pacific Railway, although it is called a private company, is at work in the public domain, exists because of public support, and should be told likewise. In other words my request, my insistence, is that the government use its authority, its muscle if necessary, on behalf of the retired railway workers both Canadian National and Canadian Pacific and any others such as those who draw their benefits from the old provident fund or who were employed by some of the companies scattered around the country.

I am aware of the fact that the Minister of Labour (Mr. Munro) on several occasions promised the appointment of a commissioner to examine into all aspects of railway pensions having in mind both the pension provisions for those still working and the pensions of those retired. That is good. I want to see that implemented just as soon as possible and when the commissioner goes to work he can deal with such questions as the formula for calculating railway pensions, which ought to be on the basis of 2 per cent for each year of service. He can also deal with the question of the amount of pension that is payable to a widow and other such changes as need to be made.

But, Mr. Speaker, we do not need to wait for a commissioner for the word to be delivered to these two major railways systems that the railway pensioners should not be asked to wait any longer for a 1974 cost of living escalation. The word I get—you know, we sometimes get word which is correct or may not be totally correct—is that the Canadian National is ready to provide a cost of living escalation and is prepared to do so in accordance with the rise in the cost of living and not just 2 per cent. However, for some reason or other the Canadian National is holding back. One speculative reason is that the CPR does not want to go along. I do not think the CNR should wait for the CPR. On the other hand, I think the government should talk to both of them. I plead very strongly, as I have on other occasions over the past several decades, for the rights of our railway pensioners.

We thought we had won the battle for the right of an annual escalation of pensions. This is happening now with a great many cases. I think it is completely unfair, extremely wrong and a case of a miscarriage of justice, if you will, that these retired persons, widows and others have to wait for the escalation of their pensions. I plead therefore with the government not just that the Minister of Finance can say he knew what I was going to say but that he use his muscle as Minister of Finance when he delivers to the Canadian National this money we are voting and say to Norman MacMillan and the CNR, "Increase the pensions of your retired employees in accordance with the rise in the cost of living; we want no monkey work and no delay".

[Mr. Knowles (Winnipeg North Centre).]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I gave an undertaking to the hon. member for Regina-Lake Centre (Mr. Benjamin) that I would make a few comments. I have listened to most of the debate and have read it all. I think the two carriers concerned, the Canadian National Railways and the CPR, will get the message contained in what members of this House are saying about the service and prospects of these two carriers. I was asked by the hon. member for Regina-Lake Centre about my views concerning the recapitalization of the CNR and Air Canada. I am stating now my own personal views because the government has not really had an opportunity to focus on this. However, I should like to see both Air Canada and the CNR recapitalized and I would like to see their structure separated, getting down once again to my personal views as I gave them to the committee sometime ago.

My responsibility under this bill of course is merely global in the sense that I have responsibility to the government, and to the people, to try to reconcile the various charges on the public purse in terms of direct expenditures and authority for loans. Within the general priorities of the railroad or Air Canada, yes, I have some responsibility. With regard to the direct transportation aspects, the policy of transportation and so on, under the statute, that responsibility lies with the Minister of Transport. I will convey what I have heard to him and thank the House for its usual stimulus.

Mr. Benjamin: Mr. Speaker, I wonder whether the minister would permit a question.

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

Some hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, if I may I should like to ask the minister, in the areas of the CNR financing bill for which he is responsible, if he would be good enough to make representation to the management and boards of directors of both corporations that they should change their priorities for expenditures to areas such as rolling stock, locomotives and improvements to trackage. This money is not needed for hotels and needles rising up into the sky.

● (1730)

Mr. Turner (Ottawa-Carleton): I will suggest to them in the strongest terms that they read not only what the hon. member has said, but what other members of the House have said their priorities ought to be.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order. With the unanimous consent of the House, I would like to ask a

question of our very knowledgeable Minister of Finance (Mr. Turner).

Bill C-5 provides the Canadian National Railway Company with an authorization to raise a loan. Can the minister tell the House under what conditions these loans have been raised by the company last year, since he does not know about this year? Particularly, what was the interest rate, over how many years is the reimbursement spread and what are the general conditions of repayment?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, one of the purposes of this bill is to allow Air Canada and the Canadian National Railway Company to borrow from the government at interest rates much lower than the commercial ones. In fact, they borrow from the government at an interest rate equivalent to the one paid by the government on Treasury bills, plus a provision for administration costs.

Mr. Fortin: Mr. Speaker, since these loans are indeed granted by the Department of Finance, I imagine that the minister knows the rate at which the government grants loans to Crown corporations in general, and it is precisely that rate that I would like to know, if possible, for last year, for instance.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there were variations from 6 to 8 per cent in the interest rate for 1973 Treasury bills.

Mr. Fortin: I would like to make a comment, Mr. Speaker. Since Bill C-5 provides that the Canadian Parliament shall vote an amount of $225,000,000 to meet operating expenditures of the company and since, on the other hand, it is public funds that we are going to vote, that the Canadian government lends public money to that company and that company reimburses the government with public money, I would ask the Minister of Finance whether he does not find it ridiculous that Canadians lend money at a prohibitive interest rate while they could do so at an administrative rate, because the Minister of Finance would not lend money to himself at such a high interest rate.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not intend to discuss the theory which the hon. member knows quite well, but I will say in any case that there is a legal difference between the Canadian National Railways and the government.

In short, I do not lend the money myself, I am the trustee of the Canadian taxpayer.

Mr. Fortin: I rise on a point of order, Mr. Speaker. If legally, the government, as stated by the Minister of Finance, is empowered to lend at 6, 7 or 8 per cent, I would ask the minister, in all honesty, why is he not entitled to lend at 1½ or 2 per cent?

Mr. Turner (Ottawa-Carleton): Because it is provided in the legislation, Mr. Speaker.

Mr. Fortin: We are here to amend the law.

Canadian National Railways and Air Canada

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) has again raised the problem of pensions which are currently under negotiation, a problem which is causing a great deal of concern. However, I presume that this matter will be satisfactorily settled.

The manner in which we have carried out this financing of Canadian National and Air Canada over the years really does not seem to be in the interests of developing an adequate transportation system. In this piece of legislation we are repeating the sins of 30 years ago. We are allowing Air Canada to go into commerce an investment portfolio. If ever there was anything which loused up transportation and ended Pierre Burton's dream it was when the railway companies ceased to be railway companies and became investors in everything from land to hotels, to the point where today we do not have adequate rail service to meet our needs, either from the CNR, the CPR, or from both of them in combination.

Now, we are going to allow Air Canada to open its own investment portfolio, and we will lend it the money to do so. It seems idiotic that we should repeat the mistake that we made with the railroads, and that we should not learn from our history in that regard. It might be advantageous for the minister himself to set up another Comstock company, or to manufacture airplanes, but I certainly hope he will not allow Air Canada to do this. Air Canada will never go back to using either the single engine or twin engine Otter, and therefore I do not see any reason why it should become involved in the manufacture of such planes.

I also suggest that if Air Canada is not able to make money on the charter business itself, then the least it should do is buy Wardair out, particularly if Wardair has all the expertise in that field. Why have Air Canada just invested in that company? Why not buy it out completely? Most people believe Air Canada was established and financed by the government to provide service by flying airplanes on behalf of the Canadian people. It was not really set up to make a profit. I repeat that it was set up to provide service to people, but with every day that goes by it is drifting further and further away from that objective.

The hon. member for Crowfoot (Mr. Horner), who represents a rural area somewhat similar to mine, is well aware of the problem we face in air transportation. Really, the government has no air transport policy. It has established an air committee which decides on who gets the licenses. Under the Canadian Transport Act, the minister has the right to override such decisions, and occasionally does so, although so far as I am concerned this is not necessarily done in the interests of the public but for rather obscure reasons.

Air Canada and all other major carriers are well supervised, but this does not hold true with respect to the lower categories. For years Air Canada had to fly from the west through Kapuskasing, North Bay, through to Toronto, Ottawa and Montreal, but for a number of years it has not had a connecting route from Northern Ontario to western Canada. The only exception was a route between Toronto and Montreal going through the northland of Quebec and Ontario. But it was interesting when a third class carrier

made an application, and that application was granted, little support was given by Air Canada to see that that carrier received the same assistance that is provided to a national carrier in an integrated system.

In my part of Ontario we make our air reservations through a Zenith number, using Air Canada. Air Canada can make an arrangement for reservations with Nor-OntAir which is a wholly owned subsidiary of Northland Transportation, and therefore of the Ontario government. For the other carrier operating between Sudbury, North Bay and Ottawa, Air Canada connot and will not make arrangements for connections. One has to make reservations from northern Ontario via Sudbury and Toronto to Ottawa. This may add to statistics but it does not do anything to transport people in northern Ontario. If a service were available through the national carrier who is already part of the intervention in the transfer of passengers, the people of the north would use it.

● (1740)

Several months ago in committee we heard the president of Air Canada speak about this, and he said that it would not pay to put a service between Montreal, Ottawa and Sudbury. Nordair, the regional carrier is an integral part of our system and should be given the same kind of treatment which would allow them to fulfil a role in an organized and orderly fashion. When Air Canada said they were not prepared to provide the service, Nordair made an application and now we understand that Air Canada is going to apply as well and probably will put in a service from Montreal, Ottawa, Sudbury, Thunder Bay and on to Winnipeg via a northern route.

We have provided Air Canada with money and cushy jobs on the board of directors, although the president does not seem to really know what they do. Perhaps the Minister of Finance (Mr. Turner) should have all these vice-presidents removed rather than provide $3 million to buy expertise from Max Ward. If we really need the knowledge that Wardair has in order to run a charter system for Air Canada, let us hire Mr. Ward and some others and make them vice-presidents or even the president of Air Canada. If we have a subsidiary, let us make it possible for it to make more money than it is making now or we will just be using it to provide Air Canada with a class of traffic that it is not able to carry now.

After next June, the minister will be introducing another CNR financing bill. We have probably been involved in this exercise three times in 1973-74 and hon. members would be interested in knowing how the financing is being used. Hon. members will agree that railways in Canada should be operated for the service of Canadians, whether with passenger service or freight and other services normally provided by a railroad. But now we are building all kinds of assets for the Canadian National Railways such as this needle that has been mentioned. Now, it may be that with a mast on top it will provide a new public communications system but, Mr. Speaker, that is not running a railroad. In the early days, telephone lines were laid along the railways and therefore the railways got into the communications field. There may be some merit in this, but I think they spend more time on it than they do on developing their services.

[Mr. Peters.]

One of these days the railroads will be nationalized as public utilities. They will operate trains and probably have stations and maintain track. This bill will not accomplish any of those things but is going to create for Air Canada the same problems that were created for the Canadian National Railways. It is for this reason, Mr. Speaker, that I am opposed to the passage of this bill. Probably it is a necessary bill although there was a three-year period when the railways operated without the bill being passed and seemed to manage quite well. I suggest to hon. members that if we examine the operation of our railways and national air service, we will find many deficiencies in the service. It is not so much the money involved in paying for the transportation that concerns us but what we get for that money. We have not received much for it over the last 20 years. If we allow Air Canada to have an investment portfolio they, too, will fritter away whatever small brain power there is at the top of the organization through developing things not connected with air transportation.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

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

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received which reads as follows:

Government House
Ottawa, April 3, 1974

Sir,

I have the honour to inform you that The Honourable Wishart F. Spence, O.B.E., LL.M., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, April 3, 1974, at 5:45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier-General
Administrative Secretary
to the Governor General.

● (1750)

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of the honourable House in the chamber of the honourable the Senate.

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

● (1800)

And being returned:

Royal Assent

Mr. Deputy Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-17, an Act to amend the Veterans' Land Act—Chapter 3

Bill C-264, an Act respecting the Eastern Canada Synod of the Lutheran Church in America.

Mr. Deputy Speaker: It being after six o'clock, this House stands adjourned until tomorrow at two o'clock.

At 6:07 the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 4, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INTERNATIONAL PROFESSIONAL RUGBY FOOTBALL CONTROL ACT

PROVISION THAT FIFTY PER CENT OF PLAYERS ON CANADIAN ENTRIES IN INTERNATIONAL LEAGUE MUST BE CANADIAN CITIZENS

Mr. Mark Rose (Fraser Valley West) moved for leave to introduce Bill C-272, respecting domestic control of Canadian entries in international professional rugby football.

Some hon. Members: Explain.

Mr. Rose: Mr. Speaker, the purpose of this bill is to provide for the eventuality of a Canadian entry in an international professional football league by requiring that 50 per cent of the playing members of any such entry be Canadian citizens.

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

* * *

CANADA PENSION PLAN

On the order: Introduction of bills:

April 1, 1974—The Minister of National Health and Welfare—Bill intituled: "An Act to amend the Canada Pension Plan".

Mr. Speaker: It is the understanding of the Chair that the recommendation appearing under the notice of introduction of the bill to amend the Canada Pension Plan contains a provision that makes it necessary to obtain a new recommendation. With leave of the House, it is suggested that the present recommendation be replaced by a new recommendation, to be printed in tomorrow's order paper. Meanwhile, the notice of introduction of the bill will be allowed to stand until tomorrow.

Some hon. Members: Agreed.

FEDERAL-PROVINCIAL ALIMONY AND MAINTENANCE ORDER ENFORCEMENT ACT

ESTABLISHMENT OF AGENCY OF CROWN TO ENFORCE ORDERS

Mr. Barnett J. Danson (York North) moved for leave to introduce Bill C-273, respecting the interprovincial enforcement of alimony and maintenance orders.

Some hon. Members: Explain.

Mr. Danson: Mr. Speaker, the purpose of this bill is to establish a mechanism for the security of alimony payments in an estranged marriage, thus removing much of the anguish suffered primarily by mothers who frequently must spend time and money pursuing defaulting husbands and who often resort to welfare at immense cost in human terms as well as some $1 million daily in welfare costs. The mechanism would be an agency of the Crown from which alimony awards would automatically be paid and to which the husband, or wife where applicable, would make payments. The agency would have responsibility for enforcement.

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

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROPOSED HYDROELECTRIC PROJECT AT GREAT BEAR LAKE—JUSTIFICATION FOR FEASIBILITY STUDIES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development I will direct my question to the Prime Minister. In view of the government's proposal to build a massive hydroelectric project at Great Bear Lake to supply power for Canadian Arctic gas companies, can the Prime Minister advise why thousands of dollars of taxpayers' money have now been spent on feasibility studies for this project when the project is dependent on the Mackenzie Valley gas pipeline which has not yet even been approved by the National Energy Board?

• (1410)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly take notice of the question. The minister is due in the House in a very short while.

Mr. Fraser: Can the Prime Minister advise why the taxpayers' money should be spent to build this proposed

project when it would exist practically for the sole purpose of assisting the private corporations which wish to build the gas pipeline and market the gas?

Mr. Trudeau: Mr. Speaker, I would be very delighted to bring this supplementary and any other supplementaries that might be written down there to the minister's attention.

Mr. Fraser: Can the Prime Minister advise who will make the decision whether this great Canadian lake is to be spoiled by flooding of its shoreline and whether the project will be subject to the environmental impact assessment policy set out by the Minister of the Environment on March 14?

Mr. Trudeau: As I indicated, all these supplementaries which are in front of the hon. member will be conveyed to the minister on his behalf.

Mr. Speaker: The hon. Leader of the Opposition. The hon. member for York South. The hon. Leader of the Opposition.

Mr. Stanfield: I am not trying to assume your role, Mr. Speaker, but since we had asked one question I assumed you would be turning to the New Democratic Party for a question.

Mr. Speaker: The hon. member for New Westminster.

* * *

THE CANADIAN ECONOMY

DEGREE OF SUCCESS UNDER NEW LAW IN PREVENTING TAKEOVERS OF CANADIAN COMPANIES BY FOREIGN INTERESTS

Mr. Stuart Leggatt (New Westminster): I hope I can remember the question, Mr. Speaker. My question is addressed to the Minister of Industry, Trade and Commerce. In view of the fact it is now over four months since the passage of the Foreign Investment Review Act, and in view of the fact there are still no legal ways to prevent takeovers that come within the ambit of that act, has the minister been successful in either delaying or freezing the completion of any takeover transactions which are reviewable? If so, how many takeovers has he prevented?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the two takeovers that have been of particular interest, the Masco takeover of Emco and the Reynolds takeover of Macdonald, have been under very considerable discussion. Neither was prevented because they both went through quite legally. However, both companies have given undertakings. In the case of Reynolds Tobacco, they are substantial undertakings and I think they substantially meet the significant benefit test. In the case of the Masco takeover of Emco, I am not yet satisfied that the undertakings given by that company, which are entirely voluntary, meet the significant benefit test. I have been told by senior officials of Masco that they will resubmit undertakings to us.

Mr. Leggatt: In view of the fact the *Financial Times* has reported up to 14 takeovers since the passage of the act, will the minister advise if he has any monitoring operation under way on an ongoing basis to check the actual number of takeovers taking place across the country in order to at least have control of the situation that has developed since the act was passed by the House?

Mr. Gillespie: Mr. Speaker, we have no special or legal monitoring system. Our sources of information are rather similar to the hon. member's. There is no legal obligation at the present moment for those involved in takeovers to advise the government of their intentions. I can say, however, that a large number of firms, maybe as many as 20, have come forward in conformity with the request I made last December to make us aware of their intentions, if they were contemplating a take-over, and to discuss the transaction with us.

* * *

[*Translation*]

SOCIAL SECURITY

INCREASE IN PENSIONS AND FAMILY ALLOWANCES

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to put a question to the right hon. Prime Minister.

Since he stated on the CTV network that inflation is caused in part by higher social security expenditures, such as old age security and family allowances increments, and that the government was forced to grant those increases because of pressures from the opposition, what measures would the right hon. Prime Minister take to reduce inflation if the opposition did not exist?

Mr. Speaker: I think the question is highly hypothetical.

* * *

[*English*]

ENERGY

HEATING OIL PURCHASED BY GOVERNMENT FROM ROUMANIA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources with regard to the contract to purchase Roumanian oil at 99 cents. I should like to ask the minister whether the technical advisory committee to his department, consisting of representatives of the oil companies, recommended to the minister or to the government that this oil should be purchased, that the government ought to acquire the option of Canadian Fuel Marketers Limited and exercise it on behalf of the government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my recollection is that the committee recommended no specific purchase from any particular contracting party but it did say that a shortfall in supplies in Canada was anticipated, and in the course of a committee meeting one of the importers in particular indicated the contracts his company would not be taking up. Various members of the oil industry, both before and after that particular meeting and in that same time frame,

indicated that while the Canadian refineries could cover their requirements some of the importers would not be in a position to do so, and that action would need to be taken. It was on this basis the decision was made by my department, specifically by myself, that it was necessary to acquire the refined product to ensure the security of the Canadian market.

Mr. Stanfield: Can the minister indicate to the House what expert advice he received, if any, as to the appropriateness of exercising this option to acquire this Roumanian oil, and also what efforts, if any, the government made to determine what oil might be available from other sources and at what prices?

Mr. Macdonald (Rosedale): The decision was made on the advice of officials of my own department who have had extensive experience in the international oil trade.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I am advised that in the case of very many of the offers which were made to the government at that time, and, indeed, in the case of these particular transactions, these officials made checks with international oil traders for the purpose of determining the available market and the various terms. In each case, I understand, they made more than one check to determine the market and scrutinize the transaction.

Mr. Stanfield: Does the minister regard it as appropriate for the government of Canada to do business on this scale with an advisor to the government? In other words, does the minister consider it as coming within the framework of conflict of interest as laid down by the Prime Minister that the government of Canada should do any business at all, let alone business on this scale, with a representative of a firm purporting to give the government disinterested advice?

● (1420)

Mr. Macdonald (Rosedale): Mr. Speaker, the Leader of the Opposition may be misunderstanding the nature of the technical advisory group. All of the eastern Canadian refiners and the major importers of oil into eastern Canada were represented on that body, for the obvious reason that the committee was an important source of information for the government in regard to supply of oil to the eastern Canadian market and the demand that could be anticipated. All of the Eastern Canadian industry was involved in the discussions in this process and, in fact, if the government had not been pursuing this particular course of action to protect Canadians, there would have been no one else to deal with under these circumstances. The decision was made by myself on the advice of my officials. At no time was there a decision of the technical advisory group to enter into any specific transaction. They provided information and informed comment on the market. The decision was ours.

Mr. Speaker: The Chair will recognize the hon. member for Calgary Centre on a supplementary and then the hon. member for Nanaimo-Cowichan-The Islands also on a supplementary.

HEATING OIL PURCHASED BY GOVERNMENT FROM ROUMANIA—ALTERNATIVE BIDS—NECESSITY FOR PURCHASE—REQUEST FOR TABLING OF DOCUMENTS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my supplementary question is addressed to the Minister of Energy, Mines and Resources. Do I understand the minister to say that no alternative bids were either solicited or received in terms of heating oil requirements? In addition, was the minister convinced that it was necessary for the Department of Supply and Services to purchase the high-priced Roumanian oil in order to obtain supplies from the Caribbean area as well?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): On the contrary, Mr. Speaker, I said there were a great many other bids scrutinized at that time and the opinion of international oil dealers was taken, with regard to the market. With regard to the Roumanian oil, we were concerned at that time about maintaining an alternative source of supply of refined oil for the eastern Canadian market, and it was deemed to be important to keep that source open by the exercise of this particular contract.

Mr. Andre: In order to clarify the matter, in view of the denial by the President of the Treasury Board yesterday of the request for an inquiry, would the minister be willing to table, either in the House or in the committee on national resources, all contracts, correspondence, examples of bids and information passed between the technical advisory committee and the Department of Supply and Services and the minister's own department during this period so this matter can be sorted out to the satisfaction of the House?

Mr. Macdonald (Rosedale): Mr. Speaker, competitive and commercial information would certainly be involved here. I would be glad to see to what extent I can meet the request without, in effect, disadvantaging those who dealt with the government and thereby making it difficult in the future to get the co-operation of the industry in the case of another emergency.

HEATING OIL PURCHASED BY GOVERNMENT—AVAILABILITY FROM OTHER SOURCES—PRICE PAID FOR ROUMANIAN OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources this question. When he made the recommendation for the purchase of this 26 million gallons of home heating oil, was he aware that the technical advisory committee which was advising him was made up in part of two firms, Canadian Fuel Marketers Limited and Shell Oil of Canada, both of which are owned by Shell International which has been the main beneficiary in this transaction? In light of those circumstances, did the minister take any action himself to make sure that no other suppliers were available?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I indicated to the Leader of the Opposition, the technical advisory committee was made up of all the major firms engaged in the oil business in eastern Canada so that we would have a full spectrum

of information on supply of and demand for oil in this part of the Canadian market that was threatened. I was aware, of course, that Shell Canada and CFM were participants in this, and obviously it made sense that they should be.

Mr. Speaker: The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands on a further supplementary followed by the hon. member for Champlain.

Mr. Douglas: When the minister made the recommendation to the government that these transactions should be concluded, was he aware of the fact that in order to get the 20 million gallons of Caribbean oil the government was going to have to pay 99½ cents per gallon for the Roumanian oil, which was 10 cents above the Rotterdam price and 20 cents a gallon above the Caribbean price?

Mr. Macdonald (Rosedale): Mr. Speaker, at the time the contract was exercised it was exercised on the basis of the Rotterdam price. I think it is fair to say that at the time of acquiring the options the Rotterdam price was not known, so it would be in accordance with whatever the commercial going price was at the time the contract was to be exercised.

Mr. Speaker: Order, please. The Chair will return to those hon. members who want to ask supplementary questions on this subject, but for the moment the Chair will see the hon. member for Champlain.

Mr. Douglas: Mr. Speaker, I rise on a question of privilege. The minister said it was on the Rotterdam price but the Minister of Supply and Services said yesterday that the Rotterdam price at that time was 89 cents and the oil was purchased by the Canadian government at 99½ cents, so it seems to me that the two ministers ought to get together on what kind of evidence they are going to give to the House.

Mr. Goyer: On the question of privilege, Mr. Speaker, I mentioned that the Rotterdam price at the time of delivery was 89 cents and the Leader of the Opposition mentioned yesterday that the then price was 74 cents, and I would like on a point of clarification to say that the 74 cents was for—

Some hon. Members: Oh, oh!

An hon. Member: You better straighten it out.

Mr. Speaker: Order, please. May we have order, please. The minister will appreciate that there is no such thing in our rules as a point of clarification, so he rises on a question of privilege. I would suggest to the hon. member for Nanaimo-Cowichan-The Islands that this is really an exchange of questions and answers. I indicated a moment ago that I would return to this interesting subject after I had given an opportunity to the hon. member for Champlain to ask his question or questions.

Mr. Goyer: Mr. Speaker, with all due respect—

[*Translation*]

Mr. Matte: Mr. Speaker, I wish to put a question to—

[Mr. Macdonald (Rosedale).]

Mr. Speaker: I apologize to the hon. member for Champlain, but the minister rises again on a question of privilege.

Mr. Goyer: Mr. Speaker, I simply wish to point out the fact that it was indicated in this House that I have said that we paid 99½ cents a gallon and that throws some confusion in the debate. The truth will never come out if I am not allowed to clarify what I have said and set the record straight. For this reason, I believe that in rising on a question of privilege I could very well inform the House by stating exactly what I have said.

Mr. Speaker: This can be done by the minister, as by any other hon. member or by any other member of the government, by making a statement on motions. In any case, I must suggest to the minister that other questions may be put shortly that will give him the opportunity to clarify the situation. The Chair recognizes the hon. member for Champlain.

* * *

THE ARTS

REMISSION TO QUEBEC OF FEDERAL FUNDS FOR CULTURAL AID

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Secretary of State.

Would he say, before the Canadian Arts Conference starts, whether he is acquainted with the claims of the province of Quebec concerning the remission to Quebec of all federal funds for cultural assistance, and how he feels this conference will start this evening?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, there is no connection between the two events. I understand there will be a statement made in the legislative assembly this afternoon and I will read it after it has been made.

* * *

ENERGY

PURCHASES OF OIL BY GOVERNMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Can he advise the House whether he has any other outstanding deals like the Roumanian oil deal coming up in the near future and, if he has, has he an estimate as to just how much it will cost the Canadian taxpayer to put those deals through?

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, as the minister does not want to answer I have a supplementary question.

Mr. Speaker: Order, please. The hon. member for Vancouver South is waiting for an opportunity to return to the questions he put earlier.

PROPOSED HYDROELECTRIC PROJECT AT GREAT BEAR LAKE—JUSTIFICATION FOR FEASIBILITY STUDIES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development which I directed to the Prime Minister earlier and I thank you for the privilege of asking it now. In view of the government's proposal to build a massive hydroelectric power project at Great Bear Lake to supply power to Canadian Arctic gas companies, can the minister advise why thousands of dollars of taxpayers' money have now been spent on feasibility studies for this project when the project is dependent upon the Mackenzie Valley gas pipeline which has not yet been approved by the National Energy Board?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, no decision has yet been made in this regard. The department is responsible for identifying the resources we have in the Canadian north and obviously among them we have considerable hydroelectric potential. In the light of present plans for the north, it is quite normal for us to study the possibility of developing hydroelectric power perhaps to use it for the pumping stations of an eventual pipeline. We are now doing preliminary studies but no decision has yet been reached in this regard.

● (1430)

[*English*]

Mr. Fraser: Perhaps the minister can advise why the taxpayers' money should be spent to build this proposed project when it would exist primarily for the sole purpose of assisting private corporations which wish to build a gas pipeline and market the gas?

[*Translation*]

Mr. Chrétien: Mr. Speaker, just as usual, the opposition does not realize that there are people living in northern Canada and that the government will have taken a very wise step if it can provide the Mackenzie Valley Indians with cheap electric power.

[*English*]

Mr. Fraser: Mr. Speaker, the minister knows perfectly well it is not going to be built for the Indians. Can the minister advise who will make the decision whether this great Canadian lake is to be spoiled by flooding of its shoreline, and will the project be subject to the environmental impact assessment policy set out by the Minister of the Environment on March 14, or is this to be another case of the Minister of Indian Affairs and Northern Development making the decision on his own?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I think the hon. member is not very well informed. It is possible to harness the Great Bear River without raising its level in any considerable way. Before any decision is taken on this matter by the government, environmental impact studies will be made. Besides, as I have always said in this House, there is excellent co-operation between my department and the Department of the Environment.

[*English*]

REGIONAL ECONOMIC EXPANSION

AGREEMENT WITH SASKATCHEWAN GOVERNMENT FOR ESTABLISHMENT OF STEEL PLANT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. It has to do with an announcement made by high level government sources in Regina. I ask whether or not an agreement has already been signed by the government of Saskatchewan and is to be signed by the federal government whereby the federal government will provide $35 million in direct aid to set up steel facilities, plus $25 million in loans and loan guarantees?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, if the right hon. gentleman will refer to the Minutes of Proceedings and Evidence of the Standing Committee on Regional Development of a week ago today he will realize high level government sources in the federal government, namely, myself, made that announcement last Thursday in the committee. It was not in fact disclosed to the committee last Thursday in as much detail as the right hon. member has exposed today, but essentially the fact is that an agreement in principle has been signed by Saskatchewan and we have concurred in it. I am not sure whether it has actually been signed, but in any event we are proceeding with negotiations along the lines the right hon. member has outlined.

Mr. Diefenbaker: Mr. Speaker, I brought up this matter because I wanted to get the facts. I might direct this question to the Minister of Justice. Did he say yesterday or the day before that the question of such an agreement was a political leak by Premier Blakeney and of which apparently he knew nothing?

Mr. Speaker: Order, please. The question asked by the right hon. gentleman may be an interesting one and the minister seems anxious to reply, but I am sure the right hon. member appreciates that questions can be asked of ministers only in relation to their administrative responsibilities.

Mr. Diefenbaker: I entirely agree, Mr. Speaker, but when the one minister from Saskatchewan does not know what is going on it is time for parliament to look into the matter because apparently there is an hiatus in the ministry.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for York South. The minister rises on a question of privilege.

Mr. Lang: Mr. Speaker, I find it is necessary to rise on a question of privilege when in asking an unauthorized or improper question the right hon. gentleman makes a completely false assertion about anything I said. I knew full well what was going on with regard to the development of a steel industry in Saskatchewan. Indeed, the first indication of that development was contained in regional expan-

sion papers in April, 1973, and the federal government has been working hard on this project ever since. My regret about what Mr. Blakeney did was that once again he showed no concern at all for what the government of Canada was doing—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Diefenbaker: On a question of order, Mr. Speaker, I could not hear the last of those words of wisdom. It concerns me that the minister would object to an NDP government saying anything after the wonderful alliance here in the House of Commons.

Some hon. Members: Hear, hear!

* * *

CONSUMER AFFAIRS

RETAIL PRICES OF BEEF, PORK AND TURKEYS IN LIGHT OF DECREASES IN WHOLESALE PRICES—MONITORING OF STORES

Mr. David Lewis (York South): Mr. Speaker, I do not think the Premier of Saskatchewan could have a more renowned counsel for defence than the right hon. gentleman from Prince Albert. Now that everybody's favourite minister is in, I should like to direct a question to the Minister of Consumer and Corporate Affairs. In view of the fact the wholesale price of beef cattle has fallen steadily since about mid-February and the wholesale prices of hogs and turkeys have also fallen, is the minister satisfied that there has been an equivalent reduction in the retail prices to consumers of the meats I have mentioned?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I always appreciate a compliment from such a distinguished parliamentary observer.

Some hon. Members: Oh, oh!

An hon. Member: And colleague.

Mr. Gray: The Food Prices Review Board in its March 22 quarterly report stated that Statistics Canada beef price figures for March will not be available for a few weeks. However, information available to the board for the Toronto and Winnipeg markets shows the fall in cattle prices being mirrored in both the wholesale price of dressed beef carcasses and in the price of beef being charged by retailers.

Mr. Lewis: Mr. Speaker, like other hon. members I was, of course, aware of what the Food Prices Review Board said in its last quarterly report. I want to ask the minister whether his department or the Food Prices Review Board does regular monitoring of the retail stores in this country and, if so, in what locations?

Mr. Gray: Mr. Speaker, I understand that in respect of beef prices the Food Prices Review Board does keep the prices under review and in fact it has under way, as I have already indicated to the House, a special survey of retail beef price margins. I understand the report will be available in the next couple of weeks. I also understand that as part of its general mandate it keeps in touch with food prices at all levels generally.

Mr. Speaker: The Chair will recognize the hon. member for another supplementary, but I have to remind hon. members that we are not moving too quickly. We are still receiving questions from those in the first row and I hope we can move back in a moment. The hon. member for York South has the floor.

Mr. Lewis: Mr. Speaker, in view of the fact that the reports of the Food Prices Review Board may be of value if they are published in time, and in view of the obvious fact that to have a report every three months is hardly of value to the consumers of Canada even if there are occasional special reports, may I ask the minister whether any consideration has been given to requiring the Food Prices Review Board to publish weekly or fortnightly reports on its monitoring of food prices in areas where it does such monitoring so that consumers may be advised at such a time that it would be of value to them!

● (1440)

Mr. Gray: Mr. Speaker, this is certainly something that could be considered.

* * *

ADMINISTRATION OF JUSTICE

JUSTIFICATION FOR FINGERPRINTING PERSON WHOSE SOCIAL SECURITY CARD STOLEN IN ORDER TO BE CLEARED OF CHARGES FOR OFFENCES COMMITTED BY ANOTHER

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have risen several times and written numerous letters to clear the name of a constituent of mine. I will direct this question to the Solicitor General or the Acting Solicitor General. Is it necessary for a Canadian citizen to be fingerprinted in order that charges standing in his name for offences committed by another person may be cleared from the RCMP files, and is this not tantamount to saying: you are guilty until you prove to the RCMP that you are innocent?

Some hon. Members: Shame!

Hon. Otto E. Lang (Acting Solicitor General): Mr. Speaker, to the extent that this is a request for a legal opinion I think it may have been wrongly directed to the Solicitor General. If it is directed to me, of course it would not be proper for me to answer.

Some hon. Members: Oh, oh!

Mr. Kempling: I have a supplementary question for the Solicitor General or the Acting Solicitor General. Does the Solicitor General really expect a member of parliament to recommend to a constituent in the circumstances surrounding this matter that he submit to fingerprinting as

suggested by the minister in the letter with fingerprint forms that he sent to me?

Mr. Speaker: Order, please.

* * *

ENERGY

HEATING OIL PURCHASED BY GOVERNMENT FROM ROUMANIA—REASON FOR PURCHASE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the right hon. Prime Minister. I should like to ask him which minister, if either, is giving the correct version, the Minister of Energy, Mines and Resources who said a few moments ago that the Roumanian oil was purchased in order to provide an alternative source of supply, or the Minister of Supply and Services who said on April 2:

I have to explain that if we paid such a high price for the Roumanian oil it was because it was part of the agreement with this company that we could not have any Caribbean oil if we were not ready to pay this price for five million gallons of Roumanian oil.

Can the Prime Minister tell us which of these ministers, if either, is giving the correct explanation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the opposition party does not seem to be too interested in giving the Minister of Supply and Services an occasion to give the explanation which would be of interest to the opposition. I am told that part of the confusion that exists in the mind of the Leader of the Opposition is due to the fact that he is talking about U.S. gallons and the minister is talking about Imperial gallons.

Some hon. Members: Oh, oh!

Mr. Hees: How did you think that one up?

An hon. Member: The best improvisation of the week.

Mr. Stanfield: The Minister of Supply and Services attempted earlier to clarify another point. I ask the Prime Minister not to evade the question and to say which of these ministers has given the correct explanation as to why the option to buy Roumanian oil was exercised, the Minister of Energy, Mines and Resources who said it was done in order to provide an alternative source of oil, or the Minister of Supply and Services who said that it had been exercised in order to enable us to obtain Caribbean oil? Will the Prime Minister tell us which of these ministers is giving the correct explanation?

Mr. Trudeau: Both, Mr. Speaker. The replies are complementary, not contradictory.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Pretty weak.

Mr. Diefenbaker: It is time for an investigation.

An hon. Member: You need that trip to France.

HEALTH

SHORTAGE OF MEDICAL MANPOWER—POSSIBILITY OF TAX INCENTIVES OR FORGIVABLE STUDENT LOANS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that many areas in Canada are suffering from severe shortages of medical manpower and as the future of the national health plan depends on giving something approaching equality of health care, I should like to ask the minister if consideration has been given to tax incentive cards for those areas or forgivable medical student loans for periods of service in those areas?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this proposal has not been discussed or raised but I am sure it is one that my provincial colleagues will want to consider. I will make a point of letting them know the hon. member's view in this respect.

Mr. Rynard: With reference to the second part of my question, has consideration been given to student loans that would be forgivable upon agreement to serve in such areas for a certain period?

Mr. Lalonde: As the hon. member knows very well, these are matters that the provinces have to decide since the regional allocation of medical services is a matter of provincial responsibility. It is the type of matter I would certainly like to refer to my provincial colleagues for examination.

Mr. Rynard: Mr. Speaker, I should like to tell the minister that this is now being done in other departments of the government.

Mr. Speaker: Order, please.

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GOVERNMENT ADMINISTRATION

POLICY RESPECTING PROVISION OF INFORMATION BY SENIOR PUBLIC SERVANTS TO NEWSPAPERMEN

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the minister inform the House if it is government policy for senior civil servants not to give out information on government activities to news reporters and other sectors of the Canadian public?

* * *

THE CANADIAN ECONOMY

NUMBER OF JOBS CREATED BY CORPORATE TAX CONCESSIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Finance. Is the minister aware of the fact that the National Liberal Federation has sent out circulars to every weekly newspaper in Canada stating that "111,000 new

manufacturing jobs were created last year by the federal government's two-year writeoff"—

Mr. Speaker: Order, please. I am sure the hon. member can ask his question without making specific reference to documents of this nature. I think the hon. member can ask the question directly without quoting documents in the way that he is doing now.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): I would be delighted to do so. Did the minister tell the House that 111,000 new jobs were created in Canada last year due to the federal government's concessions to business?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said that last year, 1973, there were 111,000 new manufacturing jobs, which was 8,000 more than the increase of the six previous years put together.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): In view of the fact it is apparent from the minister's answer that he was not attributing it simply to the corporate tax concessions he made to industry in last year's budget, may I ask him what steps he intends to take to ensure that the National Liberal Federation clears up the misrepresentation which they made?

Mr. Speaker: Order, please. I am sure the hon. member knows that a question asked in those terms is not in order.

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AIRPORTS

PICKERING—REQUEST THAT TERMS OF REFERENCE OF INQUIRY BE AMENDED TO COVER ALL FACTS INVOLVED IN ORIGINAL DECISION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of Transport. In view of the fact the Pickering airport inquiry has, true to prediction, been rendered a virtual sham because of the very restrictive terms of reference imposed by the government, will the minister consider at this late date amending the terms of reference to permit a full and meaningful inquiry into all the facts upon which the original decision was taken and not just new evidence, and thereby permit Toronto area residents a fair shake?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the answer is no.

Mr. Atkey: Now that the Liberal Party of Ontario has wisely decided to come out in opposition to the Pickering airport, would the federal government, which has the ultimate constitutional responsibility to make airport decisions—

Mr. Speaker: Order, please. We have just about reached the end of the question period. I suggest to hon. members that they are not helping the situation by asking questions of this nature. The hon. member can obtain information, which may be very important and relevant, by asking his question directly. I will recognize him for that purpose.

[Mr. Beatty (Wellington-Grey-Dufferin Waterloo).]

Mr. Atkey: In view of the information I have just given to the minister, I wonder whether he and his party would agree to listen to their own rank and file in the Toronto region and cancel this expensive and unnecessary project?

● (1450)

Mr. Marchand (Langelier): We have been listening to our own members, Mr. Speaker, because all the steps we have taken were under the pressure of our own members in the region of Toronto.

Some hon. Members: Oh, oh!

Mr. Hees: Oh, you don't pay attention to anybody else. Oh boy, you have really fixed yourself now.

Mr. Marchand (Langelier): I do not want to play politics—

Mr. Hees: Take a look at Pierre's face.

Mr. Marchand (Langelier): Oh, come on, shut up now.

Mr. Hees: Take a look at it.

Mr. Speaker: Order, please. If the minister wishes to complete his answer he will be recognized, but we are coming to the end of the question period.

Mr. Marchand (Langelier): Because we had doubt in our minds, the inquiry was instituted. I think it is normal that we wait until we have the recommendation of the inquiry. If we are to talk about the attitude of the Liberals in Toronto, I would be interested to know the attitude of the provincial government.

Mr. Speaker: Order, please.

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GRAIN

REQUEST THAT FEED GRAINS BE MARKETED BY WHEAT BOARD

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Justice who is in charge of the Canadian Wheat Board. In view of the fact thousands of prairie farmers are very much upset and opposed to the proposed changes in the marketing of feed grains, will the minister reconsider his position and will he guarantee to the House and to the farmers that feed grains will be marketed under the authority of the Wheat Board and the Wheat Board only?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the reaction of farmers across the country has been very much in favour of the basic principles underlying the feed grains proposals, namely, that we move to a similar price basis all across the country and therefore have freedom of movement and trade as a one-market unit. The government is considering the reactions to and comments on the proposals we put forward on August 3 for the long-term solution of the feed grains situation. We propose to consider those in a final way before very long and to announce then what the details of the proposal will be for the future.

Mr. Speaker: I will recognize the hon. member for Yorkton-Melville for a supplementary, then the hon. member for Northumberland-Durham, and then call orders of the day.

Mr. Nystrom: Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the fact the minister in charge of the Wheat Board will not give us a guarantee that feed grains will not be removed from the authority of the Canadian Wheat Board, will the Prime Minister intervene and act in accordance with the wishes of the farmers of the prairies and maintain the Wheat Board as the sole marketing agency for feed grains?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot agree with the premise of the question, that the hon. member is a spokesman for the farmers any more than the minister, or the farmers themselves speaking through a plebiscite.

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ADMINISTRATION OF JUSTICE

RIGHT OF GRAND JURIES TO INSPECT FEDERAL PENITENTIARIES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a short question for the Minister of Justice which calls for a yes or no answer. Is it government policy to deny that grand juries in Ontario have jurisdiction to inspect and report on federal government institutions?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, when such an issue arises we consider the technical and legal questions involved and decide on the basis of those facts.

Mr. Lawrence: Mr. Speaker, that certainly was not a yes or no. May I ask the minister if Mr. John Hollies, counsel for the government, was expressing ministerial policy last Friday in Napanee, Ontario, when he allegedly informed Mr. Justice Lloyd Holden of the Supreme Court of Ontario that he was prepared to argue the constitutional validity of the jurisdiction of the grand jury to inspect the federal institution at Millhaven, Ontario?

Mr. Lang: Mr. Speaker, he was acting fully within the scope of his instructions.

Mr. Lawrence: That is a shameful attitude.

Mr. Speaker: The hon. member for Saint John-Lancaster (Mr. Bell) on a point of order.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, may I ask the government House leader a question. Although there was some doubt expressed in the corridors this morning as to how long we are going to be here, if we do get into next week what will the business be?

National Parks Act

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I cannot foresee any circumstances that would prevent us from sitting next week and, indeed, well into the summer.

Some hon. Members: Oh, oh!

Mr. MacEachen: I would advise my hon. friend that today we will continue with the parks bill. If that is completed, we will take the export development bill for the remainder of the day. Regardless of the progress made, tomorrow we would begin with the Fisheries Development Act, to be followed by the adjustments to the three guaranteed loans acts. On Monday, regardless of what progress is made, we would begin consideration of the bill standing in the name of the Minister of Energy, Mines and Resources.

An hon. Member: Where is the football bill?

Mr. Speaker: Orders of the day. The hon. member for Victoria rises on a point of order.

Mr. McKinnon: Mr. Speaker, a few minutes ago I asked a question of the Secretary of State for External Affairs. He either did not hear me or heard and chose not to answer. I wonder if it could be indicated which was the case.

Mr. Sharp: Mr. Speaker, I did not answer because the hon. member directed a question to me that did not relate to my department. Perhaps he might clarify the connection between his question and the expected answer.

Mr. Speaker: Perhaps the connection might be clarified in another way than by an exchange on a point of order. I think the Chair should call orders of the day.

GOVERNMENT ORDERS

[*English*]

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWERS IN DISPOSING OF PUBLIC LANDS

The House proceeded to the consideration of Bill C-6 to amend the National Parks Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker: Perhaps we might have order for a moment. I believe the Minister of Indian Affairs and Northern Development (Mr. Chrétien) might be interested in the motion which is now coming before us. The minister and hon. members have looked at the motions before us, of course. I should like to suggest to hon. members that, at least at first sight, motions Nos. 1 and 2 would appear to be irrelevant and go beyond the scope of Bill C-6. I appreciate that there may have been discussion between hon. members as to what might be done on these two motions, but unless the Chair is convinced otherwise the motions will have to be ruled out of order.

National Parks Act

Mr. Chrétien: Mr. Speaker, on these two motions there is agreement among all parties that the amendments could be accepted by consent. Because of an oversight in one of the clauses there was some discrimination vis-à-vis the Indian Lands. This was discovered in committee, and all members of the committee agreed that I should introduce, for the unanimous consent of the House, this motion to take care of that designation of Indian Lands.

Mr. Speaker: The Chair might inquire whether there is unanimous consent in relation to motion No. 2, which stands in the name of the hon. member for Comox-Alberni (Mr. Barnett), that is unanimous consent that both motions should be put to the House.

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for Moose Jaw on a point of order.

Mr. Neil (Moose Jaw): Mr. Speaker, we are prepared to give unanimous consent to the putting of motion No. 1.

Mr. Speaker: Order, please. I am not sure that there is unanimous consent in connection with motion No. 2. I wonder whether we might have the advice of the hon. member for Comox-Alberni on that point.

Mr. Barnett: Mr. Speaker, if there is unanimous consent to acceptability of motion No. 1, which stands in the name of the minister, I would be quite happy at this point to have motion No. 2 withdrawn. They are almost in the same language; at least they both have the same objective. On the understanding that we consent to motion No. 1, I am quite prepared to leave aside motion No. 2.

Some hon. Members: Agreed.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Motion No. 2 (Mr. Barnett) withdrawn.

● (1500)

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved:

Motion No. 1.

That Bill C-6, An Act to amend the National Parks Act, be amended by adding thereto immediately after line 6 on page 3 the following Clause:

"2.1 Subsection 6(3) of the said Act is repealed and the following substituted therefor:

(3) The Governor in Council may authorize the Minister to purchase, expropriate or otherwise acquire any lands or interests therein for the purposes of a park.".

He said: Mr. Speaker, I do not have many remarks to make. As I said earlier when I asked for the unanimous consent of the House to move this motion, we are doing it because section 6 of the act refers to Indian Lands and because we must establish a special procedure to expropriate Indian lands. I do not think Indian lands should be considered differently from others in Canada, and this is why, the committee members having recognized this anomaly, we have decided to refrain from mentioning Indians when we negotiate the purchase of lands for national parks.

[*English*]

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, the minister has expressed a view to which we subscribe, namely that the discrimination appearing in the original act relating to Indian lands should be removed. As I say, we agree. I should like to take this opportunity, in speaking on Motion No. 1, to make some general comments regarding Bill C-6 now before us.

Mr. Speaker: Order, please. I think there should be some understanding on the part of hon. members as to whether it is possible at this stage to engage in a second reading debate or a third reading debate. Hon. members will agree, I think, that the rules of the House are clear. Motion No. 1 is now before the House and debate, as much as possible, should be relevant to that motion. The rules do not provide for general debate simply because a particular motion known as Motion No. 1 is before the House. Perhaps the hon. member could reserve his general comments for third reading or for some motion moved later which may lend itself to general debate.

Having said this, of course, I hasten to add that members are masters of their own procedure. I am here to help and serve members. I thought I should mention, however, that perhaps this may not be the point for general debate on the bill itself. The hon. member for Rocky Mountain (Mr. Clark) may wish to give my remarks some thought.

Mr. Clark (Rocky Mountain): Mr. Speaker, I will certainly abide by your ruling relating to Motion No. 1 and will not make extended remarks at this stage on aspects which are dealt with in other amendments. I merely wish to add that we, on my side, are concerned that the minister is using procedures which may undermine and reverse the work done in committee. I will elaborate on this further when a later motion is moved.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, may I say a word or two on this motion. I am happy to see that the House agrees unanimously to extend too the terms of the original act. I raised this question initially in committee; at that point the minister indicated that if there were procedural difficulties he would move the motion for me. This amendment to the National Parks Act is significant in that it removes from the act the sort of special references to Indian lands which date back over a lengthy period in our history. At one time, Indian lands were regarded as lands belonging to the Crown and held in trust for the Indian people, but not as lands which belonged to them. That concept of Indian lands is increasingly becoming obsolete. Hopefully, it will be removed altogether from the Statutes of Canada. That is why I am happy that the House is willing to consent to this amendment to the National Parks Act, even though the amendment in some ways is symbolic. Nevertheless, this amendment is important when viewed in the context of our relations today with the Indian people of Canada.

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

Some hon. Members: Question.

Motion No. 1 (Mr. Chrétien) agreed to.

Mr. Chrétien: Mr. Speaker, with regard to Motion No. 2—

Mr. Speaker: Order, please. It has already been agreed that the motion has been dropped. That is to say, the House agreed to the hon. member's request for this motion to be withdrawn. The House will now proceed to the consideration of Motions Nos. 3 and 4. I suggest that perhaps these motions might be grouped together for consideration, that a division on Motion No. 3 will also be a division on Motion No. 4 and that there be only one debate on those two motions. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: I will now put Motions Nos. 3 and 4.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved:

Motion No. 3.

That Bill C-6, an act to amend the National Parks Act, be amended in Clause 10:

(a) by striking outlines 6 and 7 on page 5 and substituting the following:

"10.(1) Subject to subsection (2) the Governor in Council may,"

(b) by striking out lines 20 to 46 on page 6.

Motion No. 4.

That Bill C-6, an act to amend the National Parks Act, be amended in Clause 11:

(a) by striking out lines 1 and 2 on page 7 and substituting the following:

"11.(1) Subject to subsection (2), the Governor in Council may,"

(b) by striking out lines 1 to 25 on page 8.

He said: Mr. Speaker, these amendments are proposed because in committee there was elaborate consideration of a system of public hearings relative to the establishment of parks which have already been agreed upon with the provinces. I do not think it is advisable for members of parliament to create a situation in which they are likely to question the judgment of a provincial government, when a provincial government has decided to turn land over to the federal government for the establishment of a national park.

Members should be aware how parks are established, and how Crown lands in provinces which are available to provincial governments are turned over to the federal government so that national parks can be established within provinces. We must go to the provincial government and ask if it wants a national park in that province. If it does, the provincial government is responsible for assembling the land and transferring it to the federal government. Only then does the federal government step in. If a provincial government must expropriate lands, generally speaking we offer to pay 50 per cent of the cost of expropriation. The provincial government must decide if it wishes to place these lands in the hands of the federal government.

If we were to establish an onerous system of public hearings by which the judgment of provincial authorities could be questioned, we could jeopardize in many cases opportunities for Canadians to acquire more national parks. Of course, negotiations are entered into before land is turned over to the federal government. Agreement in principle is reached between the two governments. A system of public hearings in connection with a province's decision to establish a national park could force provincial authorities to reconsider their decision. I do not think it is up to us to question the decision of provincial authorities if they have decided to turn over lands to the federal government for the establishment of a national park. If we question their wisdom, I and any successor in my portfolio, might just as well forget about establishing national parks.

We have had a difficult experience in Nova Scotia. The public did not understand what was involved. It was decided at the provincial level that a national park should not be established if the public were against it. I do not think that the way the provincial government disposed of Crown lands was constitutionally proper. A case in Nova Scotia established very clearly that the system we have followed so far permits enough flexibility for a provincial government to change its mind before turning over land to the federal government. In the ship harbour case, there was agreement in principle between the federal government and the government of Nova Scotia to establish a national park in the Ship Harbour area. Apparently some people were not happy with that. I strongly disagree with the decision of the provincial government, and I stated this in strong words, to withdraw from that project because they feel it is not the best thing to do. I think the system has worked well. If we were to include in the act a provision to force the provincial governments to hold public hearings into all parks that have already been agreed upon, then what would the situation be?

● (1510)

We have 10 new national parks in Canada, seven of which were established in the provinces. The provinces are in the process of turning over or have already turned over these lands to the federal government. There is the case of the Pacific Rim National Park in British Columbia, Forillon and La Mauricie in Quebec, Gros Morne in Newfoundland, Kouchibouguac in New Brunswick and so on. The provinces have already acted on them and have turned over the land to the federal government. It would be most unwise at this time to have public hearings in order to question the wisdom of the provincial governments in deciding to establish these parks. I am quite at ease with the way things are now because there is no political coloration when dealing with the provinces about establishing parks. I have dealt with governments of all shades in the political spectrum of Canada.

When I negotiated for the Pacific Rim National Park, it was with a Social Credit government. In Ontario, I deal with a Tory government; in New Brunswick with a Conservative government and in Quebec with a Liberal government. In Newfoundland, I started negotiating with a Liberal government and now I am dealing with a Conservative government. In Nova Scotia, I deal with a Liberal government. I am now having discussions with regard to new national parks with the NDP governments of Manitoba and Saskatchewan.

I do not want to cause any problems. I just want a proper mechanism that will protect something that is very important in Canada, the preservation of more acres of land for conservation purposes only. This is why I do not

think it would be advisable to impose in clause 10 the mechanism of clauses 4 to 7 for parks already agreed upon by the federal and provincial governments. I think it would make it more difficult for any minister in this portfolio to create new national parks.

I would like to be precise and state the case. The members of my party have not agreed to these amendments. I think they are self-defeating for the purpose of establishing national parks. Clauses 4 to 7 have been included at the request of the official opposition and with the support of other members, but not from my party. I would like the people of Canada to know that we did not like clauses 4 to 7, but we accepted them because they were recommended by the committee. I would like to give a warning to anyone who is in favour of national parks in Canada that this mechanism would make it difficult for any minister to be as efficient as this government has been in establishing new national parks in Canada, 10 new national parks in four years when there were only four new national parks in the previous four years.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I wish to address a few comments to this particular motion. The motion refers to striking out clauses 4 to 7 of the amendments put in during the committee hearings. Our party appreciates that this particular clause refers to parks which have been set aside and which, in effect, are a fait accompli. It is not our intention to put any obstacles in the way of the development of these parks. Far from it. Our sole purpose in moving the amendments in committee was to make the point that, with regard to any new parks that might be developed in the future, public hearings should be held to determine the feelings of the people, not only in the vicinity of the park but across Canada.

I appreciate that in most cases parks are developed by agreement between the provincial and federal governments. The provincial governments do a lot of soul searching. They have a lot of discussion before agreeing to turn over the land to the federal government to develop a park. We feel, and this matter was discussed in committee, that possibly an amendment should be made to the act to grant a public hearing with regard to the development of a park in instances where the provincial government sets land aside without having a public hearing. Our point is simply that we believe that, in connection with the development of any new park, there should be a procedure for full and complete public hearings.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, the minister has tried to throw a red herring across the path of this House with his suggestion that this would somehow interfere with federal-provincial agreement on the creation of national parks. It was not the intention, nor will it be the effect of the amendment, that was accepted by the majority of the committee to question provincial judgment on matters respecting national parks.

The establishment of national parks in Canada is an important matter. The minister if asking this House to trust the judgment of two governments without any opportunity for citizenship participation, without any opportunity for individual people of Canada, whether they are affected directly, whether they are members of the national and provincial parks association of Canada or whether they have any other reason to be interested, to make their views known relative to the boundaries, sites and related matters of new national parks that might be established.

I was amused to hear the minister suggest that the recent case in Nova Scotia somehow indicates there is an opportunity for individual Canadians to change decisions that are made in secret and in private by two levels of government. The best I can say for the minister's argument is that he is trying to make the best out of a very bad case. He knows as well as anyone else interested in parks in Canada that what happened in the case of Nova Scotia was a very exceptional and sad case in the history of the development of national parks in Canada. The reason the Liberal government of Nova Scotia caved in on the Ship Harbour national park was that there had been allowed to develop a substantial suspicion about it, a suspicion that was engendered precisely because there was no opportunity at the time when changes could have been made for the people directly affected to themselves make a case, express their concern and have some influence on the decision before it was made.

What the amendments accepted by the committee achieved is assurance that citizens will have a right to review decisions respecting national parks before they are a fait accompli. That is what was done. It was an attempt to assure to individual Canadians the right to question and perhaps improve upon decisions taken in secret by two levels of government. The amendment put before the committee, and accepted by the committee, would not have resulted in protracted discussion or debate which would have delayed interminably the establishment of new national parks. Provision was made for a limited period during which public hearings would be held. What the minister is concerned about here is simply an invasion upon the preserve which he and his officials have enjoyed exclusively for far too long. They have become accustomed to making these decisions in isolation without reference to the people of Canada, either those particulary interested because they live in areas where parks might be established, or those who might be concerned because of their particular interest in conservation.

● (1520)

The minister did make a concession. He allowed an amendment which would provide for a public hearing at such time or times as he, the minister, considered appropriate. Anyone who is experienced in this field knows that such an undertaking is virtually useless. It means that hearings will be held after the decisions have been taken. We have all had experience with that sort of thing. What the minister is offering in the amendment which he introduced, and which he has allowed to stand, is simply an opportunity for individual citizens to express their opinions, not to effect any changes.

Mr. Speaker, there are two kinds of public hearings. There is the public hearing which is designed to acquaint people with what has been done—that is a public relations hearing—and there is the public hearing which is allowed to influence what is going to be done. That is participation, and it is a useful kind of hearing. What the minister is trying to prevent, in the amendment now before us, is participation. He is all in favour of a public relations hearing which would allow citizens to become involved

when there is no point in their being involved. No opportunity would be afforded to conservationists or other interested groups to affect decisions which concern the location of national parks.

In testimony before the committee the minister was quite explicit on this point. He left no doubt as to his intention to shut the people of Canada out when it came to decisions on these matters. Of course, the original decisions have to be taken in private between the federal government and the province concerned, or between the federal government and the territory. But after the decisions have been taken, there should be an open public hearing. There are two reasons why this should be so. One is based on principle: there is a legitimate public interest in public business. The second reason is that continued privacy does not work. The system which the minister and his officials wish to perpetuate has created problems which public hearings could have avoided.

The best evidence of this concerns the proposed new park in the Yukon, Kluane. When the standing committee was in Whitehorse, we heard two concerns expressed by people who, before the arrival of the committee, had been given no public opportunity to discuss these matters arising from the establishment of a major new national park in their territory. The first concern was that no adequate survey of resources had been carried out, and that this failure to make an adequate survey might lead, later, to the disruption of the park. The second point was that there had been an inadequate explanation of the reasons which led the minister, after a discussion with mining companies, apparently in secret, to exclude 2,000 square miles of land originally scheduled for inclusion in the park. There was also the question of native rights, a question which had not been publicly aired prior to the arrival in Whitehorse of the standing committee.

I should like to put this question to the minister and to all Canadians who are concerned about national parks: whose interest is served when the size of a park is cut in secret by a minister meeting with representatives of mining interests in the north? Is the interest of the National and Provincial Parks Association served by a secret decision of this kind arrived at in the course of a meeting between a politician and representatives of mining interests? Is the general interest of the public served? Are the interests of the people of the Yukon served? Of course not. All these interests would be much better served if there were public hearings along the lines of the amendment we were able to introduce, and which was carried in the committee—an amendment which the minister is now trying to strike down.

I ask again: whose interest is served when a park is established without any serious effort being made to determine the hydro or resource potential which exists within its limits? I ask you to assume for a moment, Mr. Speaker, that a later generation happens to find a bonanza within the area of Kluane National Park, a bonanza similar to that which might have already been found had adequate surveys been carried out. If this bill stands and the minister's way prevails, mining interests in that later generation might also hold secret meetings with a future minister, meetings of the kind the hon. gentleman opposite has held with developers, and such meetings might result in a reduction of the land set aside in Kluane. More than the situation at Kluane would be affected, because once the process of excision begins in one park, no national park is safe. Parks would be endangered not only in the Yukon, but in all the provinces and territories of Canada. This is an aspect which all hon. members should consider before they cast their votes today on the minister's attempt to secure an amendment which would preserve this right to make secret decisions in areas of public business.

To return to the example the minister gave. Whose interest was served by so much secrecy and high-handedness in connection with Ship Harbour National Park, circumstances which led to the proposal for that park being cancelled and withdrawn? The secret procedures followed by the minister led to a situation in which Nova Scotia is without a national park at Ship Harbour. It was the purpose of myself and my colleagues on the committee to establish a procedure applicable to future parks, as well, but we were advised that an amendment along those lines would have gone beyond the ambit of the bill, that the unanimous consent of the House would have been necessary if it were to be accepted. And having looked at the minister's track record, we anticipated that the minister would not have agreed. So, in the circumstances, we sought to establish this principle in the case of the parks designated in the schedule to the bill, as well as those at Kluane, Nahanni, and on Baffin Island.

Certain valuable effects would follow if the House were able to uphold the judgment of the all-party standing committee and defeat the minister's attempt to undo the work of that committee. In future, when national parks are to be established or enlarged, a period of 90 days would be used for the purpose of determining whether special circumstances exist and, if there are problems, how serious they are likely to be. We would then be able to proceed on the basis of knowledge. The minister prefers to proceed as he did at Kluane, without holding public hearings and without telling anybody why 2,000 square miles were cut away. The minister did not even bother to find out what resource potential there might be which at a future time might mean a further large acreage being cut away from the park, setting a precedent which would endanger all national parks in Canada.

● (1530)

That is one result that would follow if we used the public hearings procedure. A second result that would follow is that it would provide a forum for the defenders of national parks, either of a park in that particular location or of national parks generally, to allay fears that might naturally develop. Had that been done at Ship Harbour, I venture to say that we would have had a new national park in Nova Scotia now. But we lost it because of the secrecy practised by the minister, which he now attempts to enshrine in legislation by these amendments today.

A third result that would follow is that we would inform more people about the importance of national parks. If the minister believes that his case for national parks in Canada has been won, that there is now a majority who in a given situation would prefer park development as opposed to resource development, then he is naive. Those

of us who believe in national parks in Canada have a great selling job to do, and public hearings, as has been demonstrated on other occasions, can provide us with an opportunity to do that job.

A fourth effect of public hearings of the kind we are proposing, and which the minister is now trying to undo, is that we would establish the principle that our national parks are public business, that the government trusts the people enough to heed their voice in regard to where parks should be established and where their boundaries should be.

I, myself, proposed in the committee one procedure for public hearings, a procedure drawn from federal practice. The members of the committee felt that the procedure I proposed was too cumbersome, and I did not argue with that because I was interested in the principle of public hearings, not in their particular form. I was interested in their having an effect at a time that would allow people to have some influence on what was going to be done, instead of simply casting a useless vote yea or nay. I did not dig in on the question of the particular form of the public hearings I proposed. Instead, I accepted the language that had been proposed by my colleague from the NDP, the hon. member from Comox-Alberni (Mr. Barnett), language which the minister now proposes to strike down.

By their nature, national parks interest a minority of Canadians, although they are people who are genuinely concerned about our parks. They care deeply about the preservation of wild and natural places, and about the safety and protection of rare species and places. Those Canadians who want new national parks want these parks deeply. So, I believe, do the majority of the members of this House of all parties. The members of my party want them so much that we did literally everything in our power to have this bill passed in January rather than April. Before we agreed to an adjournment of this House, we insisted as a condition of that agreement that this bill be brought back at this stage so we could proceed immediately to pass it.

The minister disagreed and delayed the bill. The reason he did so, on the evidence of his amendments, is that the minister wants more than parks. This minister wants parks, the absolute control of which rests with him and his advisers, his bureaucrats. The difference between us on this bill and these amendments is that the minister wants authoritarian control over the parks. We want parks established by democratic procedures. The minister does not want to be bothered with parliament or with public hearings. He does not want to be bothered with territorial governments or with the National and Provincial Parks Association. He is, of course, prepared to consult with them, on his own terms and in his own time, but he is not prepared to give parliament or the public the right to participate, in an effective way, in a decision about where parks should be established, or how, or even why.

When this bill was first introduced in the other place, it did not even contain a requirement for public notice. It allowed the government to negotiate in secret any additions to parks and then to proclaim them without notice. It proposed to give to government the power to shut out of the process people whose land and lives might be affected, the conservation groups who might be interested and, of course, to shut out the parliamentary process. But that provision was too strong even for the other place. There is a greater sense of democracy in the Senate than in the Department of Indian Affairs and Northern Development so far as parks are concerned, because the other place amended the original bill and wrote in the requirement for a 90-day notice and publication in the Canada *Gazette*. That was the first change toward democratizing the procedure for setting up parks, and was a change that was forced on the minister.

[Mr. Clark (Rocky Mountain).]

Then, in the standing committee, other changes were proposed and passed to ensure that the public, from the poorest native with a trap line to the most sophisticated conservationist, would not be shut out of the process of establishing national parks. In particular, the committee required that the notice be published in various popular media, not buried in the fine print of the Canada *Gazette*. It established a process to guarantee public hearings at a period when proposals could still be changed, not hearings after the fact, as has been the practice of the minister, and as is his desire in the amendments that he is putting before the House today.

The committee voted deliberately to ensure that when parks are created in the two northern territories, the elected representatives of those territories would have a power stronger than the power of a mere rubber stamp. While our party initiated that idea, the amendment which carried was proposed by my colleague from Comox-Alberni, the hon. member of the NDP, and we will look forward when the voting comes to his support for the measure he proposed.

Throughout its deliberations the committee voted and acted against secrecy. It voted and acted to establish a system of parks by a democratic process. The amendments of the minister are designed to strike down those advances and to return to a situation where parks policy is decided by a select and secret few without any apparent trust in the people. That is a most alarming suggestion on the part of the minister and a most dangerous amendment. It places us back in the days when it was felt by governments, of all stripes perhaps, that the public had no rights. We believe that the public does have rights on questions of importance, such as the establishment of national parks, and consequently we intend to oppose the amendments moved by the minister which would deny the public the opportunity of playing a role in deciding questions concerning national parks while there was still a chance to influence those decisions.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the hon. member for Rocky Mountain (Mr. Clark), with his usual eloquence, was discussing amendments 3 and 4, and since we are going to be voting on them together, I presume he was in order in doing so. It is not my intention to defend the minister from any of the attacks made upon his desire for extreme secrecy. I am sure the minister is capable of presenting his own case on that score. Nor is it my intention to try to go around and around again on some of the matters which went around and around for some time in the committee.

May I say at once that in my view the committee that dealt with this bill devoted itself with a great deal of diligence to trying to examine and to sort out a good many

complex issues that are inherent in this particular bill. I think it is fair to say that at the outset, when the bill was introduced in the other place, the minister, and probably his departmental officials, hoped the bill would be treated somewhat as a kind of housekeeping measure, to tidy up the situation and to put the final seal of parliamentary approval on the establishment of certain new national parks. Despite some of his criticisms about what happened at Ship Harbour, I think the hon. member for Rocky Mountain would not be averse to agreeing, at least to some extent, that the minister has devoted himself with some diligence to widening the national parks system in Canada. While there are many matters on which I may be in disagreement with the minister at this and other times, I am certainly quite prepared to give him some marks for his effort in this regard.

● (1540)

As I see it, there are essentially three important aspects to this bill, two of which are referred to in the two report stage amendments we are discussing in respect of Clauses 10 and 11 of the bill, and a third, which is not up for discussion at this time, covering provisions in Clause 2 of the bill for the governor in council to take steps leading to the addition of lands to existing parks. If you have noted the reprint of the bill you will have observed that there are certain additions to the original draft of the bill, incorporated in Clause 2, which apparently are not under debate or question at this time because no report stage amendments have been submitted to them. In point of fact the hon. member for Rocky Mountain (Mr. Clark) made some reference to these additions in Clause 2, in part at least. If I may say as an aside, they do represent what I consider to be an interesting development inasmuch as there is some automatic provision in that proposal for consideration by the standing committee and for action forthwith by the House on the report by the committee.

The hon. member for Rocky Mountain spent most of his time talking about this question of public hearings, and I think quite rightly said his party put certain proposals forward in respect of public hearings which have not emerged in the bill as reported from the committee. He was quite right when he said that. The additions to Clause 10, with which the report stage amendment proposes to deal, are in terms which I proposed originally on Clause 2 as accepted by the committee. I fully admit that at the point in time when this particular matter was under consideration, it was with the tacit agreement of members of the NDP who were on the committee that this addition be made to Clause 10 and part of it to Clause 11.

One of the important constitutional issues involved in Clause 10, and I think this fact should not be lost on this House in light of the remarks by the hon. member for Rocky Mountain, is the question of transfer of jurisdiction of lands within the provinces to the Crown in the right of Canada. Under the terms of the national parks trust, unless some future parliament undoes what parliament does at a given time, those lands remain forever in the status which parliament has assigned to them as national parks for the enjoyment of future generations of Canadians in unimpaired condition.

I do not quarrel too much with the argument put forward by the hon. member for Rocky Mountain, and also put forward very eloquently in the committee by his colleague the hon. member for Kingston and the Islands (Miss MacDonald), about the desirability of public hearings into the question of the establishment of parks. I hope his eloquent remarks today, and during some of the discussions that took place before the committee, will not fall on deaf ears so far as the governments of the provinces are concerned. As I said, if I recall correctly the lengthy discussions we had in trying to sort this thing out, at the point in time an approach is made by the federal government to a province for certain lands to be put into national parks, and at the point of time when a provincial government is prepared seriously to consider that proposal, or if indeed the provincial government were to decide to take some initiative to offer certain land to national parks, it would be very desirable that the government of the province initiate and hold the kind of hearings to which the hon. member for Rocky Mountain referred. It is very unfortunate that the government of Nova Scotia did not see fit to take that kind of action in respect of the Ship Harbour proposal at an earlier stage than the point in time at which it apparently decided to abandon it.

In the matter of the establishment of new parks in the provinces, that is the point in time, and I agree strongly with the hon. member for Rocky Mountain, that public hearings should be held into the advisability of there being created within that provinces, and from the lands of that province, a national park which would be surrendered to the people of Canada forever for that specific purpose. There is no way in which we in this House or this parliament can impose a provision of that kind upon the governments of the provinces. I do not have any regret that the hon. member for Rocky Mountain and his colleagues in the committee stressed this question of the need for public hearings so vigorously. But when one attempts to sort out all the complex issues involved, and I say this in spite of the fact that I was a party to this becoming part of the bill reported back to the House, then I must say I am now prepared to support the minister's report stage amendment.

I am not regretful in any way that we are having this report stage debate on this subject, and I am not regretful in any way that the minister was pushed to the point where he has to lay this kind of issue on the table, because hopefully the minister, in negotiating with the provinces, will pass on to them some of the views which are apparent among members of the House of Commons from all provinces regarding this matter of public hearings. My reaction might have been different under other circumstances, but I am glad the minister is not in his report stage amendment seeking to delete sub-clause (3). He is, as a result of the initiative of members of the Conservative party at the committee, leaving in that provision which requires the minister—and it says "shall"—to hold hearings on the question of how the park is to be used once it is officially established. I consider that to be a major improvement to the legislation as it was introduced. I think that in the context of the committee debates it should be apparent that the credit for initiating that particular idea during the committee proceedings rests with the hon. member for Rocky Mountain and his colleagues.

● (1550)

The situation with reference to clause 11, which deals with the parks in the Territories, is of course quite different constitutionally to that which applies to the provinces because there the land is held in the right of the federal Crown. Normally, for administrative purposes, this land is under the authority of the Territorial Lands Act which act, in addition to the National Parks Act, I think is one which gives the Minister of Indian Affairs and Northern Development (Mr. Chrétien) responsibility. So, in the case of the Northwest Territories, the minister simply is saying that, as Minister of Indian Affairs and Northern Development, he wishes to take that land from his jurisdiction under the Territorial Lands Act and propose that it be put under the National Parks Act. I think the minister can be cited for a lack of adequate public hearings on the question of advisability of establishing those parks. This is a matter of debate. However, all that clause 11 does is propose that three specific parks be added to the schedule of the National Parks Act.

So far as I know, the only public hearings that were held on the question in the sense the term is being used by the hon. member for Rocky Mountain were the public hearings held by the committee. That was one reason I strongly supported the idea of the committee going to Whitehorse, so we could at least learn the views of the people of the Yukon Territory. We had before the committee in Ottawa spokesmen interested in the various aspects of the proposed parks in the Northwest Territories. That process has taken place. There is information contained in the records of the committee which satisfies me that the councils of the two Territories had in fact approved the idea of these parks and that there is agreement on all questions except that of the rights of the aboriginal inhabitants of the area. Although there are other aspects of the territories in the north which will come up under one of the other report stage amendments, which I shall not go into at this point, it seems to me that this idea of having further committee hearings, which the deletion of the proposed section would call for, would be really rather redundant at this point in respect of the three specific parks proposed for the two territories.

So far as I am concerned this is not something which should really concern us too much. The minister at this point in effect is saying that we do not need committee hearings to examine these three particular parks in the territories. I really wish that the clauses of the bill which have to do with additions to existing parks had referred to the establishment of new parks. This relates to something the hon. member for Rocky Mountain said. This is beyond the scope of the bill but if that proposal had been included, along with the proposed committee amendments to clause 2 of the bill, then we would have had the other side of the coin. If there were a proposal to establish, either in the territories or in the provinces, a new national park, the standing committee of this House could examine the merit of the proposal, hopefully concurrent with public hearings held under arrangements made by the provinces or in the case of the territories hopefully through some arrangements made by the standing committee with the territorial councils. I think the status of the territories is a matter being discussed not very far

away from this chamber this afternoon by the committee on Indian Affairs and Northern Development.

I might have something to say about this later on when we come to one of the other report stage amendments, but so far as I am concerned the really important improvements that it was possible for the committee to make will be retained if the report stage amendments as introduced today are accepted by the House. I hope that, without too lengthy discussion by other members of the House, it may be possible for us to achieve the purpose that has been referred to by the hon. member for Rocky Mountain so eloquently; that is, a desire to have these particular parks which are to be finally established by this bill come into being for the benefit and use of the people of Canada.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, right at the outset I wish to indicate I am disappointed the minister has assumed this posture this afternoon. He has been in charge of the national parks program for a number of years. I think that anyone who has the privilege of this responsibility learns as his first lesson in the area of national parks administration that the essence of wisdom is communion with public opinion and having close rapport with the needs of the people of Canada. This is the reason, following the deliberations of the Committee on Indian Affairs and Northern Development, the amendments were first proposed that there be close consultation with the people in all respects and this is why the amendments were approved at that time. I am sure the hon. member for Comox-Alberni (Mr. Barnett) who just concluded his remarks, and who was with us in this viewpoint at that time, if he reconsidered the statements he has made, would come to the conclusion that his original wisdom was the correct approach.

● (1600)

The minister, in his statement this afternoon, has spoken once again about the marvellous developments that have taken place in the Canada national parks system in the past few years. I would remind the hon. gentleman that it has taken an unconscionably long time to achieve this breakthrough in the development and expansion of our national parks system. The amazing thing is that the public pressure for national parks has been growing, and under an atmosphere of that kind it should be relatively easy to have fairly substantial tracts of land reserved in order to meet the rising demand for recreational facilities and for the conservation and preservation of areas of particular interest in Canada. Notwithstanding the growing demand in the face of population pressures, in the face of more leisure time and also more disposable income, it has taken almost 20 years to make a major breakthrough in the development of national parks.

The bill that is before us now is the climax of negotiations that have been going on ever since the department of northern affairs and national resources was established in 1953. The minister at that time was the Hon. Jean Lesage, and he immediately began negotiations for the expansion of the national park system which has been carried on by succeeding governments. There had been hardly any development in the conservation area for a couple of decades previous to that time. The war, of course, interfered with developments at this time, and it was not until a depart-

ment was established that was specifically dedicated to the proposition of northern and resource development that we began to move in a positive direction.

Therefore, I am disappointed that the minister who has the responsibility for the department at the moment is reversing the approach that has gradually unfolded as the sensitive negotiations that have been going on for this long period have made it possible now to legislate some specific park areas into being.

I know that the initial breakthrough came in the latter 1950's and early 1960's with Terra Nova in Newfoundland, and also with a new national park in the province of Nova Scotia. The Maritimes have always been more responsive to national park development because long ago they recognized that one of their major assets was the natural beauty with which they are endowed. It was, therefore, fairly easy to persuade the Maritime provinces, particulary Nova Scotia when it was under the leadership of the hon. gentleman who is now the Leader of Her Majesty's Loyal Opposition (Mr. Stanfield), to co-operate in the national parks development. He had a great sensitivity to the prospects of national park development in the interests of the general economy. Let me state as an aside that it was also in Nova Scotia that one of the major historic park developments was negotiated between the federal and the provincial governments, namely the complete restoration of the historic Fort Louisbourg which is now almost completed. That was also in the time of the provincial leadership of the hon. gentleman who is now leading the opposition in this House.

Some hon. Members: Hear, hear!

Mr. Dinsdale: Other than the Maritimes, it has always been difficult to get provincial approval for a national park development. For example, when the first minister of the department of northern affairs and national resources, the Hon. Jean Lesage, became premier of the province of Quebec he became interested immediately in making available large tracts of land in that province which would become a part of the national parks system.

The two great areas of underdevelopment in the national parks system have been in the two major provinces—Ontario and Quebec. They preferred to develop their own provincial park systems rather than to work under the umbrella of the national parks system. I know from my own experience that one of the reasons they were so sensitive to federal intrusion was Ottawa's refusal to consult and negotiate in public, which is the posture that the minister is reverting to under the amendments which are before the House this afternoon. Unfortunately, the negotiations with the province of Quebec were delayed because of the "quiet revolution" that took place when the matter of federal-provincial jurisdiction became one of the major political concerns in the decade of the 1960's. Quebec has now established some national parks; Ontario still has a long way to go.

I suggest to the minister, who is not here at the moment—I trust that he will read my remarks—that he will not help to persuade Ontario to become an enthusiastic supporter of the national parks system if he reverses the trend that has been under way, particularly since the Resources for Tomorrow Conference, since the establishment of the Federal-Provincial Parks Association, and particularly since the establishment of the Resource Ministers Council which brought a new era of mutual understanding and concern in the conservation area. The refusal to consult in public, both with the governments and the people concerned, will hamper to a substantial degree the improved atmosphere that I am sure still prevails and the more positive attitude that prevails in the province of Ontario.

The proposal that is being made here this afternoon in the minister's amendments will make it extremely difficult to negotiate in the north. The new department of northern affairs and national resources for the first time brought that huge northern expanse of territory into the Canadian body politic in the early 1950's. Immediately negotiations got under way with a view to establishing a park in each of the territorial areas, in the Yukon territory, and in the western and eastern parts of the Northwest Territories. Ottawa, of course, had complete jurisdiction over the land area in the territory north of the 60th parallel, so the government of Canada could take quite an arbitrary approach in setting aside lands for the establishment of national parks.

● (1610)

Northerners are a very independent breed of frontiersmen and pioneers, and they made it quite clear that they wanted to have a say in how the land area of northern Canada should be used. Proposals have been under discussion with the various interests in the territories for a considerable number of years, and now they are coming before the House as legislation. They are still not finalized. The amendment before the House flies in the face of the experience of the committee when it met in the Yukon last December to consult with the local people with respect to the establishment of Kluane National Park. It was as a result of the direct contact of the members of the committee with vox populi as we discovered it during the two days of hearings at Whitehorse, that amendments were introduced to the legislation and approved by the committee. The hon. member for Comox-Alberni (Mr. Barnett) certainly felt, after hearing the expression of public opinion, that it was absolutely necessary that the process of consultation be extended. As a result, following the hearings in the Yukon, the committee approved these amendments.

Mr. Speaker, it is not going to ease the situation to reverse ourselves in this respect; indeed, I hope parliament will not do that and I hope that the hon. member for Comox-Alberni will stay with his original viewpoint. It was fresh in his mind when he first supported the amendment to broaden consultation. I guess after two or three months he has forgotten the forcefulness of public opinion in the territories on this matter. I suggest that he present himself to the committee that is now meeting in another part of parliament hill and listen to the representations by the spokesmen of the territorial governments.

Mr. Speaker, the hon. member says he would be there if he did not have to listen to me. I do not order the business of this House, and I think it is unfortunate that members of the Standing Committee on Indian Affairs and Northern Development are occupied with this debate this afternoon when they should be listening to the representations

of members of the Northwest Territories and Yukon Councils who are in the city. My point is that if the hon. gentleman would listen to that voice once again and get tuned in to it he would not reverse himself as he indicated he was going to do in supporting the amendment proposed by the minister.

I understand the problem of the minister and the conflict of interest that is built into his portfolio. Northern development is actually opposed to the conservation interests. This conflict has always existed in the department, even when it was called northern affairs and resources. There were two aspects of that portfolio that had to be administered by the one minister. He had to assure development of the north and, at the same time, he had the conservationist responsibility under the resources aspect of his portfolio. The dichotomy is even more severe today and more difficult to reconcile because the department now emphasizes northern development which accentuates areas of economic development responsibility. It used to be merely northern affairs and this did not imply any particular emphasis. I am sure this problem cannot be reconciled until the minister is relieved of his responsibility in the area of resource conversation, and particularly in the area of administration of national parks.

I believe that national parks, in all their various manifestations, should come under the jurisdiction of the Department of the Environment. I trust that one of the major changes that will be made in the set-up of government departments will be in this area. I am sure that in the ministry of environment, the minister responsible will be only too pleased to consult with the people of Canada because no conservation program can be successful until it has the broad support of public opinion.

The vast majority of Canadians are now strongly in favour of wise management and multiple use of our renewable resources. National parks are in the area of renewable resources and, as the National Parks Act says, they should be kept in their original unspoiled state for the use of succeeding generations.

When it comes to consultation, the minister blows hot and cold, particularly in regard to national parks in western Canada which, like northern Canada, originally had the greatest acreage dedicated to the perpetual use of the people. That was because of the constitutional situation, of course, which provided that western lands areas were originally under the jurisdiction of the federal Crown, even as the northern land areas are under the jurisdiction of the federal Crown up to the present day. But national parks in western Canada increasingly have had to meet growing demands for multiuse of land areas in Canada.

Mr. Speaker: Order, please. I apologize to the hon. member but I have to interrupt him because his time has expired. He can pursue his remarks, of course, with the unanimous consent of the House.

Some hon. Members: Motion.

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

Some hon. Members: Question.

[Mr. Dinsdale.]

Mr. Speaker: With respect to the motion before the House, motions Nos. 3 and 4, there was an agreement that a decision on No. 3 would apply to motion No. 4.

On motion No. 3 (Mr. Chrétien). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: Carried on division.

Motion No. 3 (Mr. Chrétien) agreed to on division.

Motion No. 4 (Mr. Chrétien) agreed to on division.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved:

Motion No. 5:

That Bill C-6, An Act to amend the National Parks Act, be amended in Clause 11:

(*a*) by striking out line 3 on page 7 and substituting the following:

"after consultation with the Council of the Yukon"

(*b*) by striking out line 19 on page 7 and substituting the following:

"the consultation referred to in subsection"

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

Mr. Chrétien: Mr. Speaker, I shall be brief because I only want to explain the purpose of this amendment.

I think there were lengthy discussions in committee to determine the kind of consultation that should take place both with the Council of the Yukon and the Council of the Northwest Territories with respect to the establishment of national parks in the north. After major discussions on the meaning of the words and the interpretation of the Department of Justice, I find I must ask the House to replace the words "approval by the Council" by the words "consultation with the Council" because the term "approval" actually means laying out a right for the Council of the Northwest Territories and the Council of the Yukon, or some sort of a right of veto over the administration of Crown lands in the north and it is not appropriate to discuss that matter here in this House when dealing with parks. If hon. members want to transfer the control of northern resources to the elected representatives of northern Canada, it will have to be done under another piece of legislation introduced before the House and now being considered in committee, the bill on the Yukon Territory and the Northwest Territories Administration.

With respect to clause 11, it would not be appropriate to change the very nature of Crown relations regarding land north of the 60th parallel. That is why we decided to put back in the words "after consultation" because I think it is a question of eligibility since "approval" would give the elected representatives of the Northwest Territories constitutional powers not provided for under the Northwest Territories and Yukon legislation.

● (1620)

For this reason, Mr. Speaker, the government decided to re-establish the word "consultation" and if hon. members wish to submit the control of Canada's northern resources

to the approval of the representatives of the Territories, they should do it before the committee or during the consideration of the bill on the constitutional status of the Yukon and Northwest Territories.

Therefore, Mr. Speaker, seconded by my colleague from Hamilton East (Mr. Munro), I move that Motion No. 5 be adopted by the House.

[*English*]

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I will not take much of the time of the House. The minister is proposing a return to the original language of the bill, language which in the considered judgment of the committee was inappropriate, language which the committee acted to strike out, to amend. The original language would have written into law a statutory double standard. It provided that if you wanted to establish a national park in Quebec, you must ask the local government; if you wanted to establish a national park in Ontario, you must ask the local government; but if you wanted to establish a national park in the Yukon or Northwest Territories, you tell the local government. Provisions like that make a mockery of any claim of belief in more self-government for the territories. We, in my party, do not propose to pass a mockery into law.

The minister has made the point that this matter can be discussed in committee during study of another bill. The point remains. There is language in the bill before the House today with which we, as a parliament, must deal today, in considering this bill. It is language in this bill, not in any other, which expresses the attitude of the House of Commons of Canada on the status and potential of governments in the territories of the north. You cannot get around this by saying that it should be dealt with in another bill. If this should be discussed during the consideration of another bill, the minister should not have introduced the word "consultation" into the present bill. He did. It is that with which we are dealing. A principle is involved which, although it might arise on other occasions and in other bills, has arisen here and cannot be blinked away.

Actually, it is known to members of the committee that there has been agreement by the councils for the particular parks established. There is no threat to them. What we are doing is establishing the attitude of parliament, the view of parliament, that there should be an increase in the powers of self-government existing in the northern territories. We also think that this bill would set a precedent for the establishment of future parks, so that if more parks are to be established in the north there must be approval by the elected representatives of the people and not merely some kind of consultation.

We, in the Progressive Conservative party, introduced an amendment which would, for the limited and special purposes of establishing national parks, give the people of the territories the same rights as the people of Ontario, Quebec and other parts of Canada, an amendment which would treat them as citizens not as subjects. Instead of consultations, we proposed that there must be the agreement of the elected councils of the territories before any large part of a territory could be taken away and used as a national park.

My colleague from Comox-Alberni (Mr. Barnett), a member of the NDP, preferred a gentler word than agreement. He preferred "approval", an amendment requiring that the elected territorial councils approve of any proposal to permanently remove lands from an area that will soon be a province. We accepted his softer language. It expressed the principle that democracy means something in the Yukon and the Northwest Territories. So, the amendment approved in committee is an amendment in the language of the NDP, and it is that which the minister proposes to strike down today. We oppose that action by the minister, that strike against democracy, and will look forward, when the voting comes, to having the support of the NDP in sustaining an improvement which the NDP itself proposed.

It is apparent to me, sir, that the minister and his advisers find it inconvenient to treat the people of the territories as though they are citizens. The minister and his advisers concocted a phony argument in committee, that to give the councils of the territories a say on whether a national park is to be established in this region is somehow to give them absolute control over all the natural resources of the north. That, sir, is an absurd argument, which ignores the very special nature of national parks. I, as the representative of a constituency with national parks in it, have every reason to know that when a national park is created, all manner of administrative problems are created too: Native rights are affected; normal jurisdiction over municipal highway and other matters is suspended or changed; planning becomes very difficult. That is evident in Alberta and wherever else national parks exist. The establishment of a national park very much alters and affects the future of the region in which the park lies. The word "consultation" would mean that the territories concerned would have no right to influence that territory's future direction. "Approval" would at least allow for a chance to shape that future.

Sir, the larger question of resources is not affected at all. Elected spokesmen of the territories have made it clear that the status they want is a status—I quote Ken MacKinnon of the Yukon Territorial Council, in testimony to the standing committee in Whitehorse in December:

> Without the immediate control of natural resources, the reason being that we think we have to prove to the people of Canada and to the government of Canada that we are as capable of dealing with the resources of the province as any other area of Canada.

So, there is no question at all about control of resources.

There is, however, sir, a basic question which must be faced, the question as to whether we are going to trust the judgment of Canadians who happen to live in the two territories. Are we going to say that when it comes to establishing parks we trust the premier of Quebec more than we trust the elected representatives of the Yukon; that we trust the premier of Ontario more than the elected representatives of the Northwest Territories; that we trust the premier of Nova Scotia more than the duly elected representatives of the north? That is what it comes down to. Perhaps it is a hard question, because so much land is involved. I remind the House that there is also a lot of land in the north of several provinces, and while it might be inconvenient for the minister and his advisers to have to deal with elected representatives in the province before taking land away forever and creating a national park, we

put up with that inconvenience because we are a democratic state. The amendment here, by the minister and his advisers, would have democracy stop at the border of the territories, so far as national parks are concerned.

The real question facing us is: Are we prepared to endorse that double standard and write it into law, or will we extend to the citizens of the territories the same trust on the limited question of national parks that we extend to the citizens of the rest of Canada.

● (1630)

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I wish to make a few comments on my position on this matter. I wish to make it clear that my position is not influenced by the semantics of the minister or the rhetoric of the hon. member for Rocky Mountain (Mr. Clark). As the hon. member for Rocky Mountain (Mr. Clark) stated, an amendment was proposed in committee to substitute the words "consultation with" by the words "agreement had been reached with". We got into quite a discussion about what was involved in the legal meaning of the word "agreement". As the hon. member for Rocky Mountain said, I suggested that the words that might be used would be "following approval by".

The minister still maintains the position that somehow or other this would give the council of the territories legal power over the resources of the north. I am not going to argue that point with him now, but I would like to state briefly to the House my view of the position. We are looking at the text of a bill which is hopefully moving toward becoming the law of Canada. In this clause we are dealing with a proposal to establish three parks in the Northwest Territories. I stated in committee, and I still maintain at this time in history, that regardless of what should be done about changing the constitutional position of the two territories, under the bill that is being considered today, national parks should not be established in the Northwest Territories without the approval of the council.

According to the records of the committee, and the testimony given by people in Whitehorse with regard to these three specific parks, the territorial councils have given their approval by resolution of the territorial council of the Yukon and, I understand, by consensus of members of the territorial council of the Northwest Territories. That is the situation with regard to these parks. If this legislation is passed, these areas will become parks within the provisions of the act as it emerges from this House. As far as I can understand this amendment, if we adopt it, the minister will be obliged to consult with the councils of the territories with regard to how he goes about developing those parks. In this regard, I submit that the councils of the territories will, in fact, be on all fours with the legislatures and governments of the provinces.

Even though the law does not state that the minister has to consult with the provincial authorities, this kind of consultation does take place. In effect, what we are doing is tying the minister down to consulting with the territorial councils on the development of those parks. That is what I understand the law will mean when it is passed. The present minister, or any future minister responsible for the establishment of national parks, in Canada, would be stupid to establish a park in either of the territories without the prior approval of the two councils. In fact, I would be happy if it were possible to have that provision in the law. When arguing the bill in the other place, the minister almost invited us to consider this aspect of the matter. It will be interesting to hear his views in committee on the bill to amend the territorial act. We can discuss that question there. Obviously, we cannot at this time tie down the question of prior approval in the parks act.

Having tried to consider what the law will mean, I am satisfied at this point that if it means the withdrawal of the proposal I made in committee, I am prepared to accept this proposal that the consultation that will be required in the development of those parks is really what is essential. However, I am not in any way retracting anything I said in committee about the need for the approval of the territorial councils to be obtained in the establishment of the parks.

In point of fact, the minister did obtain that approval, even though I might agree with the hon. member for Rocky Mountain that some of the proper hearings that should have taken place with regard to those proposals did not take place. Nevertheless, the council did approve the establishment of these parks. In that sense, let me close by saying there is some validity to the argument that the words "approval of" would be redundant in connection with this particular clause of the bill.

● (1640)

[*Translation*]

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Yes.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Pursuant to Standing Order 75(11), the recorded division stands deferred.

Mr. Bell: Mr. Speaker, because you have just recently taken the Chair, you would not know there was agreement among the whips to have this vote now. I am sure the House would want Your Honour to call in the members.

The Acting Speaker (Mr. Boulanger): I thank the hon. member. The Chair did not have notice of that. Call in the members.

The House divided on Motion No. 5 (Mr. Chrétien) which was agreed to on the following division:

(*Division No. 5*)

YEAS

Messrs.

Allmand
Andras
Barnett
Basford
Béchard
Bégin (Miss)
Benjamin
Blaker
Blouin
Boulanger
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caron
Chrétien
Clermont
Comtois
Corbin
Côté
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Ethier
Faulkner
Firth
Fleming
Foster
Fox
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gleave
Goyer
Gray
Grier
Guay (St. Boniface)
Guilbault
Haidasz
Harding
Herbert
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Lalonde
Lang
Laniel
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Nelson
Nesdoly
Nystrom
Olaussen
Orlikow
Penner
Peters
Poulin
Prud'homme
Reid
Richardson
Rose
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—111.

NAYS

Messrs.

Alexander
Andre
Arrol
Baker
Baldwin
Balfour
Beattie (Hamilton Mountain)
Bell
Blenkarn
Boisvert
Caouette (Charlevoix)
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Danforth
Darling
Dick
Diefenbaker
Dinsdale
Ellis
Epp
Fairweather
Forrestall
Fortin
Frank
Gillies
Godin
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Higson
Hollands
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Latulippe
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Muir
Murta
Neil (Moose Jaw)
Nielsen
Oberle
O'Sullivan
Paproski
Patterson
Reilly
Reynolds
Ritchie
Rondeau
Schellenberger
Schumacher
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Yewchuk—86.

● (1710)

Mr. Speaker: I declare the motion carried.

The House will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers), public bills. There being no items under the heading private bills or notices of motions (papers), the House will proceed to public bills.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Egmont (Mr. MacDonald)—Transport—Continuity of CNR ferry service to Prince Edward Island in the event of future labour disputes; the hon. member for Assiniboia (Mr. Knight)—Agriculture—Action to ensure packing plants pass on beef subsidy to producers; the hon. member for Pembina (Mr. Hollands)—Public buildings—Edmonton—Reason for reported purchase by government of Holy Redeemer College.

● (1720)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA ELECTIONS ACT

AMENDMENT TO GRANT LEAVE OF ABSENCE TO CANDIDATE

Mr. Reg Stackhouse (Scarborough East) moved that Bill C-105, to amend the Canada Elections Act (leave of absence) be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, the aim of this bill is simply to make every Canadian eligible to be a candidate for election to Parliament to a degree not presently enjoyed. It is true that every Canadian citizen has the legal right to stand for parliament and, if elected, to serve in it. However, it is not true that every Canadian has the economic possibility of doing so because there are many Canadians who are prevented by the conditions of their work from utilizing to the full the opportunity which they are given in political theory. The purport of this bill is to make it

possible for any Canadian who is working for a corporation, an institution, or is employed in some other way, to be eligible to stand for parliament and to serve in it without jeopardizing his own and his family's economic future.

Some hon. Members: Hear, hear!

Mr. Stackhouse: The need for this provision, and the practicality of it, has been illustrated in the report of an organization called The Conference Board, an American group which recently did a study on policies on leaves for political and social action. They took a survey of 800 of the 1,000 companies studied by *Fortune* magazine. To this survey, 34 per cent responded, of which 28 per cent indicated they had formal policies on leaves of absence. In the report that they published they indicated the following reasons for having such a policy of providing leaves of absence so that employees might be elected to public office or in another way serve the community: first, to demonstrate corporate responsibility. A company and an institution have a certain kind of citizenship and they can be either responsible or irresponsible corporate citizens. A company that wants to indicate that it is taking a responsible part in the life of the country will surely make it possible for its employees to have the freedom to be candidates and to be members.

Some hon. Members: Hear, hear!

Mr. Stackhouse: The second reason was that the corporation recognized that democracy does not function well unless all segments of the population are represented. It is, therefore, desirable that the widest possible representation of the labour force be found in the House of Commons. Third, it was recognized by the companies which have this kind of leaves of absence policy that, to a large degree, the well-being of business depends upon the kind of government that a nation has. It was said once by a corporate leader in the United States that what is good for business is good for the nation. But I think that increasingly we recognize that what is good for the nation is also good fur business.

Finally, the point was made that an opportunity for employees to participate in the political life of the country is in itself a form of job enrichment, that today we are seeing we must have a wider definition of work. Work includes not only that for which we are paid; it includes also opportunities for serving society, and one ought to see the opportunity of serving in parliament as an extension of his daily work.

I hope that it will be possible for parliament to give second reading to this bill, and to send it to committee, so that we might think in terms of it becoming the practice in Canada that all employers will be required to give to their employees a leave of absence if they become candidates for parliament, and a leave of absence should the person be elected, so that the person might then be free to serve without economic anxiety.

I could suggest to you, sir, certain precise advantages to the employee affected were this to become the common practice in Canada. First of all, it guarantees to him the record of continuous service which is necessary for most pension plans and other benefit programs. Second, and more important, it would provide the employee with job security. One of the things that we need to make it possible for working people to seek public office is to remove the financial anxiety which now haunts so many political candidates, to make it possible for a candidate to stand for office and to serve a term here knowing that if, at the end of that term, he decides to return to industry or business or if he is defeated in the next election, at least he has a job to which to return.

There are many members in this parliament who, because of the nature of their work, are self-employed. They are able, as it were, to suspend many of their activities and their self-employment through their profession or privately owned business. They know they can go back to that activity and they enter into politics with a sense of security and family responsibility. But let us think of the large number of people who are prevented from offering themselves for public service simply because they lack that security. Can we not by this simple action make it possible to open the door of opportunity to serve in public service to a much larger number of Canadians?

I think the need for this is illustrated in the very membership of the House of Commons. I think it is fair to say that more than 50 per cent of members of parliament are self employed. As I look over the number of occupations represented in parliament I am impressed, not only by the rich diversity, but also by the way in which certain occupations are much more largely represented than others. There are 20 businessmen, two contractors, one druggist, 18 farmers, 5 industrialists, 63 lawyers, 13 merchants, 1 notary, 1 osteopath, 2 ranchers, 7 doctors, 2 veterinarians and 3 publishers, for a total of 148.

Probably most members of parliament are self-employed or in occupations and professions in which they would find it relatively easy to become self employed. I do not mean that their businesses or professions are in any way easy but it is certainly easy to become self employed if you are a member of a profession or experienced in business.

So I put it to you that we should think more in terms of parliament representing Canada as it is, and Canada is certainly not a country where 50 per cent of the people are self employed but rather, most Canadians are working for a corporation, a small business or an institution. I think that if most Canadians are to have a chance to stand for parliament and seek public office, they must have this kind of opportunity.

I think there are two important precedents that give support to the bill before us. The first of these was legislation passed in 1942 by the parliament of Canada called the Reinstatement in Civil Employment Act. It was a forward looking measure that anticipated the economic insecurity forced upon a large number of Canadians who had volunteered for armed service and who, in many instances, had no guarantee that when they came back from service overseas or from another part of Canada they would have a job to return to.

Some companies, in a spirit of patriotism and social responsibility, had made that kind of guarantee, but not all employers had made it. So in 1942 parliament passed the Reinstatement in Civil Employment Act which required all employers to reinstate in employment any member of His Majesty's forces who was employed before

going on active service. If we could do that for armed service, in time of war, why can we not do it for public service in time of peace? If it was right then, it is right now. We could do it then, so let us do it now.

● (1730)

The second precedent that gives support to my proposal is the Quebec Elections Act which in two instances accepts the principle that this bill, C-105, enunciates. I think the national assembly of Quebec has taken a forward step in this regard. The Quebec Elections Act requires, in respect to election officers, that an employer is required to allow any employee to be an election officer and to give him time off from work, and is forbidden to dismiss him on that account. Section 142a of the same act provides that every employer whose employee is a candidate must allow the employee to absent himself until the day following polling day; the employer is forbidden to dismiss him on that account, and does not have to pay him. The act provides penalties for any employer in the province of Quebec who does not comply with this provision; he must make it possible for an employee to be an elections officer or a candidate, if the employee has requested time off from his duties, without jeopardizing his future. If we extend that principle to cover the time off work that would be required for persons to serve at least one term in parliament, then we would achieve an objective which, I submit, would be welcomed across the country, one that would make it possible for Canadians to realize their aspirations.

We do not need to have any serious apprehensions about creating difficulty for an employer. For one thing, if this bill were enacted it would affect only those Canadians who are seeking public office, and that number is never enormous. In any case, it would affect most of all those who become candidates for the major political parties; consequently, we are only thinking of about 1,000 candidates every four years or so. As well, we are thinking in terms of a fraction of the 264 persons elected to parliament because there would always be a significant number of members who would be self-employed. We are thinking of a small and manageable number who would be able to contribute to the well-being of their country.

In closing, Mr. Speaker, I would refer hon. members to "The Great Canadian Stampede", by Alan Heisey. I think we can take his words very seriously in light of this problem. A little more than ten years ago the writer considered offering himself as a candidate for parliament and was challenged by his employer. He had to make a snap decision whether he would go ahead with his ambition to serve the people of Canada, and jeopardize his future and risk his family's security, or back off. At page 104 of his book he writes:

> Before citizens can play larger roles in the political process there needs to be a clearer authority for such activities. Large corporations often discourage their employees from taking an interest in public life...
>
> ... we need ... clarification in every jurisdiction of the right to elected office. Only if you have been faced with a weekend to decide between withdrawing from a commitment to public office or facing instant dismissal from your employer, can you fully share the sense of need.

That is one voice from a fellow citizen outside this chamber. Let us listen to that voice, let us recognize realistically that his view is shared by a large number of people, and let us do something about it. This bill gives us such an opportunity, and I hope members from all parties will join in making it possible for the bill to stay alive in order that it may go to committee for further study and, hopefully, at a later date become part of the law and the practice of this land.

Mr. Maurice Foster (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is a great pleasure to speak on this bill this afternoon, because it is not a bill that we would look at in a partisan way but one that should concern us all as individual parliamentarians or citizens. I am sure there are few of us who did not have a great deal of concern, when we decided to seek public office at the federal level, about giving up a profession or a job often in the most productive years, to devote ourselves full-time to being an MP. We must all have wondered what would happen when we tried to re-establish ourselves in our professions or jobs after a period of time.

I compliment the hon. member for Scarborough East (Mr. Stackhouse) for bringing forward Bill C-105 to amend the Canada Elections Act. The bill introduced by the hon. member and given first reading on March 18, 1974, proposes to provide to employees to whom the Canada Labour Code, part III, is applicable, leave of absence, with or without pay, to seek nomination. It would also require an employer to grant an employee elected as a member of the House of Commons leave of absence, without pay, for up to and including five years.

In any democratic jurisdiction it is recognized that it is the duty of every qualified citizen to participate in the political process of the nation and, should he aspire to being a candidate for election, that the restrictions of his employment should, in so far as reasonably possible, be removed to permit him to exercise this civic duty. This, in essence, is the provision of section 23(14) of the Canada Elections Act and is reflected for the public sector employment in section 32(3) of the Public Service Employment Act, recognizing that such action by the employee should not prejudice his continued usefulness to the public service. This provision is a natural consequence of protecting employees who wish not to sever their public service employment in the event they are unsuccessful in being elected and to ensure that the public service retains its politically neutral character.

Under the PSEA a public servant, if elected, ceases to be an employee of the public service. Bill C-105 would require employers to grant leave of absence, without pay, to an employee elected to the House of Commons, for up to five years. The rationale of this provision is to provide security to the employee to return to his former employment, should he so elect, after one tour of duty as it were, in the House of Commons.

The motives behind this provision are commendable, to a point. While the number of persons taking advantage of such a provision would no doubt be small, the impact on the employer either in the public or the private sector should be examined to determine whether such a provision is fair to an employer. It should be noted, of course, that in most cases federal jurisdiction in labour matters relates to large corporations: banks, railways, shipping companies, airlines and other national corporations. Usu-

ally we are not considering the small employer, the employer who hires two or three people. I think that the heavy financial burden involved in this proposal would weigh heavily upon an employer who is without considerable financial means. In addition, we should consider the possible effects on the employee if he should wish to take advantage of such a provision were this amendment to become a reality.

● (1740)

In the past, such provisions have been brought in on a fairly large scale, in the event of a major conflict, as an incentive to providing the necessary manpower to achieve mobilization plans. Employers undertook to respect the spirit as well as the letter of such provisions as their contribution to the nation at a time when its existence was threatened. This aspect of employment security has not been considered necessary at times other than of national emergency. This bill seeks, for a very small group, special provisions for such security up to five years. Such security has been recognized to a degree by providing legislation to ensure a pension to any member of the House who has served in more than two parliaments.

One must consider the position of the employer in the private sector who would be required to rehire the employee, without notice, at any time up to the five-year anniversary date. The bill does not refer to the type of employment or level which upon return the employee would expect. In certain cases his seniority might be respected, whereas in others, especially where the absence had been for some time, one can anticipate that circumstances would have altered to the point that the rehiring would cause embarrassment to both employer and employee.

Turning to the public sector—as I see it, this provision would apply to Crown corporations—similar embarrassment could result for both employer and employee. As mentioned earlier, the Public Service Employment Act makes no such provision for extended leave of absence, and we believe that none should be considered if it is intended that we continue to respect the character of a politically neutral public service. I believe the committee must examine this aspect of the question. If someone has been active in the House of Commons in a partisan way—and we must be partisan if we are properly to carry out our function—can that person, if he is again employed in the public service, assume the degree of political neutrality which we expect of our public servants?

We must also remember that this legislation would affect only a small part of the labour force. I do not say that we should not pass this bill because it affects only a small number of people, but we must recognize that only about 6 per cent of all employees in the nation are covered by federal jurisdiction respecting employment. Those coming under provincial jurisdiction would not be included. As I understand it, this measure would not apply to persons of federal civil service status. This is another aspect which we must examine.

Is it desirable for people to play a politically partisan role and at the end of five years return to the public service: would not the political neutrality of such a person be destroyed? I think most members will recall the case which arose a couple of years ago of the public servant who wished to be nominated. The request was refused. In the case in question the public servant played a special role requiring a high degree of independence. We must consider the many aspects of this bill. We are all concerned about the heavy responsibilities members of parliament must assume personally, and about the loss they must suffer through not following their careers or professions during time spent in the service of the House.

I want this bill to be examined by the committee. Let it be examined objectively by members of parliament who could be much affected by it. We must be cognizant of the heavy workload of the committee in connection with the electoral boundaries readjustment references now before it. Although that work must be done, I am confident that this bill will receive some consideration in the committee. Having said those few words, Mr. Speaker, I will sit down and allow other hon. members to speak.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I am pleased to have the opportunity of saying a few words on the bill before us. I am pleased, also, the party opposite will allow this bill to go to committee. I hope it will not be held up for long in committee. My party has always believed in giving individuals the freedom to run for political office. Quite a few provincial governments support the concept of leave of absence for persons who want to run for political office at the federal, provincial or municipal level. I myself was fortunate in being granted leave of absence on a year to year basis for as long as I need it. Mine is a very broadminded school board. I know of other teachers who have become members of this House but who were not able to obtain leave of absence. Clearly, there is no equality of opportunity for people to become members of this House.

I support the principle of this bill and would go even further than it does and extend the term contemplated to ten years or even for an indefinite time. Some employers are already doing this. I know that in the past some employers have harassed employees of a different political stripe who wanted to stand for nomination. A couple of years ago a story appeared in the daily newspapers of my home province concerning a chap in Vancouver who wanted to run for the NDP. His employer, obviously of a different political stripe, denied the employee, who was an executive in a small corporation, the right to be nominated. In the end, bowing to pressure exerted on him the would-be candidate withdrew. That does not speak well of our democracy.

When I was first nominated in 1968 I applied for leave of absence. My school board granted me eight weeks leave of absence without pay. Several weeks later I heard that my school board had been called by some political hatchet man who had asked, "Can Nesdoly remain as school principal if he loses the election, in view of his political beliefs?" This is the sort of thing that people in my party and, I am sure, those in other parties have had to face on occasion.

● (1750)

If we really believe in practising democracy we should bring forth legislation that will protect the rights of people who run for office, if they so desire. On that note I

will resume my seat and give other members a chance to say a few words. Or perhaps we could give this bill second reading now.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I wish to congratulate the parliamentary secretary for the position he has taken on behalf of his party. I think the principle of this bill is worthy of consideration. The parliamentary secretary dealt with one matter with which I somewhat disagree, namely, the position of the public servant. I do not think a public servant, or any other person who has sat in this House, is tainted for the purpose of resuming his employment. We have examples of such men in Mr. Justice Abbott, the Hon. Davie Fulton, now a judge, Judge Clunis, and Judge Honey. Should such men be disqualified, because of service in the House of Commons, from sitting on the bench? Being a member of the House may be a broadening experience; in fact, it may make them better judges because there is an element of judgment and discretion which a member has to exercise and with which he learns to deal. I dare say the hon. member for Winnipeg North Centre (Mr. Knowles) would agree that sitting in this House should not even disqualify one from sitting in the Senate.

Mr. Knowles (Winnipeg North Centre): Oh, oh!

Mr. Baker: I really rose on behalf of public servants, to put forward that caveat and to congratulate the parliamentary secretary for the position he has taken, because we are dealing with a very important principle.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. Foster: Mr. Speaker, perhaps we could call it six o'clock, it being almost that time.

Mr. Knowles (Winnipeg North Centre): With the mood the House is in, maybe we could pass another bill.

The Acting Speaker (Mr. Laniel): Hon. members have heard the excellent suggestion of the parliamentary secretary. Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock and the time allotted for consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWERS IN DISPOSING OF PUBLIC LANDS

The House resumed consideration of Bill C-6, to amend the National Parks Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development.

Mr. Deputy Speaker: Order. We are considering motions Nos. 6, 7 and 8 which should be grouped for the purpose of debate as has already been indicated. Motion No. 6 might be voted upon separately. It is also suggested by the Chair that the vote on motion No. 7 should also dispose of motion No. 8. Unless hon. members quarrel with this thinking, this is the way in which the Chair suggests we should proceed.

Mr. Barnett: As Your Honour is aware, the three motions deal with the same subject matter. Two are in my name and one is in the name of the Minister of Indian Affairs and Northern Development (Mr. Chrétien). I think you will find that motion No. 7 embraces in its subject matter my motions No. 6 and No. 8. If it were agreeable to the House, I would be willing to agree that we discuss and reach a decision on motion No. 7. If that motion were to pass, it would become the text of the bill as amended and then, in the circumstances, it would be acceptable to me if I were permitted to drop my two motions. Thus, I suggest we debate motion No. 7 which stands in the name of the minister.

Mr. Deputy Speaker: The House has heard the suggestion of the hon. member for Comox-Alberni (Mr. Barnett) that we consider motion 6, 7 and 8, but that instead of putting motion No. 6, the Chair should put motion No. 7, and that the disposition of that motion would determine the other two. The hon. member has raised a good point of order. Perhaps I could hear other hon. members thereon.

Mr. Neil (Moose Jaw): Mr. Speaker, since the motions concern the same subject matter we are agreeable to dealing with them at the same time and the debate taking place on motion No. 7.

Mr. Chrétien: Mr. Speaker, the purpose of motions 6 and 8 is included in my own motion No. 7, and if we were to dispose of motion No. 7 we would be disposing of motions 6 and 8 in the name of the hon. member for Comox-Alberni (Mr. Barnett). However, I would not want to take the credit away from the hon. member for Comox-Alberni: it is really his motion, anyway.

Mr. Deputy Speaker: I gather that it is agreed, and it is so ordered. For the record, I shall put the three motions and we shall consider them as a package on the under-

standing that the fate of the other two motions will be determined by the disposition of motion No. 7.

The hon. member for Comox-Alberni (Mr. Barnett) moves:

Motion No. 6.

That Bill C-6, an act to amend the National Parks Act, be amended in subclause 11(1) by deleting lines 6 to 17 at page 7 and substituting the following therefor:

"mation, set aside as a reserve for a national park of Canada, pending settlement of any right, title or interest of the people of native origin therein, the lands described in part I, II or III of schedule V to this act or any lands within the boundaries of the lands described in part I, II or III of that schedule, and upon the issue of a proclamation under this section, notwithstanding any other act of the parliament of Canada, and save for the exercise therein by the people of native origin of the Yukon or Northwest Territories of traditional hunting, fishing and trapping activities, the *National Parks Act* applies to the reserve so set aside."

Mr. Deputy Speaker: Who seconds the motion?

Mr. Chrétien: I will second it, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The Minister of Indian Affairs and Northern Development (Mr. Chrétien) moves:

Motion No. 7

That Bill C-6, an act to amend the National Parks Act be amended in clause 11:

(*a*) by striking out lines 6 to 17 on page 7 and substituting the following:

"mation, set aside as a reserve for a national park of Canada, pending a settlement in respect of any right, title or interest of the people of native origin therein, the lands described in Part I, II or III of schedule V to this act or any lands within the boundaries of the lands described in part I, II or III of that schedule, and upon the issue of a proclamation under this subsection, notwithstanding any other act of the parliament of Canada, and save for the exercise therein by the people of native origin of the Yukon Territory or Northwest Territories of traditional hunting, fishing and trapping activities, the National Parks Act applies to the reserve so set aside as it applies to a park as therein defined."

(*b*) by striking out lines 40 to 45 on page 7 and substituting the following:

"Further proclamation" (3) Following a settlement in respect of any right, title or interest of the people of native origin in lands set aside as a reserve by proclamation issued under subsection (1), the governor in council may, by further proclamation, set aside such lands, or any portion thereof, as a national park of Canada, and upon the issue of a proclamation under this subsection, notwithstanding any other act of the parliament of Canada but subject to the terms of any such settlement, the National Parks Act applies to the national park of Canada so set aside as it applies to a park as therein defined:"

The hon. member for Comox-Alberni moves:

Motion No. 8.

That Bill C-6, to amend the National Parks Act be amended by deleting lines 40 to 45 inclusive at page 7, being subclause 11(3), and substituting the following therefor:

"(3) Following settlement of any right, title or interest of the people of native origin in the lands designated in subsection (1), and subject to the terms of any such settlement, the governor in council may, by further proclamation, set aside such lands, or any portions thereof, as a national park of Canada."

Mr. Thomas S. Barnett (Comox-Alberni): I have been a member of this House for a number of years, as you know, Mr. Speaker, and to my recollection this is the first occasion on which any motion of mine has been seconded by a minister of either this government or a previous government of any political stripe.

[Mr. Deputy Speaker.]

Some hon. Members: Hear, hear!

Mr. Bell: It shows you who is running the coalition.

Mr. Turner (Ottawa-Carleton): It is a high-water mark.

Mr. Barnett: Some of us might call it a low-water mark.

Mr. Knowles (Winnipeg North Centre): It shows that even the government can be right once in a while.

Mr. Barnett: I wish to say seriously, however, that I am pleased the minister has agreed, in effect, to endorse this proposal of mine. In some respects I consider it to be the most significant of the changes which are being made in the original draft of the bill which, as hon. members will recall, we received from the other place. Quite frankly, Mr. Speaker, after much discussion in the committee I feel that a proper recognition of the rights of the Indian and other native peoples of Canada to be able, with some degree of equality, to negotiate a settlement is as well embodied in this amendment as in any measure that has come before this House.

● (2010)

As hon. members know, there are certain parts of Canada where no settlement by treaty or in any other form has yet been reached regarding what is sometimes referred to as native title. One of the areas of Canada where this is true to a great degree is the province of British Columbia, from which I come as a member of this House. But the same is also true of almost the entire area of the two territories. This is a situation that I think it is incumbent upon the House to consider, particularly in view of the existing constitutional structure which, for the time being at least, leaves the entire authority vested in the Crown, being the responsibility in this instance of the Minister of Indian Affairs and Northern Development (Mr. Chrétien).

To me, Mr. Speaker, this amendment and its passage have an importance in the context of our situation in Canada today which overrides almost any other consideration in relation to the withdrawal from normal exploitation of any lands in the territories. The amendment was originally proposed by myself in committee but was not, like certain other of my amendments, accepted. I therefore put it on the order paper, originally in the last session, for debate at the report stage without any foreknowledge whether it would receive support from any quarter of the House other than the caucus of which I am a member. I am hopeful that it will receive the unanimous endorsation of the House despite the fact that it replaces, in effect, an amendment which was moved before the committee by members of the official opposition and which, I may say at once, I did support in the form in which it was presented because at that point, as I have often had to do, I took the position that a half a loaf or a quarter of a loaf was better than none.

In view of some references, oblique and otherwise, that have been made during the course of this report stage

discussion as to whether or not I have changed my mind on certain matters, I think I should take a moment to outline the situation that has led up to our dealing with this amendment in this particular form tonight. As members of the House will recall, the committee travelled to the capital of the Yukon territory, Whitehorse, not under an order of reference dealing with this bill but under a reference of the annual report of the department. The committee heard representations in Whitehorse from quite a large number of the citizens of the Yukon territory on a variety of subjects. Because this bill was technically in the hands of the committee at that point, many of the representations that we received tended to centre upon this bill and its implications.

I think it is fair to say that as we listened to the representations that were made in Whitehorse great interest was shown about the Kluane park in the Yukon territory. While there was not what I would call unanimous support for the establishment of the park, I think there was general endorsation of the idea of a national park in the Yukon territory. In fact, as far as there was a representative voice of the Yukon in the form of its territorial council, that council made it clear to the members of the committee that they did endorse the establishment of Kluane park.

There were some serious questions raised about what this park might do to potential hydro development. Questions were also raised about what it would do in the elimination of possible mining development. But generally speaking I think it is fair to say that the people of the Yukon were interested in, and rather excited about, the possibility of a park in that vast, rugged area of mountain wilderness that runs along the easterly side of the coastal range. I think it is fair to say that that approach was acceptable to the Indian people of the Yukon territory, both those who are registered Indians and those who are sometimes referred to as non-status Indians. But they did have one very important reservation regarding their acceptance of the idea of a park, and that was that they did not want any hard and fast boundaries drawn—in fact, they said they did not want a park established—until they had completed the negotiations which are currently in progress on their land rights.

The amendment put forward to the committee in an informal way while it was in Whitehorse contained the provision that any establishment of a park should be without prejudice to the right, title or interest of the Indian people. As far as I am concerned, the idea of that amendment was sound enough, except that in law, so far as I could see, it did not effectively protect the rights of the Indian people to negotiate. However, I initially supported the amendment even though I felt it was somewhat inadequate in its actual terms. That feeling was borne out by the representations received from the president of the Yukon Indian Brotherhood. He made very clear his concern that establishment of this park as proposed would, in effect, effectively block any possibility of Indian negotiation regarding any of the lands, right or interest that they may have within the boundaries of such a park.

The basic effect of the proposal, at least as I saw it, was that the park having been established and its boundaries set, if later on it was recognized in negotiations that even as much as one acre of land within the boundaries of the park was land that remained Indian land, then this would have meant a special act of parliament would be required to remove that one acre of land from within the boundaries of the park. This was a conundrum with which I wrestled because I was very anxious that this rather unique piece of land should receive as soon as possible the kind of protection the National Parks Act provides for certain parts of the territories in Canada. At the same time, I did not want to be a party in any way to weakening the ability of the Indian people to negotiate a fair and complete settlement.

● (2020)

When listening carefully to the representations put to the committee by the spokesman for the Kluane park, I became more convinced that they had some real claims that should be considered in relation to the area involved. That is why I endeavoured to present to the committee an amendment which would clearly have established the intent of parliament that this area should be included in a park reserve, while at the same time putting it under the jurisdiction of the National Parks Act rather than having it remain in a park reserve in respect of which the minister has authority at any time to change his mind and decide to pull it out of the reserve. There is nothing to prevent that.

In fact, this was the position which had existed for some time in reference to Kluane, having in mind the fact that it was not in a park reserve, but a game reserve. In attempting a reasonable reconciliation with what to me were two important considerations, I felt this proposal offered a fair solution. For that reason I am pleased that the minister has agreed to lend his support to this idea. I hope all hon. members of the House will do so. I do not think it will do any substantial damage in respect of the desires of anyone concerned with the preservation of wilderness areas in Canada, particularly the unique ones, to make them part of our parks heritage.

As one individual who spoke to the committee at Whitehorse very aptly observed, if you are thinking in terms of a wilderness park, as long as you do not do anything to it, it will not go away. Having that concept in mind, I thought that was one of the wisest things I listened to in the Yukon, and I believe the proposal before us will ensure that Kluane park is preserved as part of our wilderness heritage. I may say that similar ideas have been put forward in written representations by the Indian and Innuit peoples of the Northwest Territories in respect of the Nahanni and Baffin Island park proposals.

I have here communications from organizations of the Innuit people and the Northwest Territories Indian Brotherhood that they agree with the soundness of the proposal we are discussing in this report stage amendment. I shall not take up the time of the House to detail them for the record, but I feel I should take a few minutes to draw to the attention of hon. members what I consider to be the basic importance of this report stage amendment. While I may have views that range from lukewarm to strong about some of the other issues we have been discussing, I feel the issues involved in this amendment are the most important in relation to what in all fairness we should or should not do at this point about setting aside lands which have

not been surrendered by the Indian people to the national parks system of Canada.

Mr. Doug Neil (Moose Jaw): I should like to say a few words in connection with the three motions, Mr. Speaker. I listened with great interest to the hon. member for Comox-Alberni (Mr. Barnett), and I gather he has changed his mind. He suggested that from the submission made to our committee the public generally in Whitehorse approved of the parks in principle, but I understood from what he said at various committee meetings that he and members of his party were concerned about public hearings in respect of parks. After listening to him tonight, I take it he feels there is no need for public hearings in respect of these parks in the territories.

Motions Nos. 6 and 8 put forth by the hon. member for Comox-Alberni have the same effect as motion No. 7, and after reading the motions I cannot help wondering why they were put forward in the first instance. Rather than setting aside lands for the Kluane and Nahanni parks, these motions would put the lands into reserves. Bill C-9, as amended in the committee, would set aside the lands as national parks, yet the effect of these three motions would simply reserve the lands. Perhaps this is a matter of semantics, but in both cases—in the original bill and in the motions as filed—the interests of the native people would be protected and in both cases the provisions of the National Parks Act would apply.

By virtue of the three amendments, the lands would be set aside simply as a reserve. In speaking on clause 10 earlier today I said that the establishment of these parks was really a fait accompli and that the matter did not require a public hearing. The parks we are concerned about, namely, Baffin Island, Kluane and Nahanni, fall into a different category than those under clause 10. In effect, the amendments put forward by the minister and by the hon. member for Comox-Alberni would preclude the possibility of public hearings in respect of these parks. I had the opportunity of attending the committee meetings at Whitehorse last fall when we heard numerous representations from people in the area in respect of Kluane park. I felt there was some opposition to the park. There were suggestions concerning alteration of the boundaries, and so on. It seemed to me there should be, under these circumstances, public hearings in order to give all interested persons an opportunity to provide input to either the committee or to the department with regard to the park.

● (2030)

Also during the course of our committee hearings we heard from the Innuit and native Indian association with regard to Baffin Island park. It is my opinion that in the case of the parks with which we are concerned this evening there should be public hearings and public input. It is interesting to note that under clause 10 there is reference to the Pacific Rim and four other parks. When the minister moved his motion to amend the bill he retained subclause (3) which provides:

> The minister shall, at such time or times as he considers appropriate in the development of national parks in the areas described in subsection (1), hold public hearings in relation to the plans for the development of those parks.

[Mr. Barnett.]

When he came to the amendment contained in clause 11, he ignored the possibility of having public hearings with regard to the development of these three parks above the sixtieth parallel. I hope this was an oversight by the minister and I suggest that at some time in the future he bring in an amendment to the effect that when it comes to the development of these three parks above the sixtieth parallel he follow the procedure set forth under clause 10 regarding the Pacific Rim and other parks and hold public hearings to determine the feelings of the people concerning the development of the parks.

I also wonder, in respect of clause 11 which provides for 90 days' notice and publication in the Canada *Gazette*, why the minister retained the provision for publication in both official languages in various newspapers in Canada for four consecutive weeks, if there is no provision for public hearings to be held. I should like to know why the government would advertise in the newspapers for four consecutive weeks the intention to proclaim a park unless there were some provision to allow interested persons to provide an input. If there is no such provision, then it seems to me we are just wasting the taxpayers' money because there would not seem to be any purpose in advertising in the newspapers and saying we are proclaiming a park, if the public is to have no input. It would seem to me that if the newspapers learned that a park was to be developed, they would be happy to publish this information as a news release.

In summing up, Mr. Speaker, I would ask the minister, in respect of this particular clause, to consider in the immediate future bringing in amendments to the act so that clause 11 will be in accordance with clause 10 and will provide for public hearings on the development of parks.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to say a few words on the amendment before us. I wish to congratulate the minister and the hon. member for Comox-Alberni (Mr. Barnett) for bringing in amendments that are very similar. I understand that the hon. member for Comox-Alberni has withdrawn his amendment because the two amendments aim at the same objective, which is the recognition and, hopefully, the settlement of aboriginal claims in the north. It seems to me that this is a forward step.

I suggest to the minister, through you, Mr. Speaker, that similar action should be taken with respect to other lands not within park areas. Surely if we can deal with the rights of the native people in northern Canada within the confines of a national park, it makes sense that other lands should also receive similar treatment especially in view of the recent application by a consortium of 27 companies to build the Mackenzie Valley pipeline.

It would seem to me that a great many problems could be solved by the government of Canada if it would tackle the problem in a manner similar to that provided in the amendments before us tonight. I realize, as I believe every member of this House realizes, that this amendment is turning new ground so far as government is concerned. I do not think we need be too apprehensive. The natives in northern Canada have claims. These have been resisted by federal governments over the years and finally, within the last few months, we have witnessed a decision by government to recognize that some of these claims are valid and

at least should be discussed on the basis of what the natives in these areas should receive. I said earlier that is one of the reasons I certainly endorse these amendments and intend to vote for them.

While we are on the matter of national parks in the north and the rights of the native people in respect of areas which might be covered by them, there are one or two more comments I should like to make. There is no doubt that national parks, or their establishment, have been neglected over the years. National parks represent a heritage we in 1974 can leave to those who come after us. While the setting aside of great chunks of the northern territories for national park sites might seem to be excessive in light of the small number of people living in the area, nevertheless we must realize that as time goes on these will become areas of great importance. They will be wilderness parks where 50 or 100 years from now people will find out what Canada was really like. I regret deeply that more land in the southern section of Canada was not set aside for similar purposes over the years, for as time goes on we are losing some of the choicest sections of our country. Some of the rights within these areas of course have to be negotiated, whether it is north of the sixtieth parallel or in national parks' sites within the established provinces.

● (2040)

I do not think there is much more that I wish to say about this question, but I again urge the minister to deal with the Canadian territory north of the sixtieth degree of latitude, and I point out to him that there are other areas outside national parks which should receive attention similar to that which I hope we will take through this amendment to the National Parks Act. Again, I tell the minister that he is moving in the right direction. Although we would like to see him go a little further, we intend to support this amendment because it is good for Canada and it will, I hope, resolve one of the most serious problems facing us in the settlement of aboriginal rights in the northern part of Canada.

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

Some hon. Members: Question.

Mr. Deputy Speaker: According to my understanding, we are now dealing with motions Nos. 6, 7 and 8 and it is agreed that a vote on motion No. 7 would also dispose of motions Nos. 6 and 8. Is it the pleasure of the House to adopt the proposed amendment?

Some hon. Members: Agreed.

Motion No. 7 (Mr. Chrétien) agreed to.

Mr. Deputy Speaker: Pursuant to the agreement that was reached earlier, this also disposes of motions Nos. 6 and 8.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved that Bill C-6, to amend the National Parks Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development, be concurred in.

Motion agreed to.

Mr. Chrétien moved that the bill be read the third time and do pass.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I would like to say a few words on Bill C-6, particularly with regard to a very unique area, namely, the short grass area in the southern prairies. This area is unique and fragile. It is disappearing, and it offers a challenge to those who would like to see it made into a national park. Of course, the question is whether it is possible to preserve the prime ecological features of the area and still have a park for all. I must say that in my heart I have great sympathy for the minister and his endeavours in this regard. The requirements must be specific. Government authorities, federal and provincial, must operate in such a way as to keep the residents of the area closely informed of the negotiations and the consequences of those negotiations so that the full support of the people in the area may be obtained if a park is established.

There has been much opposition to the park in my area and most of the questions concerning the area between Val Marie and Killdeer in southern Saskatchewan have arisen because of the failure to make known to the ranchers in the area and to the general public answers to questions such as, why establish a park at all, and the pros and cons of establishing a national or a provincial park. People would like to know more about the actual proposed boundaries of the park and the consequences to the local inhabitants, as well as the park's attraction to the general public.

It seems only reasonable that the public, including the residents of the area, can make a wise decision on what they actually want only when they are given the factual information on which to base a decision. The government's answers that the information is confidential or that no decision has been reached have become not only frustrating but unacceptable. In his speech to the 1973 annual meeting ot the Saskatchewan Natural History Society, the Minister of Indian Affairs and Northern Development (Mr. Chrétien) met some of the conditions required when he stated that a new national park in this or any other part of Canada must not be established to the disadvantage of local residents whose way of life depends on their traditional use of the land. So I am glad to say that if these conditions are met, there would be much less opposition to the parks, and certainly the assurance that there will be no expropriation of ranches for this Grasslands park is a "must".

The minister further stated that there will be no compulsion on ranch owners within the ultimate boundary to move. The right of the owner to pass on his land, or the right to his land to his heirs would be undisturbed, and if and when a rancher chose to sell his property, the government would be prepared to buy it at a fair market price and to offer its services to assist the rancher to relocate.

It should be possible for some historical events, such as Sitting Bull's famous rendezvous at Pinto Butte, to serve as the focus for dramatic productions, for nowhere is the campfire more characteristic than in the pages of prairie

history, and campfires are always welcome focal points for visiting, relaxing and learning.

Now I would like to list a short summary of negotiations between the provincial government, the federal government and municipal governments in an attempt to establish this Grasslands park in the southern area of Saskatchewan. It spans a period of over 16 years. Progress has been very slow but I think we are moving toward the establishment of a park. I must say that I was very pleased yesterday to receive a letter from the office of the Minister of Indian Affairs and Northern Development, dated April 2, in which he said:

This is further to our previous correspondence about the proposed Grasslands national park in Saskatchewan.

You will be interested to know that we have recently had meetings about this on a senior level with the Saskatchewan Department of Natural Resources, and I understand that the Saskatchewan government will make a decision shortly.

I suppose it really all started in my area back in 1957 when the Saskatchewan Natural History Society introduced the idea of a Grasslands national park. Later on, in 1959, the same Saskatchewan Natural History Society passed a resolution urging the Saskatchewan government to set up a national grasslands preserve. In 1964, once again the Saskatchewan Natural History Society put forth an actual proposal for a Grasslands national park in Canada comprising some 25 townships immediately north of the U.S. border and extending from Killdeer on the east to Val Marie on the west. This area includes a diversity of habitats and scenery and contains a minimum of roads, fences and farm or ranch buildings.

Later on, in December, 1964, the Saskatchewan Stockgrowers at their annual meeting discussed the possibility of a Grasslands park and expressed the hope that grazing would be allowed. This was the point which was to become a major stumbling-block over the next few years. In 1965 there was an announcement by the federal government that an attempt would be made to establish the park in Saskatchewan and once more, in April, an announcement was made by the federal government that a search for suitable areas in southern Saskatchewan was to be carried out during the summer.

● (2050)

The federal government, in 1966, after consideration of the previous summer's investigation, concluded that the Val Marie area appeared most suitable for the park. Some of the other areas considered were Lost Mountain Lake, Qu'Appelle Valley, Moose Mountain and Estevan. Later on, in 1966, the first sour note was revealed in a letter from Saskatchewan's public works minister who opposed the proposal. In 1967, more concern was expressed by Saskatchewan members of the legislature. The suggestions were that the prairie park be established in a province other than Saskatchewan. Then we move to 1969, with an announcement of a stalemate in negotiations between the two governments. This was the first of several that blocked progress toward the Grassland national park.

In 1970, active negotiations were reopened between the provincial and federal governments. Later on, in 1970, the federal government released a statement which said that the signing of the park agreement was little more than a formality now. They stated that all major difficulties

[Mr. Hamilton (Swift Current-Maple Creek).]

appeared to have been overcome. However, the provincial government replied stating that details had yet to be worked out, and the signing of the agreement was still quite far away. Still later on, in 1970, a guarantee that the grazing rights would be left or there would be no park was the crux of a statement issued by the premier of Saskatchewan. Later still, in December, a letter from the minister in Ottawa and Regina had been resolved. In 1971, the first direct contact with the ranchers occurred when members of the provincial government in Saskatchewan held a meeting in Fir Mountain, and it was here that the ranchers expressed concern over a park policy which did not allow grazing within the park.

I should like to digress for a moment, Mr. Speaker, and say that it is less than 100 years ago that a Minniconjou Sioux war party arrived in my area of southern Saskatchewan. As a matter of fact, in 1876 several lodges of Minniconjou Sioux, led by White Eagle, arrived at Wood Mountain. These Sioux had fled from Minnesota following violent conflicts with the whites over land rights. The situation grew worse when in June of the same year the Sioux, under the leadership of Crazy Horse and Sitting Bull, gathered at Little Big Horn to completely annihilate Colonel Custer and his 212 troops. The Sioux became a people on the run, turning to Canada and the Wood Mountain district for the protection of the Great White Mother. We know the rest of that story, Mr. Speaker.

Later in 1971, a liaison committee of ranchers was formed to help communications between ranchers and the government. Early in 1972, it was pointed out in Regina that if the federal government did not soon create a park, the provincial government would proceed in establishing a provincial Grasslands park. Then in May, 1972, negotiations were terminated by the provincial government when the conditions they set out appeared to be unacceptable to the federal government. In October, 1973, the federal minister announced that the federal government was willing to allow grazing rights within the park but that mineral rights would not be given up. It appeared that the federal government was willing to go halfway.

The premier of Saskatchewan stated that if grazing rights were allowed, mineral rights would be negotiable, so although there now seems to be no real obstacle to the establishment of a national Grasslands park in the Canadian plains, we cannot as yet be sure that negotiations will be completed. Developments to date have been extremely slow, but I believe that people are increasingly aware of the need for preserving samples of natural areas.

I conclude by saying that the vast grasslands are gone for ever and neither this generation nor generations to come can ever hope to replace them. But in the sparsely inhabited lands between Killdeer and Val Marie there exists a part of this vanishing legacy. I only hope that we realize in time the value of this prairie heritage, before all that remains would be the scars of technology.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I should like to begin by commending the hon. member for Swift Current-Maple Creek (Mr. Hamilton) on his remarks in this third reading debate on the amendment to the National Parks Act, and for bringing again to the attention of the House a subject which is of great concern to the southern area of Saskatchewan. This Grasslands national park, as

outlined by the hon. member, has become a controversial issue in southern Saskatchewan and I should like to touch upon some aspects of that tonight, particularly the manner in which negotiations have taken place to date.

The problem with the operation of government departments is that often one department does one thing and no other department knows what is being done. I say this to my hon. friend because while the Department of Indian Affairs and Northern Development is seeking to establish Grasslands national park in the corner between my hon. friend's constituency and my own for the preservation of national heritage, the Department of Regional Economic Expansion has signed a general agreement with the province of Saskatchewan for regional and industrial development. What kind of development do they have in mind, Mr. Speaker? The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and I have been interested in the development on one side of the southern Saskatchewan area of a large inland lake running between Weyburn and Estevan in order to create an industrial base. Mr. Speaker, that is not entirely congruent with the development of the tourist industry.

At the other end of the constituency running into Coronach in the area where they are attempting to put the Grasslands national park, the Saskatchewan Power Corporation is carrying out an examination of the possibility of building a large hydroelectric power project. This would employ hundreds of people and maybe reduce some of the unemployment for the people of areas like Moose Jaw. That kind of development is not entirely congruent with the establishment of the Grasslands national park. There is general agreement between the province of Saskatchewan and the government of Canada. Under this agreement the Department of Regional Economic Expansion has the right to sign a subsidiary agreement. I suggest that they should do this and establish an over-all game plan for this development in southern Saskatchewan.

It is often assumed that the tourists are dragged into northern Saskatchewan where there is already a national park with lots of land, lakes, trees, etc. I submit that in southern Saskatchewan, running from Moose Mountain park through to Cypress Hills, there is real scope for the development of an alternative route to the Trans-Canada highway. If people were routed through Kenosee Lake down to Highway 13 and through the southern part of Saskatchewan, perhaps the Grasslands park could be developed without disrupting the livelihood of the people. We would be able to develop other aspects of the tourist industry in the area of my hon. friend, the member for Swift Current-Maple Creek, and in Assiniboia. A considerable number of French communities have settled there and have developed their culture. For instance, in the community of Willowbunch you will find a bilingual museum, some of which was built with OFY grants. You will find evidence of a marvellous history, of which most people travelling through Saskatchewan are not aware.

● (2100)

In the community of Flintoft you will find, unless it is torn down, evidence of the Roumanian culture of the people who settled in the area. If your game plan is to develop routes through southern Saskatchewan, you could develop an alternate route which would include cities like Moose Jaw, the areas of Swift Current-Maple Creek, Qu'Appelle-Moose Mountain—to show I am not partisan—and Assiniboia.

An hon. Member: That is highly unlikely.

Mr. Knight: The hon. member thinks that my lack of partisanship is highly unusual. Speaking of the tourist business, the hon. member mentioned Sitting Bull and referred to the Sioux, the tribe which went back to the United States where many were slaughtered. Some of those people stayed in the Wood Mountain country. The Big Muddy is where the outlaws operating in the Dakotas and Montana used to hide in days when U.S. marshals wanted to bring them to law. This could be developed into a tourist attraction.

I am trying to convey to members of the House the tremendous potential there is for developing the tourist industry in southern Saskatchewan if only the correct game plan is followed. Of course, it will be difficult to develop the tourist industry if, less than 50 miles from an attraction, you allow a strip mining operation to deface the land. If strip mining is carried on, I do not care whether under a Conservative, Liberal, Socialist or Social Credit government, you had better institute a program to reclaim land. Do not leave those ugly hills, which were left in Estevan, over which when I was a kid I used to scramble. What happened was a terrible example of misuse of land after it had been strip mined. Strip mining is still going on. It is not a pretty sight. I know that water basins are formed with a view to creating an interest in fishing. I suspect that local residents mainly do the fishing. Many have been interested in seeing grassland parks established. The former member for Regina East and I have studied documents which came from the government two years ago dealing with matters which the hon. member for Swift Current-Maple Creek dealt with in his remarks.

On the basis of recent statements made by the Minister of Indian Affairs and Northern Development in Regina, I think there is a new willingness to accommodate the wishes of people who live in the south country and who are interested in preserving grassland. If the governments at Regina and Ottawa could keep open avenues of communication, I suspect the situation could improve. It will not improve if there is bungling on the part of civil servants, if one group says one thing and another something else. The main thing is that they should be interested in establishing communication.

I think hon. members of the House are interested in seeing national parks established in places like southern Saskatchewan in a way that will not be detrimental to the people of the area. There is a long history of national parks being established in a way that does not take into account the interests of local people. For instance, a national park was established in Newfoundland and the interests of the fishermen in the outports was not taken into account. Much bitterness arose as a result. Sometimes local people are bitter when young people from other parts of the country come to their national park in summer and get employment. There is bitterness when locals have not been able to obtain employment. These remarks apply to Prince Albert national park. I do not think there was any

difficulty when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister, but there has been a lot of trouble since then.

If you want to establish a national park anywhere, you must be flexible in your approach. This government speaks of communications, of retaining the rights of farmers and ranchers to grazing, and of trying to accommodate the wishes of local communities. These things must be done if you want to establish a national park. After all, the preservation of our heritage is in the public interest; therefore, you must heed the interests of local people. They want to learn what is happening. Do not establish the park in such a way as to create suspicion and mystery. Let people know what is involved. The government must communicate, accommodate and consult if it is to meet some of the grievances of those who are affected by the establishment of national parks.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I was delighted to see the hon. member for Assiniboia (Mr. Knight) involved in this debate. He anticipated some of the remarks I intended to make on third reading of the bill, particularly the emphasis I would place on the necessity for consultation. I do not know if the hon. member was in the House earlier today when his party reversed itself on this issue. I am sorry the hon. gentleman did not speak earlier because, knowing his eloquence, I am sure he would have persuaded some of his wavering colleagues of the error of their ways. I refer particularly to the hon. member for Comox-Alberni (Mr. Barnett). I agree that we can only meet the rapid increase in demand for national park facilities if the minister, the government as a whole and departmental officials are willing to meet with provincial governments and then take part in meaningful consultation with the people who are involved in the area.

Our purpose in establishing a national park is not suddenly, overnight, to create a new situation. Unfortunately, in most areas of Canada that opportunity no longer exists. Our purpose is to place the natural areas of Canada, which have now been clearly designated, under the federal government's national parks branch with a view to developing these areas over a reasonable period of time as typical specimens of national beauty or, in the case of an historic site, restoring its significance as an historic site.

● (2110)

Several members today have spoken about the prairie Grasslands park. This particular topic has been thrown about for the past 15 years. The tragedy is that, as expressed by the hon. member for Swift Current-Maple Creek (Mr. Hamilton), the opportunity that existed 10 or 15 years ago has now passed. There has been development in that area which makes it impossible to establish a prairie park along the lines of the initial concept. In the early negotiations for this park it was hoped that by meaningful consultation with the provinces and the people who are settled in the area it would be possible to reach agreement whereby we could have a grasslands park that would straddle the Alberta-Saskatchewan boundary. It is difficult enough when Ottawa is negotiating with one province, but when you get a second province into the act you need to have the wisdom of Solomon and the sensitivity of a most polished diplomat.

[Mr. Knight.]

Mr. Chrétien: We will get one.

Mr. Dinsdale: Unfortunately, as I have viewed the activies of the government in this regard during recent years, they seem to lack these qualities.

Mr. Chrétien: We have created ten new parks.

Mr. Dinsdale: For example, the Suffield military reserve became available. It is already Crown land. If a proper approach had been made, it could have become the initial part of this greatly to be desired grasslands park area. It would have at least established a beginning for an area that is far too rapidly coming under the influence of commercial development.

This afternoon we were hoping to get the support of our friends in the New Democratic Party to re-emphasize once again the need for continuing consultation in the establishment of national parks. Unfortunately, that hope has now passed. In the vote earlier today at committee stage we were unable to convince NDP members in this regard.

Mr. Knight: Mr. Speaker, I rise on a point of order. I always enjoy listening to the hon. member for Brandon-Souris (Mr. Dinsdale), but I wish he would check what happened this afternoon and read the motion. It called for consultation, which is what we voted for and he voted against.

Mr. Chrétien: Good point. They are against consultation.

The Acting Speaker (Mr. Laniel): Order, please. This is more debate than a point of order. I should take this opportunity to point out to hon. members that we do not achieve very much by trying to pass judgment on previous votes. The debate will progress more rapidly if the hon. member will come to his point.

Mr. Dinsdale: I can understand the hon. member's sensitivity on this point.

Mr. Chrétien: Tell the truth: you are not for consultation.

Mr. Dinsdale: Hon. members have been swallowing themselves so consistently recently that I notice even the hon. member for Winnipeg North Centre (Mr. Knowles) has a slight tendency toward corpulence. As I understand what took place this afternoon, we had worked together—

Mr. Chrétien: Mr. Speaker, I rise on a point of order. The hon. member is still discussing the vote of this afternoon. That is against the rules of this House. I would also like to say that his party voted against consultation. But if I am not permitted to do that, the hon. member should not be permitted to comment on this afternoon's vote. He does not have the right to discuss the vote of this afternoon.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order, please, I am sure the Minister of Indian Affairs and Northern Development does not want to decide for the Chair, that he has confidence in the person who is sitting in the Chair and that in due time we will see to—

[*English*]

Mr. Dinsdale: I can understand why the minister is somewhat confused about this matter.

Mr. Knight: I think I know who is confused.

Mr. Chrétien: You are confused. You are against consultation.

Mr. Dinsdale: At the moment we are running a two ring circus in northern affairs. A committee is meeting on another part of the Hill with members who are interested in northern affairs, particularly the very important question of local government and autonomy for the Yukon and Northwest Territories. I would like to be there. I am sure the minister would like to be there tonight. In fact, I just came from that committee meeting. Because the minister was not able to be present tonight, his parliamentary secretary suggested that we have an extraordinary meeting tomorrow morning so that the minister will have the opportunity of consulting, if I may use that word, the members of the committee. A situation has developed because members of parliament were able to meet with the elected representatives of both the northern territories in order to get the local viewpoint on the question of autonomy.

I shall not pursue the question of consultation and whether the vote this afternoon was for or against consultation. However, I want to make the point that as a result of the visit of the parliamentary committee to the national parks last August and again in December, members of the opposition came to the conclusion that the bill now before us does not make provision for consultation and deliberation with the people concerned in areas where national parks are proposed.

The hon. member for Comox-Alberni, who concurred in our viewpoint in this regard and supported our amendments, which were reversed by the amendment introduced by the government, would agree that what we heard at Banff, Jasper, in the Northwest Territories and Whitehorse in the Yukon had a strong influence on the attitude members of the committee took in subsequent discussions on the legislation that is still before parliament. In those deliberations we discovered we were fighting a strawman with regard to the idea that the public is against the conservation, reservation or designation of representative, substantial areas of land that would preserve our natural heritage. We discovered that the people, particularly in Banff and in the national parks which were established initially, are entirely in sympathy with the concept of the wise management of these national resources and their multiple use.

● (2120)

However, a problem arises when the minister refuses to listen to the legitimate requests put forward by these people and when his officials refuse to listen to legitimate representations. Some of the officials were with us, and I am sure we all came to the conclusion that as far as the support of the public is concerned, the battle has been won. This is the feeling which emerged from the friendly conversations and discussions in which we engaged.

We are now considering this bill on third reading. There is not much we can do, unless we get support from the New Democratic Party, to move the government in the direction of public consultation, but I trust that when shaping future national parks hon. gentlemen opposite will think in terms of a more diversified program. National parks fall into only one of the categories required to meet the leisure time needs of a growing Canadian population. We need wilderness parks, certainly—unspoiled heritage. But we also need multipurpose parks. In addition, we need to preserve historic sites, many of which are being lost.

I remember the opposition we encountered from the party which now sits on the treasury benches when the Conservative Party had responsibility for these matters. In particular, I remember their vitriolic opposition to establishing a national park in the Yukon territory to commemorate one of the most romantic periods in Canadian history—the gold rush and the trail of '98. We faced tremendous opposition simply because we were spending comparatively small sums of money, when viewed in the light of the astronomic expenditures of the present government, in preserving historic sites which are being lost all too rapidly. That particular project is now being resurrected. However, I do not think there is one building in the Yukon which has been preserved in the interim, other than the old theatre. So we need to move rapidly.

I shall not prolong my remarks, because there are others who wish to speak and time is limited. However, I believe that in the interests of developing our parks' program I should once again say to the minister that consultation is the name of the game. He still has not been able to persuade Ontario to make available the necessary land for national park purposes. He still has to negotiate some of the master plans which have been under consideration for the past 14 years and which would restore excellence to some of the western parks such as Banff, Jasper, Prince Albert and Riding Mountain. These have developed in a diversified manner to meet a multiplicity of demands.

When these master plans are finally placed before the people in the respective provinces, I trust adequate opportunity will be given for an expression of opinion and that the wishes of those concerned are taken into account. If the minister is willing to engage in consultation at this level, I hope we can convince him that the only way in which he can move rapidly toward the establishment of the number of parks we need is by encouraging this process of consultation right across the board.

Mr. Maurice Foster (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I should like to say a few words on the bill to amend the National Parks Act which is now before parliament for third reading. It is important we should note the tremendous progress which has been made in the last five years. During that period, the number of national parks has grown from 18 to 28 and the amount of acreage has doubled. Only four new national parks had been created in the previous 40 years. I know that all members, those in the official opposition and in other parties, would wish to extend congratulations to the Minister of Indian Affairs and Northern Development (Mr. Chrétien) who has carried out this magnificent program of expansion.

Provinces such as Quebec and Ontario, which had not co-operated previously in establishing national parks, have now done so. Not long ago there were no national parks in Quebec: now there are two. In Ontario there were three small national parks, all of which had been established on federally-owned land. But during those five years the Pukaskwa national park was established in the area west of Wawa on the shore of Lake Superior. It is one of the most magnificent national parks anywhere in the country; its rugged grandeur should appeal to almost any eye. I had the opportunity to go there with the initial inventory team. It took us three hours to fly over this park twice, using a Twin Otter. The Trans-Canada Highway gives access to this new park. In addition, I understand three new national parks were established in the Yukon and the Northwest Territories during that five-year period.

I turn for a moment to the subject of national parks in the province of Ontario and the need for further parks in that province. The establishment of Pukaskwa park represented a real breakthrough and is greatly to the credit not only of the minister but of the Hon. René Brunelle who was provincial minister at that time. I should like to speak tonight about the opportunity which exists for the establishment of the next national park in Ontario. I believe it should be established on Manitoulin Island, which happens to be in the federal riding of Algoma. This is the largest fresh water island in the world. It is some 100 miles long and varies in width between four and 40 miles. It has dozens and dozens of inland lakes and is a magnificent part of this country. Recreational land opportunities there are spectacular.

● (2130)

It happens that on Manitoulin Island there is a large amount of property owned by the Ontario Paper Company. They have shown interest in selling it for several years. Both I and the provincial member of parliament have been trying to encourage the two levels of government to co-operate together in purchasing it. The land is owned, in the final analysis, by American interests and would therefore be a natural piece of property to repatriate and to be owned by Canada. Manitoulin Island would be a natural place to establish the next national park in Ontario.

Some hon. Members: Hear, hear!

Mr. Foster: I note with encouragement that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) applauds my words. This tract of land comprises 78,718 acres. There are about 57 miles of lakeshore on Lake Huron and the north channel of Lake Huron. Besides this there are miles of inland waterfront property, all of it located in Dawson and Robertson townships which are at the extreme westerly end of Manitoulin Island. There is also a great deal of property on Cockburn Island which is located about two miles west of Manitoulin Island. The largest percentage of the land on Cockburn Island is also owned by this paper company. The land was previously used for pulp and paper purposes but it is not used as much now for forestry.

[Mr. Foster.]

One of the spectacular features of this proposal is on the north shore of Manitoulin Island, which is on the north channel of Lake Huron. It is considered the best boating area for cruising vessels in North America. People from all over eastern Canada and the United States go there to cruise. There are good boating facilities at the ports of Gore Bay, Little Current, Kagawong, and Meldrum Bay. The islands located in the north channel are often compared in beauty to those of the Greek Islands.

As I mentioned, this property has an estimated value of $5 million. but when you consider the value of the lakeshore and the recreational land available today, I think it would be a good move for the provincial and federal governments to co-operate in acquiring this property and establishing a national park. In a way they would be buying back an important, beautiful and valuable piece of Canada from foreign owners.

Access to Manitoulin Island, which would be very important to any new national park, is readily available from the Trans-Canada Highway, No. 17, utilizing Highway 68 from Espanola to Little Current. This coming summer, in the month of July, a new ferry service will be established plying between Tobermory on the Bruce peninsula to South Baymouth, Manitoulin Island. This new ferry service will cost over $9 million and represents another joint federal-provincial co-operative venture. Space for 110 cars will be available and the ferry will carry people rapidly to and from Manitoulin Island, providing much better access to central parts of southern Ontario. Likewise, there are good facilities for people coming by vessel to Manitoulin as well as by aeroplane to Gore Bay-Manitoulin federal airport. A new ferry service is being proposed from Meldrum Bay to De Tour, Michigan, which will provide ready access for visitors from the states of Ohio and Michigan who come in large numbers every summer. This access would be very important to any proposal for a new national park.

Support for the proposal to use the Ontario Paper Company property for park purposes has come from the Manitoulin Municipal Association, the Western Manitoulin Board of Trade, from the town of Gore Bay and from the economic development committee of Meldrum Bay. Recently we have received support from other members of parliament, such as the hon. member for York North (Mr. Danson). He has indicated there is real support among members from the Toronto area for more park and public recreational land easily accessible to this growing metropolitan area. This proposal would certainly be the best hedge against future needs for parkland for both central Ontario and northern Ontario. It would have important economic advantages for western Manitoulin. This area, which was at one time active in agriculture, logging and fishing, has declined in population in recent years although the opportunity for recreation there has never been better.

Therefore, I should like to compliment the minister on the progress he has made during the past five years on a national parks system. I hope he will take to heart this advice to locate a new national park on Manitoulin Island and that he will see it as an opportunity to establish an excellent new national park to serve not only the people of north and south Ontario but the rest of Canada.

Mr. Erik Nielsen (Yukon): Mr. Speaker, because this bill vitally affects the two northern territories in the establishment of one park in the Yukon and two parks in the Northwest Territories, I choose to speak this evening. I draw the attention of the members of the House to the fact that all afternoon and evening the Standing Committee on Indian Affairs and Northern Development has been considering Bill C-9, which is the principal reason that I and many other members who have been attending those committee sessions have been unable to participate in this debate. This is one more reason why standing committees should not be sitting while the House is sitting, particularly when the subject matter of a bill such as the one presently before the House conflicts directly with a kindred subject matter in a standing committee. There is no way members can split themselves into many different parts and attend to matters that vitally affect their constituencies, when this kind of programming occurs.

The first matter I want to deal with relates to the number of representations that have been received by members of the standing committee, and I presume by members of the House, from conservation and environmental organizations respecting the stance that this party took on the amendment that in committee stood in the name of the hon. member for Comox-Alberni (Mr. Barnett), requiring that before the establishment of any park occurred in the two northern territories, the approval of each of the two northern councils had to be sought.

● (2140)

Clause 2 of the bill makes it mandatory for the government not simply to seek the approval of but to seek the formal agreement of the provincial governments before any park is established or any boundaries are set. We in the two northern territories took the position that simple consultation was not enough. In 1970 when the Yukon Act was amended, the standing committee, when dealing with a provision which enabled the governor in council to dissolve the councils of the two territories prior to the expiration of the full term of four years, introduced an amendment which changed the situation of the governor in council consulting the two councils before such dissolution. Even that was distorted because the standing committee report to the House, and I can quote it almost precisely, said "where such consultation is deemed necessary or advisable". That kind of weasling wording means nothing. Now when we see a phrase such as that in clause 11 which obliges the governor in council to consult, we know it does not oblige the governor in council to do anything, such as seeking a formal agreement, so that the parks may be established in the north or altered after this so-called "consultation with".

The hon. member for Comox-Alberni and his colleagues in the committee quite rightly supported the position we took that that was not enough because it did not oblige the government to do anything of a concrete nature. What does consultation mean to tnis government? Surely my friends to the left have sufficient experience with the phrase "participatory democracy" as it was mouthed in 1968 to know that that kind of language means nothing. Surely they know that that kind of phrase is meaningless. The Indian people across this country have had enough experience, as a result of this participatory democracy, to realize that a phrase such as "after consultation with" means that there is a decision by the government and then they are told what the decision is. That is the process of consultation! It is in effect a fait accompli. The phrase "after consultation with" does not mean a damn thing.

Therefore, the hon. member for Comox-Alberni, his colleagues and members of this party on the standing committee, realizing the failure of the government to go through this process of consultation, decided to put some teeth into this bill. We deleted the phrase "after consultation with" and required the government to seek the approval of the elected representatives of the people in our two northern territories.

That brings me to another point and I will deal with the somersault of the hon. member for Comox-Alberni. I am greatly disappointed by the completeness with which that hon. member is able to swallow himself on many occasions.

Mr. Baker: He would rather switch than fight.

Mr. Nielsen: He was a strong advocate of the views of the committee that Canadians above the sixtieth parallel should be on an equal basis with Canadians below the sixtieth parallel. But now he has made a complete turnabout, going along with the government in order to get his own amendment accepted. He has been able to swallow himself in respect of that principle which he supported in the committee.

Mr. Baker: Sold out for a mess of potage.

Mr. Barnett: Mr. Speaker, I should like to ask the hon. member just what he has in mind in respect of the rights of the Indians and whether it is important to protect their rights, in view of the fact that the Yukon council has already indicated its approval for the establishment of the park.

Mr. Nielsen: That has nothing to do with it. The hon. member for Comox-Alberni and the minister can drag red herrings back and forth across the trail as often as they please, but they cannot justify what the hon. member has done in reversing himself in respect of protecting these rights. Both he and the minister know that when the committee visited Whitehorse an amendment was introduced that protected these native rights which the minister has omitted from the bill, and that amendment was accepted unanimously by the committee.

Mr. Chrétien: Mr. Speaker, I rise on a question of privilege. I think the record should be set straight in that regard. Before we introduced the bill in the House we had the wisdom to seek the opinion of the elected members of the council of the Yukon, who voted in favour of the bill. The hon. member is now attempting to catch up after history has already been written.

The Acting Speaker (Mr. Boulanger): Order, please. I would suggest that these remarks are more in the form of debate than a question of privilege.

Mr. Barnett: While I recognize the situation the hon. member for Yukon (Mr. Nielsen) described when he began to speak, and I sympathize with his frustration in trying

to be in two places at once, I feel I must take part in this question of privilege, as a member of this House, by drawing to your attention that the hon. member offends the privileges of this House by distorting our rules. I would draw to your attention that the privileges of members are being affected under Standing Order 35, which states in part that no member should reflect upon a vote of the House except for the purpose of moving that such a vote be rescinded.

Mr. Chrétien: You know the rules; you are supposed to be the master.

Mr. Barnett: If the hon. member wishes to consult with his colleagues and then move that the decision be rescinded, he might be in order. But when he tries to re-debate something which has already been decided, he is overstepping the provisions of the Standing Order and I have a right to rise on a question of privilege.

In resuming my seat I might say that at the proper time and in the proper place I will be prepared to re-debate the matter with the hon. member for Yukon, because I know he is away off base when talking about consultation. There was consultation with the Indian people before this decision by the Yukon council.

The Acting Speaker (Mr. Boulanger): Order. I suppose the hon. member may carry on with his speech now.

Mr. Nielsen: Mr. Speaker, I think the hon. member for Comox-Alberni doth protest too much. He knows he is caught with his principles down, and he cannot stand being confronted. He, like other members of his party during this as well as the last session, has constantly been caught in that position. He should be the last one to speak about trying to be in two places at one time, because most of the members of that party are past masters at the art of getting into bed with the party which is now occupying the treasury benches in an attempt to justify—

Some hon. Members: Oh, oh!

Mr. Baker: They are sucking and blowing at the same time.

● (2150)

Mr. Nielsen: That is precisely what I was speaking about, sir. I think these unco-ordinated people to my left would find it extremely difficult to walk and chew gum at the same time. They are paragons of virtue. Sir, they have betrayed their own principles.

Mr. Baker: They left their principles in the bed.

Mr. Nielsen: The minister speaks of consultation. I know it is improper for me to comment on evidence given before the standing committee today and I certainly do not want to bend the rules in that regard. I do not intend to do so. However, the minister stands in his place and says we had the views of the territorial council in the affirmative before we passed the bill. They never even saw the bill until it was tabled in the House.

Mr. Chrétien: They were consulted on the subject.

[Mr. Barnett.]

Mr. Nielsen: Consulted on the subject! I put it to the minister that clause 11 was never the subject matter of consultation with the territorial council two years ago, which is the time of which he speaks. The council, I can assure you, agreed wholeheartedly that their approval should be sought.

Mr. Marchand (Kamloops-Cariboo): They approved the parks.

Mr. Nielsen: The hon. member for Kamloops-Cariboo says that the council approved the bill before. He is deliberately distorting what happened. What happened was that the minister obtained an order in council freezing the boundaries of the parks as they are now described in the bill, and two years later a bill came forward. It was in the intervening time, before any member of the council of either territory had any opportunity to see the bill, that those conversations took place. No one can suggest to me that that is a process of consultation with regard to the provisions of the bill. That is consultation in hypothesis, in limbo.

Another thing I must say before I resume my seat, sir, is that I believe the hon. member for Northwest Territories (Mr. Firth) should be standing in this House espousing the rights of the elected members of the Northwest Territories council. His conduct today in rejecting the proposal made by himself and the members of his party before the standing committee, when he and his party went along with the reversal that the minister and the government forced upon them, does nothing but a disservice to the people he is supposed to be representing.

I do not hear the hon. member for Chambly (Mr. L'Heureux) and I would not want him to smuggle words on to *Hansard* which might go unanswered. If he has something to say, perhaps he would make a statement so that it would appear on the record.

Mr. L'Heureux: Mr. Speaker, I should like to ask the hon. member for Yukon (Mr. Nielsen) a question. Will he put on the record now that what he has been talking about is that in his opinion there should be a veto on the part of the councils of the Northwest Territories and the Yukon territory over the formation of national parks in those two territories? Is that what he stands for? I think the Canadian people would like to know. Is that what his party stands for?

Mr. Nielsen: The hon. member is either ignorant or has deliberately distorted what he has been hearing from me and others on this side over and over again. I invite the hon. member to look at clause 2 of this bill. Has the hon. member looked at clause 2? I do not think so, because it says that the federal government must come to an agreement with the provinces before it establishes a park; and all we are asking in clause 11 is that there be, not a formal agreement but that the government come to the elected representatives in the two territories and seek informal approval. I do not know how that could amount to a veto.

If the hon. member is correct in describing our position as a veto, then he must also say that clause 2 in effect gives the provinces the same kind of veto he is describing. I do not read the bill in that way. All we are doing is asking the minister, who is supposed to be the champion

of the rights of northern Canadians, to give those of us who live above the sixtieth parallel the same kind of voice as any other Canadian. The minister refuses to do it now. He has refused ever since he has been in that portfolio, and his predecessor refused to do it. So long as he occupies that post and so long as this government stays in office, we in the north will be regarded as colonials and second class citizens of Canada.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I understand the bill is to go through tonight, and only a minute or two remain. I should like to make one or two comments. We have seen an attack on two members of our party by the hon. member for Yukon (Mr. Nielsen). I want to tell this House and the people of Canada that these members have worked more for the ecological situation and parks in Canada than any member of the Tory party. The new member for Northwest Territories (Mr. Firth) has done a better job for the native people during his short time in this House of Commons than the member for Yukon in the entire period he has been here. There can be no doubt about that.

There is one point I should like to make to the minister before this debate closes. In speaking of national parks there is one more thing I wish to draw to his attention. I refer to the establishment of a very large number of ecological reserves from one end of Canada to the other. He knows about the activity which is going on in this field and I hope he will assist in the establishment of these reserves which could be used for research purposes in the years to come.

I see it is ten o'clock. There are other things I should like to say, but we will abide by the commitment to let the bill pass.

Mr. Deputy Speaker: It appears that the House might be ready for the question.

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

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—CONTINUITY OF CNR FERRY SERVICE TO PRINCE EDWARD ISLAND IN THE EVENT OF FUTURE LABOUR DISPUTES

Mr. David MacDonald (Egmont): Mr. Speaker, my question, which I am raising again this evening, relates to a question that was asked on March 14, as recorded at page 505 of *Hansard*, with respect to the hoped for final solution with regard to the increasing frequency of disruptive rail ferry tie-ups primarily between Prince Edward Island and New Brunswick and also, of course, since the time of

confederation with respect to Newfoundland and Nova Scotia.

Hon. members will recall that in August of last year, during the latter part of the month, we were called back to Ottawa in order to pass legislation that would end the rail strike at that time. It is undoubtedly true that the strike created considerable difficulties for people all across Canada, but I think we must admit at the outset that there were two provinces that were more disastrously affected than any others, Prince Edward Island and Newfoundland.

At the time of the debate, hon. members may also recall that I sought an assurance, and I think received one, from the Minister of Labour (Mr. Munro) that some mechanism would be established after the resolution of that strike in order that we might have a permanent means of ensuring continuity of service, as guaranteed under confederation, between these two island provinces and the mainland. Some hon. members may be aware, as well, that following the passage of that legislation in September and October I addressed correspondence to the responsible Minister of Labour and the Minister of Transport (Mr. Marchand) as well as to the premiers of the two island provinces. In the first letter, dated September 14, I merely laid out the facts again and re-emphasized what had been said during the debate on August 31, that the departments of labour and transport must come to grips with the CNR, in this instance, and with the respective unions in order to work out a format that would be acceptable to all parties.

On October 9 I laid out a specific alternative, quite a radical one and one that received a fair amount of public discussion at the time. Therefore, on March 14 I concluded, after passage of more than half a year that it was quite likely that either the Minister of Transport or the Minister of Labour would be able to report on satisfactory progress. I was shocked to discover from the answer that I received initially from the Minister of Transport that there was a protest being carried out with respect to this problem. That was a pretty vague answer to the important question that was before him. Even later, the Minister of Labour said that officials from his department had been meeting with officials of appropriate unions in an endeavour to work out some acceptable arrangements to make sure there would not be a work stoppage in the future.

You can imagine my shock to see across my desk two or three days ago a press release from the Minister of Labour indicating that he was pleased with the results of his first meeting with Canada's top rail union leaders to discuss alternatives to confrontation during forthcoming negotiations for new contracts in the railway industry. What has the minister being doing for the last six months? Why, in spite of the correspondence not only from myself but, I am sure, from other concerned members from these two island provinces and from provincial officials, has literally nothing taken place?

We are told the following in this press release of March 27:

> The thrust of the recommendations made by Mr. Justice Emmett Hall . . . as well as the alternatives suggested by labour minister Munro were examined in detail—

We are not given any indication of what the minister's alternatives were. Finally, in this release we are told that

the meeting "resulted from an exchange of letters last February between Mr. Munro and Mr. McGregor". I think it is absolutely intolerable that a minister of the Crown who accepts responsibility for labour harmony and the reconciliation of difficult labour questions in this country should, having gone through the experience of August, 1973, have let lapse a considerable number of months before beginning to come to terms with this most difficult problem. The premier of P.E.I. suggested the alternative of a separate Crown corporation. Other members of the House have suggested the establishment of a special authority under the Ministry of Transport.

My own proposal which is recorded in *Hansard* of October 26, 1973, at page 7266, spells out what I will refer to as a double penalty, military alternative for maintaining continuity of service. I will not go into the details here. One thing is certain, with which I hope the Minister of Labour and the Minister of Transport will agree, that we are dealing with a vital service which was guaranteed and binding under the pact of confederation entered into by these two island provinces.

I find it shocking and unacceptable that to this date, some six or seven months later, we have not progressed. There is no indication that we will have this problem resolved shortly. What is most terrifying of all is that a comment appears in the minister's press release as follows:

> The fact that we are sitting down together, looking ahead to some nine months from now, indicates we are all aware of the public's concern if the next round of railway bargaining should end in a strike.

Mr. Guay (St. Boniface): Which minister?

Mr. MacDonald (Egmont): The Minister of Labour. Is this an indication that we are on the path of another disruption of transportation between the two island provinces? Is this the kind of responsible action taken by this minister and the Minister of Transport to provide an acceptable solution? I hope that tonight the parliamentary secretary can give us much more information than we have had to date. The people of Newfoundland and Prince Edward Island are fed up with this lack of responsibility toward this vital question.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my responsibility this evening is to answer on behalf of the Minister of Transport (Mr. Marchand). If the hon. member has some questions for the Minister of Labour (Mr. Munro), I am sure he knows the way to approach that problem. In regard to the question he referred to, the Minister of Transport recognizes the problems created by the disruption of service between Borden and Cape Tormentine as part of the Canadian National Railways' railway strike in 1973 and is anxious to find solutions. However, since there are alternative means of moving surface traffic to and from Prince Edward Island, he does not believe that he would be justified in taking any action which would interfere with the right to strike enjoyed by many Canadian workers.

We are hopeful that a partial solution might lie in the logical separation of railway and ferry matters, and to this end the east coast marine and ferry service was set up in late 1973 as a separate body within the CN organization to manage and operate the ferries and coastal service entrusted to CNR by the Ministry of Transport. In an effort to eliminate the possibility of any recurrence of the problems encountered as a result of the 1973 railway strike, the east coast marine and ferry service has entered into discussions with the various unions involved and we are optimistic that a mutually acceptable solution will be found.

AGRICULTURE—ACTION TO ENSURE PACKING PLANTS PASS ON BEEF SUBSIDY TO PRODUCERS

Mr. Bill Knight (Assiniboia): Mr. Speaker, on March 29 of this year I raised a question with the Minister of Agriculture (Mr. Whelan) on the subsidy which he announced, pointing out that it goes directly to the packer and not to the producer. I asked the minister to inform the House and the beef producers of Canada of any move to assure the producers that they will be gaining a subsidy and the packers will not. The minister gave no definite assurance to the producers of this country that they would receive that subsidy. I think this is a most serious situation, Mr. Speaker.

When the government announced a seven cents subsidy on certain grades of wheat, a number of factors were involved which pointed up that the subsidy would not go to the producer, and the consumers of Canada ought to know this. Number one, the payment of the subsidy is not made to the producer in any manner; it is made to the packer. Number two, when the subsidy was announced, the price on the Canadian market fell by an amount at least equal to the subsidy, so that the only beneficiary of the subsidy will be the packing industry.

● (2210)

The problem with the subsidy stems from the manner in which it is paid to the packer. There is no assurance for the consumer of this country that price will go down. There is no assurance, in other words, that although the price on the market has gone down in the last week, the saving will be passed on to the consumer. There is no evidence of any mechanism in the Department of Agriculture to make sure that any price reduction in the marketplace will be passed on to the consumer. So we have created the situation in which packers in this country can rip off the government and Canadian taxpayers. They can pay reduced prices to producers but not pass on the savings to the consumer. That is a bonanza for the middleman, I hope this problem will be dealt with in the answer given this evening.

At this point in time, because of concern expressed by cattle associations in Canada, the Canadian Cattlemen's Association in particular, over the influx of American beef into Canada there is support for a system of tariffs which could drive a wedge into the North American market. Because the associations demanded such action, the government acted. To keep prices down, the government paid a subsidy. I submit that by paying a subsidy to packers, who are to pass it on to producers, the government created a situation which allowed the packers to drive down the market price to the level of the American market. This has happened in the last few weeks.

If I as a member of parliament am critical of the manner in which the subsidy is paid, it is also my responsibility to suggest alternative courses. First, if you are to interfere with the market place you ought to establish a guaranteed price to the producer. The difference between the actual going price and the guaranteed price ought to be paid directly to the producer. Second, although not all grades were covered in the initial announcement, I commend the government for moving in the direction of covering all grades. That was a good move. Third, you must allow the North American market as a whole over the long term to establish a balance between supply and demand. The government cannot afford to create a strictly Canadian market. We are a country of only 22 million people. The beef producers of this country are interested in the Canadian market as well as in the international market. In that sense, I submit we should only act after consultation and negotiation with the Americans. We can ill-afford to cut ourselves off from a market of 240 million people. The beef industry needs the North American market as a whole.

Fourth, as we have learned, any attempt to freeze the price of a commodity such as beef is totally unrealistic. You cannot apply such a freeze to the beef industry. Attempts to freeze prices per se lead to disaster, as has been demonstrated. In short, you will meet the problem of the importation of American beef to Canada through a joint agreement between the two countries and not by putting up barriers and tariff walls to which I am basically opposed. You must move in the direction of a reciprocal, two-way quota system which will operate between the two countries in the direction of an overall agreement which will allow so many head of American cattle to come to Canada and so many head of Canadian cattle to go to the American market. The agreement must be based on the share of the market which each country's industry has enjoyed in the last five years.

Finally, I predict that if the American cattle industry again uses DES in the rearing of cattle, the government will restrict importation; it will go almost as far as closing the border. This will drive up the price on the Canadian market. That will happen within the next six weeks. It is a whole new kettle of fish for the government. They ought to attempt in every possible way to get the American government to outlaw the use of DES in the United States, or within the next six weeks the government will be outlawing so many American cattle that it will have closed off the Canadian border.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the beef program is designed to improve the returns of beef producers which have been too low due in large measure to government action in the United States. The results of this action are still being felt by producers in this country. With the subsidy now in effect, Canadian producers marketing A, B and C cattle are receiving market price plus five cents per pound. On the basis of today's prices, Canadian producers are receiving a price about $10 per hundredweight above the price prevailing in the United States. With respect to the producer, the payment of subsidy is quite simple. The producer receives the subsidy at the time of sale, either in the sale price or added to the price, if the sale price does not include the premium.

The changes the Minister of Agriculture (Mr. Whelan) announced last weekend have improved the situation considerably, and the strengthening of market prices this week reflect this improvement. The hon. member opposite will be pleased to note that the number of cattle entering Canada from the United States has dropped off dramatically since the introduction of this much needed program. The producer has always had to decide whether or not he was satisfied with the price he was being offered for his animals. There is no difference now. The producer simply has to satisfy himself that he is getting the $5 per hundredweight on his eligible cattle.

In conclusion, if the hon. member opposite or any hon. member has any evidence of anyone misusing or trying to take advantage of this program, the Minister of Agriculture would appreciate its being brought to his attention at once.

PUBLIC BUILDINGS—EDMONTON—REASON FOR REPORTED PURCHASE BY GOVERNMENT OF HOLY REDEEMER COLLEGE

Mr. Dan Hollands (Pembina): Mr. Speaker, on Tuesday last, April 2, I put the following question to the Solicitor General (Mr. Allmand), as reported at page 1069 of *Hansard*:

> Mr. Speaker, my question is for the Solicitor General. In view of the fact the government has reportedly purchased the Holy Redeemer College which lies on the southern outskirts of the city of Edmonton, would the minister tell the House what the government intends to do with this institution?

Your Honour saw fit to rule the question out of order at that time but was gracious enough to suggest that it be raised at the time of adjournment. This matter was first made known to the people of the area by way of a newspaper article some two weeks ago in the city of Edmonton. That report stated that the Holy Redeemer College was to be used as a minimum security institution. Needless to say, the residents of the area were deeply concerned by this report, particularly as they had no previous knowledge of such an intention and had been given no opportunity to make their views or wishes known.

The location of this college is among some of the finest residences and is a totally residential community adjacent to the city of Edmonton. Many of the residents have purchased or built homes of very substantial value, and in my opinion they have cause to be concerned by the appearance of a report such as I have described. The value of properties in the area would obviously be adversely affected and the quiet way of life the residents enjoy would be jeopardized.

● (2220)

Furthermore, Mr. Speaker, a very disturbing aspect of this question came to my attention only yesterday. I had every intention of raising this matter on Tuesday, April 2, the day on which I put the question and the day on which Your Honour advised me that it might be raised at the time of adjournment. The reason I did not raise it on Tuesday night was simply that the minister advised me it would be better for me to delay my question because he

was unable to obtain the necessary information at such short order. Yesterday, however, the Edmonton *Journal* carried a report containing some of the information I had sought in my question. Since the minister had stated he was unable to assist me because of lack of information, I am forced to wonder how it is that he could assist the press. Perhaps he would be good enough to explain this in his reply.

Tonight I am seeking to obtain from the minister a simple undertaking. I am asking him to give the residents of the area his word that there will be no prisoners housed in the institution either in the period immediately ahead or at any time in the future and, further, that if he should at any time decide to adapt facilities which have been used for other purposes with the intention of housing prisoners therein, he will make this intention known to the residents of the areas affected and arrange that public meetings will be held accordingly.

It is my opinion, strongly held, that a law-abiding citizen should enjoy the right to select a site, build a home and raise his family in an atmosphere of security. Residential areas should be maintained in the character intended and home owners should not be faced with the insecurity resulting from penal institutions being placed in their midst.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, in answer to the hon. member for Pembina (Mr. Hollands) and in response to his question, may I say the Solicitor General (Mr. Allmand) would like to make it clear at the outset that while an option has been taken on this property in order to protect the potential interests of the Canadian Penitentiary Service related to its possible needs, no final purchase has as yet been made. The Solicitor General wishes to add that the Canadian Penitentiary Service is interested in the possibility of employing the Holy Redeemer College facilities as a staff training college for the Service in the prairie region.

Discussions are now going on with the government of Alberta with a view to determining our respective needs in the area. The Solicitor General would like to assure the House that no final action will be taken on this matter in the absence of the fullest consultation with the province of Alberta.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, April 5, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

First report of Standing Committee on Indian Affairs and Northern Development in both official languages—Mr. Cyr.

LABOUR, MANPOWER AND IMMIGRATION

First report of Standing Committee on Labour, Manpower and Immigration in both official languages—Mr. Stollery.

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

* * *

[*English*]

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in accordance with Standing Order 60 I request you to designate an order of the day for consideration on April 8 of the notice of ways and means motion with respect to the Customs Tariff tabled on Friday, March 1, 1974.

* * *

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF CANADIAN FIGURE SKATING CHAMPIONS

Hon. John N. Turner (Minister of Finance): Mr. Speaker, may I draw the attention of the House to the presence in your gallery of the current Canadian figure-skating champions, Toller Cranston of Toronto and Lynn Nightingale of Ottawa.

Some hon. Members: Hear, hear!

THE ARTS

DEATH OF A. Y. JACKSON—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Sinclair Stevens (York-Simcoe): I rise under the provisions of Standing Order 43 on a matter of deep concern, namely, the announcement of the passing of Mr. A. Y. Jackson, a resident of York-Simcoe and the last member of the renowned Group of Seven, which has brought to a close an era of unique artistic and cultural history in Canada. Therefore I move, seconded by the hon. member for Egmont (Mr. MacDonald):

That this House express its condolences and deep regrets to his family on behalf of all Canadians for this great loss.

[*Translation*]

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

Some hon. Members: Agreed.

Mr. Speaker: There is unanimous consent; therefore the motion is carried.

* * *

[*English*]

URBAN AFFAIRS

RAILWAY GRADE CROSSING FUND—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the commitment made by both the Minister of State for Urban Affairs (Mr. Basford) and the Minister of Transport (Mr. Marchand) in October, 1972, to introduce legislation to double the federal share of the railway grade crossing fund to a maximum of $1 million per crossing, and in view of the fact that many municipalities—

Mr. Speaker: Order, please. I have to interrupt the hon. member to remind him, as I remind hon. members from time to time, that motions under Standing Order 43 should not include a recital of facts. The hon. member should indicate as quickly as possible what his motion is.

Mr. Leggatt: Thank you, Mr. Speaker. I will come to the motion. In view of the fact that many municipalities have failed to complete their programs, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That this legislation be forthwith placed on the order paper and that party leaders seek unanimous consent to passage at all stages without debate.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

ENERGY

FINANCIAL MEASURES TO ASSIST CONSTRUCTION OF PIPELINES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

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

In view of the fact that it is important to adopt development measures in order to define a policy regarding pipeline construction throughout Canada as well as the financial aspect of this project, I move, seconded by the hon. Member for Charlevoix (Mr. Caouette):

That the House consider the possibility of defining precisely the necessary and essential policies regarding financing, investments, and the political as well as private steps to be taken in order to complete these extensive projects related to energy development and transport in Canada.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

● (1110)

[*English*]

EXTERNAL AFFAIRS

TABLING OF NOTE TO UNITED STATES SECRETARY OF STATE CONCERNING TANKER TRAFFIC IN PUGET SOUND

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table in both official languages the text of the Canadian note of March 25, 1974, addressed to the United States Secretary of State, Dr. Kissinger, concerning tanker traffic in Puget Sound.

* * *

[*Translation*]

CANADA PENSION PLAN

AMENDMENTS RESPECTING RELIGIOUS SECTS, EARNINGS FORMULA, BASIC EXEMPTIONS, ETC.

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-19, entitled "An Act to amend the Canada Pension Plan."

[Mr. Speaker.]

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

ORAL QUESTION PERIOD

[*English*]

Mr. Speaker: The hon. member for York-Simcoe.

Mr. Stevens: I had intended to direct a question to the Minister of Energy, Mines and Resources, Mr. Speaker. Perhaps I could yield to the hon. member for Regina East.

Mr. Speaker: The hon. member for Regina East.

Mr. Balfour: Mr. Speaker, my question is for the Minister of Supply and Services. I see him behind the curtain.

Some hon. Members: Come out!

An hon. Member: He is not there.

Mr. Speaker: The hon. member for York South.

Mr. Lewis: In the absence of both the Minister of Energy, Mines and Resources and—

An hon. Member: Here is the Minister of Supply and Services.

Mr. Lewis: Perhaps Your Honour would like to return to the hon. member for Regina East.

Mr. Speaker: It might be more orderly to proceed in that way. The Chair will recognize the hon. member for Regina East.

* * *

ENERGY

OIL PURCHASED BY GOVERNMENT FROM ROUMANIA AND CARIBBEAN—NECESSITY OF FURTHER REFINING—COST

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Supply and Services. Will the minister confirm or deny that most, if not all, of the Roumanian and Caribbean oil stocks must be re-refined if they are to be useful and, if so, what will be the cost?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, in my opinion this is a purely technical question that concerns the Department of Energy, Mines and Resources.

[*English*]

OIL PURCHASED BY GOVERNMENT FROM ROUMANIA AND CARIBBEAN—INQUIRY AS TO ATTEMPTS TO SELL

Mr. Jim Balfour (Regina East): Is it correct that the Department of Supply and Services is attempting to resell

these oil stocks and, if so, what is the best offer it has received?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the hon. member is not very well informed. I said repeatedly in committee and before this House that we were going to use the oil immediately in federal buildings in eastern Canada. I think it is clear enough.

[*English*]

Mr. Balfour: Perhaps the minister did not hear my question. It was simply this: Has the hon. gentleman's department attempted to resell these oil stocks and, if so, what was the best offer received? Does the minister deny that this has taken place?

[*Translation*]

Mr. Goyer: Mr. Speaker, perhaps my words have been misinterpreted, but I think I clearly said that we were going to use this oil to heat federal buildings.

[*English*]

Mr. Balfour: Mr. Speaker, surely the minister can give a simple yes or no answer to the question.

HEATING OIL PURCHASED BY GOVERNMENT FROM ROUMANIA—REASON FOR PURCHASE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Why did Shell International insist that in order to purchase the Caribbean oil the minister must accept five million gallons of Roumanian oil? May I ask the minister whether the reason was that, in spite of the fact there was a world shortage, Shell International could not get rid of that oil at the exorbitant price they were asking until they found the two gold dust twins to act as suckers?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, in the first place, we are not dealing with Shell Canada Limited but with Canadian Fuel Marketers Limited. During our negotiations, that company wanted us to buy all the Roumanian oil but we finally obtained a two thirds reduction of that purchase. Therefore, we bought only a third of that oil. We have also reduced their commission from 2 to 1½ per cent and we entirely eliminated the commission on the Carribbean oil. Under the circumstances, I believe it was the best bargaining that we could make.

In addition, Mr. Speaker, I would like to say that when that oil was purchased, no official from my department was a member of the technical committee established by the Department of Energy, Mines and Resources.

[*English*]

REQUEST FOR TABLING OF OPTION AND CONTRACT TO BUY ROUMANIAN OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that Canadian Fuel Marketers is owned by Shell International, may I ask the minister whether he is prepared to place on the table of the House a copy of the option which Canadian Fuel Marketers had with the Roumanian export trading company and also a copy of the contract which the minister entered into relative to this transaction?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, with the consent of the House, I would be pleased to table immediately the contract concluded between the federal government and Canadian Fuel Marketers Limited.

Mr. Speaker: Agreed.

[*English*]

HEATING OIL PURCHASED BY GOVERNMENT FROM ROUMANIA—REASON FOR PURCHASE

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. In view of the fact the explanation given by the minister to the hon. member for Nanaimo-Cowichan-The Islands regarding the Roumanian purchase is at odds with the explanation given by the Minister of Energy, Mines and Resources and his officials yesterday in the Standing Committee on National Resources and Public Works, can the minister explain the basis for this difference, and is he assured that the explanation that he has given is correct and the explanation given by the Minister of Energy, Mines and Resources is incorrect?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I do not know at all. I have not read my colleague's comments, but I think that what I said surely sticks to the facts.

[*English*]

PRICE AGREED ON BY FIRST MINISTERS FOR CANADIAN CRUDE OIL—ADDITIONAL INCREASE

Mr. David Lewis (York South): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I should like to ask a question of the Acting Prime Minister relating to the story that the average price of $6.50, which the House was informed was agreed upon by the meeting of first ministers, may not be the average price but that some of the oil may have to be paid for at a higher price. Can the Acting Prime Minister inform the House exactly what agreement was reached at that meeting? No doubt the cabinet was informed by the Prime Minister as to exactly what happened.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the price that was agreed upon during the discussions at the meeting of first ministers was $6.50 at the wellhead.

Mr. Lewis: Mr. Speaker, even though the Secretary of State for External Affairs is not as expert in the field as the Minister of Energy, Mines and Resources, I am sure he knows there are various prices for various ranges of oil. May I ask him what ranges of oil the $6.50 was intended to

cover? Was it merely conventional oil or was it to be an average price for all oil bought domestically from Alberta?

● (1120)

Mr. Sharp: Mr. Speaker, the only price that was discussed during the meeting of the first ministers was a wellhead price of $6.50 plus transportation costs. There was no discussion during the first minister's meeting of any differentials.

Mr. Lewis: In view of what appears to be the fact, that the average price of a barrel of oil at the wellhead during the frozen price period was about $3.85 rather than $4, taking into account the lower price for conventional and the higher price for unconventional, can we have an assurance from the government that it will not agree to any further increase per barrel at the wellhead and that $6.50 is to be the average price for all oil shipped out of the producing provinces?

Mr. Sharp: Mr. Speaker, after the meetings were concluded the province of Alberta decided unilaterally that there should be some small increases for certain special kinds of oil. This was not discussed during the first ministers' meeting. The average increase in price is so small, however, that the government is not disposed to question this action of the government of Alberta.

Mr. Lewis: Do I gather from the Acting Prime Minister that a decision has already been made for increased prices for certain types of oil, or is this still a matter of discussion between the federal government and the Alberta government?

Mr. Sharp: Mr. Speaker, this is not an issue that we think would justify the reassembly of the first ministers to discuss this question. Basically, agreement was reached at $6.50. The province of Alberta has, as I have said, unilaterally decided to allow certain premiums for certain special types of oil. This was not discussed with any of the prime ministers, including the Prime Minister of Canada, at that time. I repeat what I have said, that in comparison, of course, with the $10.50 external price, this is a very small margin and we are not disposed to fight with the province of Alberta over such a small amount.

SETTING OF PRICE FOR OIL PRODUCED FROM TAR SANDS OR EXTRACTED FROM NATURAL GAS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question for the Acting Prime Minister for the purpose of clarification. What is the position, specifically, with reference to synthetic crude produced from the tar sands and oil extracted from natural gas? Is it the position of the government that the prices for such oil will be set by the provincial government of Alberta without any further suggestions from the federal government?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the province of Alberta has issued a price list which does include some premiums of this kind. This is a decision that is, of course, within the right of the province of Alberta. The figures are so close and involve such relatively small amounts that, as I have said, we are not disposed to make it a great issue.

* * *

[Translation]

AGRICULTURE

DAIRYING—POSSIBILITY OF INCREASING MILK SUBSIDY

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I have a question for the Acting Prime Minister.

In view of the expected increase in the cost of milk early this summer, which will bring its retail cost up to 43 cents a quart, can the minister say whether the cabinet is studying the possibility of increasing the 5-cent a quart subsidy that already applies?

[English]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we are not considering this question at the present time.

[Translation]

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

Can the minister say whether the cabinet is now studying the possibility of granting a milk subsidy, not to the producers or distributors, but to the consumers?

[English]

Mr. Sharp: Mr. Speaker, the subsidy that the Canadian government has paid, which is very substantial and is helping keep down the price of milk, does go to the producer.

[Translation]

Mr. Caouette (Charlevoix): Mr. Speaker, I have another supplementary.

Can the minister say whether the cabinet has looked into the possibility of granting a compensated discount on food retail costs?

[English]

Mr. Sharp: Mr. Speaker, I will take notice of this representation.

FEDERAL MILK SUBSIDY—APPLICATION TO YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for either the Minister of Agriculture or his colleague, the Minister of Indian Affairs and Northern Development. Since the milk subsidy of the federal government is, I understand, now applicable to all ten provinces, when is the government going to apply that subsidy to the remainder of Canadians living above the sixtieth parallel?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not sure if the hon. member means the five cents a quart subsidy.

Mr. Nielsen: That is right.

Mr. Whelan: I was not aware they were not getting the advantage of that in the Yukon and the Northwest Territories. I am given to understand that most of their milk supply is shipped in, that the five cents subsidy is included, and that milk would be five cents a quart higher there if it were not. I understand this has been taken into consideration because most of the milk now comes from outside the area.

Mr. Nielsen: Would the Minister of Agriculture consult with his colleague, the Minister of Indian Affairs and Northern Development, in order to assure northern Canadians that they are getting the benefit of that subsidy?

* * *

AIRPORTS

CLOSING OF VANCOUVER AIRPORT BECAUSE OF WITHDRAWAL OF SERVICES BY FIREFIGHTERS—ACTION TO REOPEN

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport with regard to Vancouver international airport which is closed down this morning because of the withdrawal of the services of the firefighters. In view of the fact the Department of Labour has been ordered not to touch this situation, and in view of the fact the President of the Treasury Board refuses to negotiate, can the minister advise the House what action he plans to take in respect of the fireman at Vancouver international airport to make sure they go back to work so that the Vancouver international airport will be reopened?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is a sorry situation. I think the hon. member should have given the whole picture. We are in communication with the firefighters and Treasury Board is in communication with the firefighters. Even the Public Service Alliance has some problems in communicating with its own members. The firefighters refuse to follow the route they have accepted—arbitration. This is the whole situation. I do not put blame on anybody, but do not try to exploit the situation in that way. We are doing all we can to open the airport.

Mr. Reynolds: Is it not a fact that negotiations broke off last night at midnight and that the firefighters cannot get anywhere with this government and that you just refuse to talk to them?

Mr. Marchand (Langelier): Mr. Speaker, the only fact that is true is that the firefighters at Vancouver are bound to go to arbitration when they have a grievance. They are bound by the law. This is the route they have chosen and they have decided to withdraw from this route and have notified that they are withdrawing from work this morning. These are the facts. Notwithstanding that, we are trying to see how we can solve the problem.

EXTERNAL AFFAIRS

PUBLICATION OF BROCHURE BY CANADIAN CULTURAL CENTRE IN PARIS WITH MAP INDICATING THAT LABRADOR IS PART OF QUEBEC

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I have given him notice. It concerns a brochure published under the direction of the Canadian cultural centre in Paris, which has been widely circulated in certain European countries and in which there is a deliberate and offensive misrepresentation of Canadian political boundaries affecting eastern Canada in that the territory of Labrador is shown in the brochure as belonging to Quebec when it in fact belongs to Newfoundland. Can the minister explain to the House how this happened and what steps he has taken to withdraw this brochure?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I entirely agree with the hon. gentleman. This is a most inaccurate and most offensive change in the boundaries of Canada. I have ordered that the map be withdrawn.

* * *

PUBLIC SERVICE

DISQUALIFICATION FOR EMPLOYMENT OF CANADIAN CITIZEN BORN IN NEWFOUNDLAND ON BASIS OF CITIZENSHIP

Mr. James A. McGrath (St. John's East): Mr. Speaker, by way of a supplementary may I ask the Solicitor General to explain to the House how it is possible for a Canadian citizen born in the province of Newfoundland to be disqualified, in this our twenty-fifth anniversary year as a province of Canada, by one of his officials on the basis of citizenship in respect of employment with the federal government?

• (1130)

Mr. Speaker: I suggest to the hon. member that question is not supplementary to the first question. It may be related. However, the question has been asked and the minister may reply.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I just learned about this case a few minutes ago from the hon. member and I will be pleased to find out. I must agree with him. I do not know how they can disqualify the person either.

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AIRPORTS

VANCOUVER—NUMBER OF FIREFIGHTERS ON DUTY

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Transport. In view of the fact there have been only eight men on duty at a given time responsible for operating the firefighting equipment at the Vancouver airport, thus leaving no one actually to carry on the removal of passengers, I would ask

the minister if this is not one of the reasons they walked out and what he is going to do about it?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker. If the House wants me to discuss the problem, I can do it.

An hon. Member: Just keep the airport open.

Mr. Marchand (Langelier): Just bring back the fire-fighters? Why don't you do that?

Some hon. Members: Oh, oh!

* * *

CONSUMER AFFAIRS

ACTION TO LOWER RETAIL PRICES OF SO-CALLED CHEAP CUTS OF BEEF—FREQUENCY OF REPORTS BY FOOD PRICES REVIEW BOARD

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and it arises from reports that retail beef prices, particularly those of the formerly least expensive cuts of beef, have risen to an alarmingly high level. Is the minister satisfied that the increase in the prices of these so-called cheap cuts of beef is justified, and is he planning any discussions with the packers to see whether this trend can be reversed?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that what we need is the kind of definitive information that I expect will be coming from the Food Prices Review Board study of beef price margins very shortly. It is on the basis of that that we will decide what further action is necessary.

Mr. Grier: In view of the minister's reliance on the Food Prices Review Board for statistical information on the movement of food prices, I should like to ask him whether consideration is being given to altering the instructions to that board to ensure that their reports on the movement of food prices are issued more frequently than once every three months—say once a week.

Mr. Gray: It is my understanding of their present terms of reference that, in addition to the quarterly reports on trends in food prices, the most recent of which was issued on March 22 and which indicated on the basis of information currently available to them that consumer prices for beef seemed to be going downward, the board has the authority to issue reports as frequently as it sees fit on any subject pertaining to food prices.

* * *

INDUSTRY

LAY-OFFS OF EMPLOYEES BY GENERAL INSTRUMENT CORPORATION, SYDNEY, N.S.—GOVERNMENT ACTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and he is very familiar with the subject matter. We have discussed it in the House and outside it. It concerns the disastrous lay-offs of employees at the Sydney plant of General Instrument Corporation which have reduced the number of employees from approximately 1,000 to less than 400, and the meetings that were held by officials of his department, Industrial Estates Limited and General Instrument Corporation in Boston. Has he any progress report or anything to report with regard to doing something to correct these disastrous lay-offs and have people rehired?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not sure that I can report any major progress. There have been discussions with both the parent corporation and the corporation mentioned by the hon. member. The reason for the lay-offs, as I understand it, is twofold: first, the company has suffered multimillion dollar losses in recent years and, second, the United States automobile market is in a depressed state. My department has been meeting with officials with respect to seeing whether GAAP, the General Adjustment Assistance Program, might be of use to the company in these circumstances.

Mr. Muir: Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. Would the minister have his officials investigate this very serious situation and ascertain whether he as Minister of Regional Economic Expansion can do something in the area to develop that region?

Mr. Gillespie: We are most concerned about this situation and we will do everything we can to assist the company to become viable so that those on lay-off can be returned to their jobs.

Mr. Muir: On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary and will then return to the hon. member for Toronto-Lakeshore who I believe has a supplementary to his previous question and supplementary.

Mr. Muir: I thank the Minister of Industry, Trade and Commerce for his further interest but my question was directed to the Minister of Regional Economic Expansion. Since he is in charge of the very specific problem of regional development and as the work force of the company has been reduced disastrously, what is the minister prepared to do to develop the region that is affected by this lay-off?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have already been advised and have been in touch with officials of the province and also officials of the Department of Industry, Trade and Commerce with regard to the viability of the existing operation. As my colleague, the Minister of Industry, Trade and Commerce, has said, in so far as alternative forms of employment or alternative utilization of the plant are concerned, we will be happy to look into that if it is determined that something along those lines might be possible.

Mr. Speaker: The Chair will recognize the hon. member for Toronto-Lakeshore, but we are coming closer and closer to the end of the question period. I would hope we could reduce the number of supplementaries.

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CONSUMER AFFAIRS

FREQUENCY OF REPORTS BY FOOD PRICES REVIEW BOARD

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my supplementary arises from the answer given by the Minister of Consumer and Corporate Affairs. I should like to ask him whether consideration is being given by his department to altering the terms of reference of the Food Prices Review Board to instruct it to produce regular weekly or bi-weekly retail food price studies?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Any change in the terms of reference would be up to the government as a whole because they are created by order in council under the Inquiries Act. This is a matter that certainly could be considered. However, I should again say that it is my impression of the terms of reference that they are sufficiently broad to allow the board to carry on this type of activity at present at the pace suggested by the hon. member.

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TRANSPORT

CONTINUITY OF CNR FERRY SERVICE TO PRINCE EDWARD ISLAND IN THE EVENT OF FUTURE LABOUR DISPUTES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Transport. It has to do with the concern we have had since late last summer regarding the establishment of a permanent means of transportation or continuity of the ferry service between Prince Edward Island and the mainland, and the answer by the minister's parliamentary secretary last night indicating that as a partial solution there has been a separation of the east coast marine and ferry services. Can the minister indicate whether in that separation some guarantee has been received from the director or from the various participating labour unions with respect to continuity of service during any kind of national or regional industrial dispute, which is really the crux of the matter?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I said not many months ago in the House, I believe, that I was going to try to establish contact with the unions to see how we could solve this problem. It is normal that I proceed through the Department of Labour which is the department that deals with such problems. I know that some meetings are going to take place on the matter of continuity of service, but there is also the problem of the acquired rights of these workers and we will want to see what will become of those rights before we make any move. We are in the process of trying to solve this problem on a voluntary basis with the unions.

Mr. MacDonald (Egmont): Could the minister indicate whether either he or the Minister of Labour has advanced any specific alternatives to the unions involved that they are now considering in order that the problem can be resolved, because within a few months we may be faced with another difficult time arising from labour problems on the railways?

Mr. Marchand (Langelier): I regret that the Minister of Labour is not in the House. I would like to have a report on what has been going on recently, but at the beginning of next week perhaps I can complete a report here in the House.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—ESTABLISHMENT OF REASONABLE PRICE FOR QUEBEC PRODUCERS

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

In view of the fact that an agreement was reached at a federal-provincial conference to ensure a most reasonable price of $6.50 a barrel to the multinational oil producers, does the minister intend to convene the provincial ministers of agriculture to set up a price ensuring Quebec milk producers reasonable profits comparable to those granted the oil industry?

● (1140)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have discussed stabilizing the total agricultural industry with the provincial ministers of agriculture. Every one of them agrees with the principle involved, as does every premier also. We will be bringing in legislation in the not too distant future.

* * *

SPORTS

FORTHCOMING LEGISLATION RESPECTING WORLD FOOTBALL LEAGUE—EFFECT OF PROVISIONS OF COMPETITION BILL

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the imminent legislation proposed by the Minister of National Health and Welfare regarding the World Football League—incidentally I am happy that my ideas for Canadianizing football in Canada are being considered—and in view of existing government policy as outlined by the minister's own department in the competition bill regarding the outlawing of monopolistic practices in Canada in order to stimulate free enterprise and competition, can the minister advise the House whether this government policy will be seriously considered in the forthcoming legislation, or does the minister intend to try to amend Bill C-7 some-

what so as not to have further obvious contradictions within the government?

Mr. Speaker: Order, please. I will allow the minister to reply to the question briefly, but the hon. member knows that a question asked in those terms is irregular. Hon. members should be able to ask questions without making arguments or speeches.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the ultimate objective of Bill C-7 is to serve the interests of individual Canadians. It is part of our policy, if parliament decides that a bill like that to be proposed by the Minister of National Health and Welfare should be adopted, that on behalf of the Canadian people we have taken a measure consistent with the interests of individual Canadians.

Mr. Jelinek: Mr. Speaker, my supplementary is directed to the Minister of National Health and Welfare. Because of the fact that about three or four weeks ago the minister promised legislation regarding the World Football League within two weeks, can the minister assure the House that we can expect the legislation to be introduced next week, or has the cabinet not agreed on the matter yet?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in my original statement on this subject I said that in fact I hoped it would come about in the following two or three weeks, but I had clearly indicated that delays were possible. One of these has been caused by the preparation of the important legislation introduced today concerning the Canada Pension Plan, which will be of benefit to all Canadians. I also mentioned that the bill would be introduced before the Easter recess and I am confident that that will be sometime next week.

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[*English*]

REGIONAL ECONOMIC EXPANSION

HALIFAX AND DARTMOUTH—INQUIRY AS TO APPOINTMENT OF CHAIRMAN OF METROPOLITAN AREA GROWTH INCENTIVES CORPORATION—DISCUSSION WITH PROVINCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. I ask it against the background of concern about the undue delay in the appointment of a chairman of the Metropolitan Area Growth Incentives Corporation in the metropolitan area of Halifax. Has there been any communication with the province of Nova Scotia, particularly in light of the fact they now have Mr. Scott McNutt to assume that position? If there has been some communication, is the minister now in a position to indicate when that job will be filled?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, there has not been any communication in recent weeks. The government of Nova Scotia was otherwise engaged—and successfully engaged.

Some hon. Members: Hear, hear!

[Mr. Jelinek.]

Mr. Jamieson: During that time there was no further correspondence and there has not been anything since Tuesday.

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GRAIN

REQUEST THAT RAILWAYS OPEN SNOWBOUND BRANCH LINES AND MOVE GRAIN IN LIGHT OF SASKATCHEWAN HIGHWAY LOAD RESTRICTIONS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the minister in charge of the Canadian Wheat Board. In light of the announcement he made recently regarding emergency movement of grain and the closure of several railway branch lines, with farmers being asked to haul grain to main or secondary main lines, and in view of the fact that, if they have not already done so, within the next few days the provincial government of Saskatchewan and municipalities in that province will be imposing road bans which will effectively prevent farmers from hauling grain to alternative delivery points, will the minister now call on the railways to open the closed branch lines and empty the elevators which are full of grain?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, of course spring conditions will affect the highway system and the grid roads in the prairie region just as they do rail lines, and the farmers will have to haul grain consistent with whatever provincial and municipal rules are in place. We hope there will be a quick response by the province and the municipalities to this situation and that the bans will be as limited as is necessary to preserve the roads.

The fact is that there are large quantities of grain available on the main lines that will be served by trains, and it would not particularly be to the advantage of farmers to delay the hauling of that grain by trying to send trains on to lines that are impassable, or where it would simply require too much locomotive power to plow them. We will therefore continue to offer farmers the opportunity, whenever conditions permit them to do so, to deliver to lines that are open.

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AIR TRANSPORT

CONDITION OF VOR BEACON AT FROBISHER BAY AIRPORT

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the Minister of Transport. Will the minister confirm that the VOR beacon at Frobisher Bay, the one which caused an unfortunate crash two months ago, is still on test, just as it has been on test for over two years?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I shall have to inquire and report to the hon. gentleman.

GRAIN

PURCHASE OF ADDITIONAL HOPPER CARS BY GOVERNMENT

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I wish to direct a question to the minister responsible for the Canadian Wheat Board. In light of speculation that the government favours the purchase of 4,000 more hopper cars, can the minister say whether any orders have been placed and, if so, when will they be delivered and ready for use?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have more than favoured the purchase. We intend to purchase, and we have decided to purchase 4,000 hopper cars.

Some hon. Members: Hear, hear!

Mr. Lang: The question is now being pursued about what rate of delivery we ought to anticipate in order that the appropriate tender calls can be issued and contracts can be placed at as early a date as possible.

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AGRICULTURE

REQUEST THAT BILL AMENDING EXPORT AND IMPORT PERMITS ACT BE PROCEEDED WITH TO ASSIST EGG AND TURKEY PRODUCERS

Mr. William C. Frank (Middlesex): Mr. Speaker, I would like to address a question to the Minister of Agriculture. In light of the fact that the Canadian egg and turkey industries need some form of immediate federal assistance, can the minister assure the House that he will seriously encourage his seatmate and colleague, the Minister of Industry, Trade and Commerce, to bring forward for second reading Bill C-4 amending the Export and Import Permits Act?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I can say that with the co-operation of the House the Minister of Industry, Trade and Commerce hopes to have that bill before the House later this day.

* * *

GRAIN

FEED GRAINS—REQUEST THAT PROVINCIAL PLEBISCITE FAVOURING MARKETING BY WHEAT BOARD BE CONSIDERED IN FORMULATING POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to address a question to the minister responsible for the Canadian Wheat Board. In view of the fact the Prime Minister, in answering a question yesterday, indicated that a plebiscite in regard to feed grain marketing would be considered of great importance to the government, may I ask the minister whether in formulating feed grain policy he will take into account the fact that 93 per cent of the farmers in Manitoba who answered a plebiscite sent out by the provincial government voted in favour of retaining the marketing of feed grains within the Canadian Wheat Board?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in view of the fact that plebiscite was so misleading that anyone in favour of any type of feed grain proposal might have voted affirmatively, indeed, including myself without contradiction with the August 3 proposals, I do not think great attention should be paid to that kind of political venture. I think the kind of plebiscite the Prime Minister had in mind was the one held in connection with rapeseed when producers were given a fair opportunity to present their views in a clear and impartial manner.

Mr. Gleave: Do I take it that the minister intends to ignore the expressed wishes of those farmers and base his policy largely on the wishes of the private grain trade?

Mr. Lang: Mr. Speaker, the government, in considering finally the question of the feed grain policy for Canada, will be taking into consideration the interests of all Canadian producers and consumers of grain, and will produce a policy which is equitable and allows for the development of agriculture in this country according to the natural advantages and opportunities that exist.

* * *

● (1150)

NATIONAL DEFENCE

ARMOURED CORPS—INTENTION OF MINISTER RESPECTING RE-EQUIPMENT AND ROLE FOLLOWING RETIREMENT OF CENTURION TANK

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. The minister has announced that the main battle tank of the armed forces will be phased out and apparently not replaced. Can the minister tell us whether he plans to re-equip the armoured corps with some other type of armoured fighting vehicle such as armoured cars, does he intend to change the role of the armoured corps, or does he intend to disband the corps?

Mr. Nielsen: Equip them with skidoos.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have stated several times that the decision will be announced before 1976, which is the date to which the service of the Centurion tank has been extended.

Mr. McKinnon: As this decision affects the lives of thousands of servicemen and their dependants, I hope the minister can come up with some better answer than that within the next two years so they will have an opportunity to plan their future.

[*Translation*]

HOUSING

MONTREAL—ACTION TO PREVENT BUYERS HAVING TO PAY HIGHER PRICE THAN FIRST AGREED UPON

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the minister responsible for consumer protection, the Minister of Consumer and Corporate Affairs.

Does the minister intend to make representations to his colleague, the Minister of State for Urban Affairs, in order to prevent greater Montreal contractors from demanding a price higher than the one the buyer had accepted when he took an option?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Minister of State for Urban Affairs and I are already aware of these difficulties and we want to do our best to find a solution to problems of federal jurisdiction. But I think, of course, that this is mainly a matter under provincial jurisdiction; we will nevertheless do all we can to solve the problem.

* * *

[*English*]

INDUSTRY

SHORTAGE OF CORRUGATED CONTAINERS FOR BRITISH COLUMBIA FOOD PROCESSORS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I direct my question to the Minister of Industry, Trade and Commerce. Has he been made aware of the serious shortage of corrugated containers facing the food processing industry in British Columbia? If so, has any action been taken to assure supplies adequate to meet the needs of the industry?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am aware of the problems that have arisen in this industry from time to time. Generally, I think that the initiatives we have taken and the actions the industry have taken have settled the problem. I will be pleased to look into this particular question on behalf of the hon. member.

Mr. Patterson: As an over-all shortage of 800,000 containers is predicted for this year and a shortage of 200,000 within the next three months in one plant alone in my riding, will the minister give this problem immediate attention to ensure that remedial action is taken?

Mr. Speaker: Order, please. That is a representation.

* * *

ENERGY

PRICE AGREED ON BY FIRST MINISTERS FOR CANADIAN CRUDE OIL—EFFECT OF CERTAIN ADDITIONAL INCREASES ON CONSUMER PRICES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I should like to put a further question to the Acting Prime Minister. In view of the statement of the Acting Prime Minister today that the actual agreement of the first ministers was for $6.50 per barrel, is he aware of the telex sent by the Minister of Energy, Mines and Resources stating that the agreement provided for an increase of $2.50 per barrel in Canadian crude oil prices and it did not specifically refer to a $6.50 price at the wellhead?

[Mr. McKinnon.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, at the first ministers' meeting there was no doubt whatever that there was general agreement on a $6.50 price, plus transportation costs, and no other agreement of any kind was reached.

Mr. Speaker: The Chair will recognize the hon. member for a supplementary, and perhaps we will have time for two more quick questions before calling orders of the day.

Mr. Stevens: Mr. Speaker, may I again direct my question to the Acting Prime Minister. Noting that there are some apparent differences in the interpretation of the March 27 agreement and the possible effect on retail prices of the new, increased, wellhead rate, can the Acting Prime Minister tell the House, in light of the revelation that an extra charge may be allowed on unconventional oils, which make up about 12 per cent of total domestic production, whether that extra charge will be added to the consumer price and raise prices substantially above the 8.5 cents and 3.5 cent limits specified earlier by the Minister of Energy, Mines and Resources?

Mr. Sharp: Mr. Speaker, the hon. gentleman is asking me to enter into an arithmetical calculation in the House of Commons. I believe that it was a very considerable achievement to have reached agreement on a wellhead price of $6.50, a single price across Canada. The minor changes Alberta has made unilaterally and not by agreement are not such as to cause us to bring the whole agreement into question.

Mr. Speaker: The hon. member rises on a further supplementary. I will recognize him and then call orders of the day.

Mr. Stevens: Mr. Speaker, can the Acting Prime Minister confirm if the retail price will be at least slightly higher than was originally anticipated?

Mr. Sharp: Mr. Speaker, I am sure the hon. gentleman can do arithmetic too. I think questions of this kind should be directed to the Minister of Energy, Mines and Resources who will be here at the beginning of next week.

Mr. Speaker: Orders of the day.

[*Translation*]

Mr. Goyer: Mr. Speaker, I raise a point of order.

Mr. Speaker: Order, please. The Minister of Supply and Services on a point of order.

Mr. Goyer: Mr. Speaker, I wish to answer the question put by the hon. member for Calgary Centre (Mr. Andre) as regards the sulphur content of Roumanian oil.

Mr. Speaker: Order, please. The minister can answer a question after the oral question period only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Goyer: Mr. Speaker, tests were made at Golden Eagle Canada Limited where the oil obtained from Roumania is stored and the results showed that the sulphur content is .14 and .16. This means that the oil can be used as is, for it has a very low sulphur ratio.

[*English*]

Mr. Rose: Mr. Speaker, I rise on a point of order—

Mr. Andre: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. The hon. member for Fraser Valley West is rising on a point of order but my understanding is that since the minister was replying to a question asked by the hon. member for Calgary Centre and the hon. member has risen on a point of order, his point of order must be on the same subject. After that I will hear all points of order that hon. members may wish to submit for the consideration of the Chair.

Mr. Andre: Mr. Speaker, my point of order relates to an answer given by the Minister of Supply and Services a question was asked in respect of Roumanian and Caribbean oil, and the minister did not confirm that the Caribbean oil does not contain sulphur in excess of Canadian clean air requirements. The reason for this is very simple. The contract supplied by his department does not contain any grade requirement—

Mr. Speaker: Order, please. That is an interesting point of order but I find it difficult to relate that point of order to the Standing Order. It seems to me that this is debate. Perhaps the minister and the hon. member might like to pursue the matter on Monday, or outside the House in the meantime. The hon. member for Fraser Valley West.

* * *

EXTERNAL AFFAIRS

ACTION TO ASSIST CAPTAIN OF "GREENPEACE III" TO OBTAIN DAMAGES FROM FRANCE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I will not try your patience unduly. I have noted that the Secretary of State for External Affairs has been attempting since Wednesday to reply to a question I addressed to the Prime Minister on Tuesday. I wonder whether the minister might be permitted, with the agreement of the House, to reply to my question?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the question which was put to me by the hon. gentleman related to the *Greenpeace* and the action that the Canadian government has taken. I would

inform him that on March 26 I wrote to the solicitor for Mr. McTaggart and informed him that the Canadian ambassador in Paris is making representations to the appropriate French authorities with a view to attempting once again to settle Mr. McTaggart's claim. Should discussions between representatives of our two governments fail to materialize or fail to bring about a reasonable settlement, subject to Mr. McTaggart's wishes the Canadian government will then formally espouse the claims arising out of both the 1972 and the 1973 *Greenpeace III* incidents.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

FISHERIES DEVELOPMENT ACT

AMENDMENT TO PROVIDE FOR PAYMENTS FOR MODIFICATION AND CONVERSION OF VESSELS

Hon. Allan J. MacEachen (for the Minister of Fisheries) moved that Bill C-2, to amend the Fisheries Development Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, I am moving the second reading motion on behalf of the Minister of Fisheries (Mr. Davis) who is unavoidably absent from the House today. I am pleased to have the opportunity to make the second reading speech because there is an extensive fishery in my own electoral district. There are many communities that are almost wholly dependent upon a flourishing fishing industry.

● (1200)

Hon. members will recall that the substance of this amendment was discussed in the standing committee in the last session. It was only by inadvertence that the amendment that was agreed upon in the committee was not made in the House when the bill itself was approved. The purpose of this bill is really to do a good deed that was wanted to be done in the last session. Its purpose is to give authority to the government to provide financial support for the conversion and modification of fishing vessels.

As far as the legislation itself is concerned, the amendment is very short and consists of only a few words. However, the effect of the amendment on the fishery could be considerable. Under the existing fishing vessel construction program now administered by the Department of the Environment, through its Fisheries and Marine Service, subsidies may only be paid for new vessel construction. The purpose of the amendment is to authorize the Fisheries and Marine Service to make additional payments under the Fisheries Development Act to owners of small or intermediate size vessels to assist with the cost of an authorized conversion or modification. The change that is being sought in this amendment does, in a sense, reflect the changing pattern of Canada's fisheries.

There is every reason to believe we are on the threshold of a most important era in the development of Canada's

fisheries. There are several factors which point to that conclusion. First, as a government and as a country, we are pushing very hard to expand our limits much farther seaward in order to gain greater control over the harvesting, protection and development of our marine resources off our coasts. It is also evident that Canada is achieving greater recognition as a coastal state. I believe that is evidenced by the increased catch quotas granted to this country by the International Commission for the Northwest Atlantic Fisheries. It is the conclusion of the Minister of Fisheries and his department that fish are there to be taken by Canadians, but in some ways, probably many ways, our fishermen do not have the right kind of vessels or the right kind of equipment to enable them to go out and harvest the fishery resources. The purpose of this amendment is to change this to some extent by making funds available to owners of existing vessels so that they can make the necessary modifications or conversions to enable them to operate more efficiently and profitably.

I will not go further into the development of an explanation, except to say that in the administration of the subsidy and its application to modifications or conversions, the same criteria which are presently being used by the Fisheries and Marine Service in approving subsidies for new vessel construction will be applied to modifications and conversions. The Fisheries and Marine Service will be selected in approving any boat for conversion. It will want to assure itself that any conversion will result in a marked improvement in the harvesting capability of the vessel. The department will look thoroughly into the sustainable yield of resources by species and area where the vessel will be operating. Market demands will be assessed and technical and economic efficiency will be examined before any approvals are given or decisions are made.

That is the gist of the proposed amendment. I am satisfied it will get the support of hon. members of the House.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on Bill C-2, to amend the Fisheries Development Act. I first wish to say that I regret the inability of the Minister of Fisheries (Mr. Davis) to be with us today, but I realize that at times his duties require him to be outside the House. As a Nova Scotian, I welcome the comments of a fellow Nova Scotian, the President of the Privy Council (Mr. MacEachen).

This is a very short bill. As stated in the explanatory note, when the bill is passed the minister will have the authority to make payment, not only for the construction of an equipment for fishing vessels, but also their modification and conversion.

This bill provides us with an opportunity to review the Fisheries Development Act which was first introduced by the then Minister of Fisheries, the Hon. H. J. Robichaud, on March 6, 1966. At this time I must express my regret, and I believe the sincere regret of many fishermen on the Atlantic coast, the west coast and in central Canada, that we do not have today a minister entitled the Minister of Fisheries whose sole responsibility would be to develop and implement policy for this important primary industry. However, the decision to place the responsibility for our environment as well as fisheries on the shoulders of one minister was a decision that was taken by the present government. It is one for which they will have to give an accounting to the fishermen, at least in Atlantic Canada, at some future date.

The origin of the act may be traced back to a 1964 federal-provincial fisheries conference which was attended by representatives of all the fisheries administrations, as well as the federal fisheries service. At that time the representatives agreed there should be a national fisheries development program emphasizing development of, rather than research into, fisheries matters. Passage of the Fisheries Development Act empowered the fisheries service to take initiatives in all aspects of fisheries development. It is worth noting that prior to the introduction of this act, programs of assistance to the fishing industry were implemented through specific appropriations and not under a specific piece of fisheries legislation.

The Fisheries Development Act as originally passed permits the Minister of the Environment to undertake projects of basically three different types. This act is all encompassing as far as the fishing industry is concerned. It might well be called the fishing industry's bible. First, it is concerned with projects designed to implement more efficient exploitation of fishery resources and exploration for and development of new fishery resources and new fisheries, second, projects for the introduction and demonstration to fishermen of new types of fishing vessels, equipment and techniques; third, projects for the development of new fishery products, as well as projects for the improvement of the handling, processing and distribution of fishery products.

The act also permits the minister to enter into agreements with the provinces for the joint undertaking of authorized projects and, with the approval of the Governor in Council, to provide for the payment to the province of contributions in respect of the cost of authorized projects.

In the formulation and assessment of fisheries development projects, the federal government may undertake economic studies either alone, or jointly with provincial agencies, universities, educational institutions or private individuals. The minister is also permitted to enter into agreements with any person for the joint undertaking of any authorized project, and to make payments to any such person or make a contribution in respect of the cost of any such project undertaken by that person. The minister is required to make use of the services and facilities of other federal departments or agencies wherever possible in carrying out any authorized project or economic study under the Act.

● (1210)

The minister, subject to terms and conditions prescribed by the Governor in Council, may make payments for the construction and equipment of commercial cold storage facilities or commercial bait freezing facilities equipped with mechanical refrigeration which are suitable for the preservation of fishery products, the modification of such facilities in order to make such facilities suitable for the preservation of fishery products, and the construction and equipment of fishing vessels. The Act also outlines certain provisions which are to be included in agreements with respect to projects undertaken with a province and payments to a province.

The establishment of advisory committees and the remuneration and expenses of members of such committees are also covered by the act in addition to general requirements. It should be noted that the act allows the Governor in Council to make regulations prescribing the person to whom payments may be made, the maximum amount of each payment and the terms and conditions attached to such payments. The minister is also required to submit a report to parliament covering the operations for each fiscal year under the act and covering agreements made under the Act as soon as possible after the termination of each fiscal year.

In June of 1973, the Minister of the Environment summarized the original Fisheries Development Act as follows:

> The Act provides for the exploration and development of known fisheries and of entirely new fishery resources, the introduction and demonstration of new and improved fishing vessels and fishing techniques, the development of new fish products and the improvement of product handling, processing and distribution, and a wide range of development programs, including assistance for the construction and equipment of fishing vessels. Various cost-sharing projects were made possible by this legislation which was passed initially in 1966. In short, we now have legislation which enables us to introduce measures to develop the fishery.

An Act to amend the Fisheries Development Act was passed by the House of Commons on July 20, 1973. Under the amendment, payments for the construction, equipment and modification of commercial cold storage and commercial bait freezing facilities were expanded to include payments for the construction and equipment of commercial icemaking and ice-storing facilities or commercial fish-chilling facilities which would contribute to increased productivity in commercial fishing operations.

Speaking on the amendment in committee, the Minister of the Environment stated that the additional grants would relate to both the cost of constructing and equipping icemaking, ice-storing and fish-chilling facilities ashore and the capital costs, excluding the cost of installation, of sea-water refrigerating units in fishing vessels. At that time it was stated the amendment would enable the government to make grants equal to 50 per cent of the cost of such facilities but not exceeding $25,000 to any one applicant in any one part or location. At this point I cannot help wondering what happened to this proposal. I should like the minister or his parliamentary secretary to tell the House later just how many fish-chilling facilities have been built since July 20, 1973.

Announcing this policy, the government estimated that more than 100 million pounds of fish were rejected annually in Canada as being unfit for human consumption largely due to inadequate chilling between the time the fish were caught and the time they were delivered to market or to a processing plant. Obviously there was a need for icemaking and ice-storage facilities. The minister stated in support of his 1973 amendments:

> The economic loss to the fishing industry because of fish rejected as unfit for human consumption and because of a reduction in quality of fish still sold for human use is estimated to amount to more than $25 million annually at the present time. These heavy losses are directly attributable to spoilage of fish aboard fishing vessels and during transport to the processing plants. The spoilage occurs because of the almost total lack of ice available to in-shore fishermen in Canada. The magnitude can be appreciated when we realise there are approximately 45,000 in-shore fishing boats operated on our two coasts.
>
> A recent survey has shown that $9 million worth of additional equipment capable of producing a total of 2,600 tons of ice per day is required across Canada to satisfy fully the needs of these in-shore fishermen. Some 370 locations have been identified as requiring additional facilities of this kind with the Provinces of Newfoundland and Nova Scotia heading the list.

My hon. friends from Newfoundland will, later in this debate, put on record any developments which have taken place in that province. But it was estimated that Nova Sctoia needed something like four ice making machines having a capacity of two tons of ice per day, 10 with a capacity of between 2 and 5 tons a day, 17 having a capacity of between 5 and 10 tons a day, 14 machines with a capacity of between 10 and 15 tons and 7 with a capacity of 15 to 20 tons.

Mr. Speaker, there has been almost complete silence from the Department of Fisheries with regard to this project. What has been accomplished since July, 1973 with regard to the establishment of these icemaking plants? As far as I know there are none at Peggy's Cove or West Dover, none at Mill Cove, Blandford, Ironbound, Big or Little Tancook, or at other fishing ports in Lunenburg County, Queens County or Shelburne County.

This amendment was discussed at considerable length during the meeting of the Standing Committee on Fisheries and Forestry which took place on June 19, 1973. There was a brief exchange of views concerning the shortening of contract time for fish-chilling facilities from ten to five years from the date of application. There was considerable discussion arising from the fact that certain major ports were excluded from the fish-chilling program under the draft regulations. Additional comments centred on the adequacy or otherwise of the supply of fresh water to smaller ports in Nova Scotia. Nothing has been done in this area since then; one of the major ports of Nova Scotia namely, Riverport is still suffering from an inadequate supply of fresh water. Lengthy discussions took place with regard to a possible connection between regulations governing the inspection of vessels and regulations covering the amendment to the Act concerning fish-chilling.

Members of the committee questioned government officials as to the criteria used in determining the number of locations at which additional icemaking facilities might be established. Subsequent discussion concerned the price at which ice should be available to fishermen and the co-ordination of the fish-chilling program with activities under the small harbours program. There were brief comments relating to the distance a local fisherman would be required to travel in order to obtain ice, and representations that such considerations should be borne in mind when determining the precise locations for fish-chilling and icemaking facilities. Obviously, Mr. Speaker, our fears at that time were justified, because the implementation of this program has been long delayed. I believe we have a right to know what progress has been made in these matters.

There was a lengthy discussion on the requirement in the original act that the minister submit an annual report on activities authorized under the act during the fiscal year. The minister and department officals pointed out that reports on such activities had always been included in the annual reports of the department under the activities of the industrial development branch of the fisheries ser-

vice. Further discussion took place as to the connection between vessel inspection regulations to be implemented in April, 1975 and regulations under the proposed fish-chilling program. Government officials pointed out that there was some confusion between the two sets of regulations. The suggestion was made that modification of vessels might be necessary in order to permit the installation of refrigerated sea-water units in fishing vessels. As one member of the committee put it: "Where does modification leave off and new installation begin?" The minister replied that it was his intention to discuss modifications and conversion of fishing vessels at a later date, but that if a fisherman were faced not only with adding ice chilling facilities but with conversion of the vessel itself, he could apply under two separate programs. It is now nearly a year later, Mr. Speaker, but to date the minister has not replied or given the fisheries committee or individual members the information that he promised at that time.

● (1220)

In the act as originally passed in 1966-1967, the minister is allowed to make payments, subject to terms and conditions prescribed by the governor in council, "for the construction and equipping of fishing vessels". An act to amend this section was given first reading in this House on March 4, 1974. The proposed amendment, by adding the words "modification" and "conversion" to the paragraph that I have just quoted, essentially permits the fisheries service to make payments to vessel owners or to shipyards in the amount of 35 per cent of the cost of an authorized conversion or modification to an existing vessel. The act as originally passed allowed subsidies only for new vessel construction. New keels had, in fact, to be laid before grants or subsidies could be paid.

With reference to this particular amendment the Minister of the Environment said this last year:

> The existing assistance program envisages a subsidy of 35 per cent of the approved construction cost for vessels from 35 feet upward to 75 feet in length. A subsidy at the same rate is also available for the construction of vessels of more than 75 feet in length. This latter subsidy is, however, administered by the federal Department of Industry, Trade and Commerce.
>
> Prior to granting the subsidy, the federal Department of Industry, Trade and Commerce requires an authorization from the fisheries service to the effect that the vessel is indeed needed in the fishery. So the fisheries service does have control both over the vessels which it helps finance of a size between 35 and 75 feet, and by individual approvals over the larger vessels of more than 75 feet in length, the subsidy of which comes out of a vote under Industry, Trade and Commerce.
>
> The purpose of the proposed addition to the program is to enable small fishermen to improve their vessels, for example, to replace open boats with larger and more mobile craft. Subsidy applications have to meet requirements as to suitability, safety, and construction specifications, in all cases set by the fisheries service.

The minister went on to add that, while subsidies on new vessel construction make a very important contribution to the modernization of Canadian fisheries, there is now evidence that assistance in the conversion or modification of existing craft is also required. At this time he further stated:

> I am now proposing the introduction of an amendment to the Fisheries Development Act, which will allow the government to pay financial assistance for conversions of and modifications to existing fishing vessels. In the implementation of this program the same criteria will apply to new vessel construction and to conversion and modifications.

[Mr. Crouse.]

The basic criterion is that the vessel must show promise of a marked improvement in its economic or operating efficiency as a result of the conversion or modification. This, I submit, is very difficult to do in light of the declining resource on our continental shelf.

The proposed vessel conversion and modification amendment was discussed in detail at a meeting of the Standing Committee on Fisheries and Forestry on June 21, 1973. A major portion of the discussion at that time involved the difference between the 35 per cent figure for construction, equipment, modification or conversion of vessels and the 50 per cent figure for icemaking, ice-storing and fish-chilling facilities. The view was expressed that the 35 per cent figure would be inadequate in the light of current costs to fishermen, and this is a view that we on this side of the House still share.

At that time there was also some discussion on the inter-relationship between the application of the Fisheries Development Act as proposed, and the Fisheries Improvement Loans Act. Under the Fisheries Improvement Loans Act, loans can be made for the purchase or construction of fishing vessels and major repair or overhaul of the fishing vessel or its hull, superstructure or engine. The minister stated that a fisherman owning a vessel who wished to modify the vessel under the Fisheries Development Act as proposed could obtain 35 per cent assistance and, in addition, get a loan from a bank to help finance the remaining 65 per cent of the cost of conversion or modification under the Fisheries Improvement Loans Act.

In light of present day costs, the 35 per cent subsidy is definitely inadequate. This percentage rate should be revised and reconsidered by the minister and his staff. For example, we had a 9 per cent erosion of the purchasing power of our dollar only last year. This year it is estimated that there will be a further erosion of 10 per cent. This means that over a two-year period we face an erosion of something like 20 per cent of the purchasing power of our money, yet the government still says to the fishermen and fishing companies: "You must modernize your ships and all that we will pay toward this modernization is a subsidy of 35 per cent". We believe that this subsidy is inadequate.

On November 14, 1973, the Minister of the Environment announced the lifting of the freeze on subsidies for new fishing vessels on the Atlantic coast which was imposed on August 13, 1973. According to the minister, the freeze was introduced in order to slow down a boom in fishing vessel construction which threatened to over-capitalize a fleet which was already large. In announcing the lifting of the freeze, the minister stressed that the accent in the future would be placed on modernization and that replacements and conversions of existing vessels would be encouraged.

In the same statement the minister then made the following announcement:

> Accordingly and effective immediately:
>
> (a) All commercial fishing vessels, traps and other catching units will be registered by the Fisheries and Marine Service;
>
> (b) all vessels, shippers and operators will be licensed;
>
> (c) only Canadian citizens and landed immigrants will be eligible;
>
> (d) all craft, shippers, crews and other operators which have a history in the industry will continue, automatically, to have the right to fish;

(e) new entrants will be limited, in the case of lobsters, scallops, salmon, herring and snow crab to replacements.

These fisheries in the main are already limited in size. New vessel registrations in the groundfish fishery will be encouraged for under-exploited species and areas. As for those that are fully exploited, the moratorium on new vessel registrations will be continued for a further nine-month period. This time is required for further consultations with fishermen, companies and provincial authorities as to the future of that sector of the industry;

(f) special committees will be set up in our principal fishing areas in order to advise the government as to the manner in which this program should be administered; and

(g) local fishermen and local company representatives will have a voice in the management of the fishery in this way.

Registration of vessels and the issuance of operators' licences will begin early in the new year, and will start with large vessels and the fleets which are already limited in size.

The vessels are now being examined but they are not being licensed, since they cannot pass the requirements set out by the department. This applies to boats which in some cases are only one year old. I ask the government, what is to happen to these particular ships and their owners? The owners have already mortgaged their homes in many cases in order to secure the down payment. The owners of the boats have a large loan from the provincial loan boards in the provinces of Atlantic Canada. They are now faced with a new set of regulations calling for a conversion for which they have no money and for which they will be required to go even deeper into debt.

The minister said that fishermen and ships must be licensed in order to know who are bona fide fishermen and who are not. It was stressed that the government needed the licensing data in order to upgrade the fishery, in order to develop a sound system of catch insurance. In reply to the statement, we pointed out at that time that fisheries inspection officers were unable to secure the signatures of captains and owners after inspecting the inshore and off-shore fleets. They were not going to sign the inspection certificates, some of which I have before me, because, in the words of one captain, "I would be signing my own death warrant".

We further pointed out that the moratorium or freeze on new vessel registration for an additional nine-month period for fully exploited species and areas in the ground-fish fishery would definitely be harmful to the over-all expansion of the fishing industry. We also expressed concern about the fact that vessels already fishing, or for which firm commitments were made, would only be granted licences provided they met existing regulations. We also pointed out that if the government enforces the new regulations strictly before licences are issued, then it should also pay a larger improvement construction grant in order to enable the fishermen to upgrade their vessels in compliance with the new regulations. However, to date no action has been taken on our recommendations, which sometimes makes me wonder, Mr. Speaker, about the futility of debate in the House and in committee. Surely, some of these recommendations could have been adopted.

What are some of the new regulations, Mr. Speaker? On March 22 the minister sent out new guidelines concerning new inspection requirements for our new fishing vessels, and these are as follows. I am not going to read all of them, Mr. Speaker, because some of them are acceptable, but the guidelines concerning inspection requirements for fishing vessels as laid out by the minister and his department state:

● (1230)

(a) Protection from sun and weather

All containers for storage of fish, such as hold and deck containers, shall be provided with rigid, non-absorbant, close fitting covers;

Mr. Speaker, if this were strictly enforced, it could spell the death knell of the small boat fishery in Atlantic Canada. On page 2, item 2 of the guidelines reads:

Fish processing equipment and all surfaces, which come in contact with fish, shall be made of non-corrodible material, other than wood, shall be constructed to facilitate proper cleaning and have all joints on such surface smooth and watertight.

Mr. Speaker, wooden ships are the backbone of the fishing industry, or at least the inshore fishing industry, in Atlantic Canada and are still important in the offshore industry. Item 2(b) of the guidelines reads:

Fish holds, penboard shelving, fish boxes, refrigerated seawater tanks, cold storage areas, etc., shall be constructed of durable, non-corrodible, smooth and impervious material, such as FRF, coated ferrocement, approved high density plastics and seawater-resistant aluminium alloys, wood-coated with non-durable materials, such as paints, is not acceptable.

Mr. Speaker, I cannot help but ask, why? If fibreglass is used to line the hold of a wooden ship or if ferro cement is used to line the hold of a wooden ship, when that ship is in a 50 or 60 mile an hour gale in the north Atlantic, the working of the ship will cause the fibreglass or ferrocement to crack. Then, the offal from fish is bound to get in the cracks and between the ferrocement or fibreglass lining and the hold. This will create odours and a condition which certainly will not be acceptable. Even if the lining were sufficiently tight that there was no leakage it would bring about a condition of dry rot. We experienced that with Bluenose II which required expensive repairs.

In my opinion, and the opinion of fishermen and the shipbuilding industry, there is no reason why epoxy coated wood, if kept clean, would not be as satisfactory as fibreglass or ferro cement as an antibacterial material for the fish hold and the stanchions, which would satisfy the fishermen and the industry. There is, in fact, no substitute for large quantities of ice and this is why I deplore the lack of action on the icemaking, storing, and distributing facilities. Packing fish against ice is the only way to assure good quality when the product is landed.

It is interesting to note the reaction of the fishermen and the industry generally to some of the minister's proposals. It could be summed up as "too much interest" in the industry by the government, as new regulations affecting specific fisheries, licensing, packaging and inspection rules are promulgated. Perhaps the main problem is the feeling of many people in the industry which parallels that of our early colonists in America toward the rulings made by others in far away England who did not really understand the colonists' problems. As in that day, many of our fishermen look upon Ottawa and the federal government as a far-off dictatorship, anxious to control everything through building up its own bureaucratic empire in the industry, without knowing or understanding its problems.

I realize that this is a rather harsh indictment of the present Department of the Environment and its minister,

but unfortunately it represents the truth of the situation as it presently exists in Atlantic Canada. It was this unrest among fishermen, this frustration and despair and mounting criticism which caused Environment Canada to arrange meetings with fishermen and industry representatives when consultation took place over such matters as Canada's Law of the Sea proposal, licensing regulations and ship inspection laws. Just how effective such meetings really are in overcoming Ottawa's dictatorial image is open to question, since the meetings are planned by Ottawa, are run according to the ground rules of the department and are packed with high-ranking bureaucrats.

After these meetings a lot of fishermen have told me that they were over-awed by the well-educated, well-dressed officials and by the obvious power which these men wield. I have attended these meetings and can appreciate their concern. These fishermen are invited to come and express their views, but when they go home they realize their opinions may as well have been written on the winds, or on the sands! It is like baling water from a boat whose seams have opened below the waterline. It is an exercise in futility, in the opinion of the fishermen. Many of them know that the Minister of the Environment is trying to do something but they are not too sure whether his efforts are designed to help them or the foreign fishermen who roam our banks and pillage and plunder our resources. Obviously, the lines of communication between the minister and the fishermen who are the backbone of the fishing industry, are down and they must be repaired.

Finally, Mr. Speaker, throughout the discussions relating to the Fisheries Development Act, it has not been made clear exactly how the regulations governing grants and subsidies with respect to new vessel construction and equipment, vessel modification and conversion, ice-making and fish-chilling facilities and regulations governing the registration of vessels and licensing of operators, are interrelated. There appears to be a close connection between the regulations for registration of new vessels and those for subsidies for new vessel construction. There also appears to be a close relationship, in some cases, between regulations governing the subsidies for refrigerated sea-water units on board vessels and regulations governing subsidies for modification and conversion of vessels. Regulations governing the quality of fish handling, processing and distribution appear to be closely related and, in many cases, dependent upon the regulations in the areas I have mentioned.

We on this side of the House, Mr. Speaker, are not opposed to the changes that have been proposed in this bill. We feel that the 35 per cent subsidy is inadequate, however, and in the light of present day costs the government should consider increasing this to at least 50 per cent. We believe that it would be helpful if the government made every effort to communicate with the fishermen so that those engaged in the industry would be alerted to its plans and, hopefully, improve upon them.

With all the staff that the minister has I think he should have one more person and that is a "gofor"—someone who can go for the information the fishermen and the wooden shipbuilders need. I am sure this gofor would be helpful to the minister in finally planning and carrying out policies and programs which would have some input from the fishermen and have a more meaningful bearing on the future of their livelihood.

[Mr. Crouse.]

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I listened with a great deal of interest to the comments of the hon. member for South Shore (Mr. Crouse), many of which were pertinent to the situation in eastern Canada, and I listened with a great deal of interest to the comments of the President of the Privy Council (Mr. MacEachen). Both of these gentlemen are Nova Scotians, and in Nova Scotia and Newfoundland the fishing industry is of major importance. The hon. member for South Shore talked about the importance of the fishery on the east coast, the Atlantic coast and in central Canada. When he said that, I felt just a wee bit insulted because there is a fairly significant freshwater fishery in the northern prairies and the Northwest Territories. The area which I represent in Saskatchewan produces quite a few million pounds of freshwater fish each year. Our fishermen have problems, too, although we may not hear about them too often in this House.

I sympathize with the problems of the hon. member for South Shore in regard to icemaking and fish-chilling facilities. I know that is a problem on the east coast but our problem is that our whole north country is an ice house for about eight months of the year. All we need is enough ice houses which we can fill in the wintertime and then we have no problem with fish-chilling facilities. Our problems are of a slightly different nature.

As I understand Bill C-2, it proposes a minor amendment which simply adds two words. The words are "modification, conversion and equipment of fishing vessels". Up to this time, I believe there have been government grants or assistance in respect of the construction of new vessels used in the fishing industry. This amendment will provide for modification and conversion of fishing vessels. I think this is an amendment worthy of the support of all members of this House. I know it will be supported by members of the party I represent. I only hope that when this amendment comes into effect its provisions will be available not only for the modification and conversion of vessels along our coasts, but also will be available to the freshwater fishermen in the prairies.

• (1240)

Earlier today I was speaking to some members who suggested that all we have are a bunch of potholes in Saskatchewan. I want to point out to some hon. members that the ninth largest lake in Canada, Lake Athabasca, is in my constituency. It is about 80 miles long by 40 miles wide and when a storm blows up, it is pretty fierce. I have been out on the lake. I think it is important to have some funds available to the fishermen in order that they may be able to improve or convert the vessels they have, because this would help them maintain the standard of the fishery.

Last year there were some minor amendments to the Fisheries Development Act which, as the hon. member for South Shore (Mr. Crouse) pointed out, covered icemaking and ice-storing facilities. I think that was commendable. It is perhaps unfortunate this amendment was not included last year, but as the President of the Privy Council (Mr.

MacEachen) said it was an oversight and we all have our human weaknesses. In the prairies, the province of Manitoba produces up to 21 million pounds of fresh water fish per year, Saskatchewan produces up to 15 or 16 million pounds per year and northern Alberta produces up to three million or four million pounds a year. The Northwest Territories as well, produces several million pounds.

I should like to emphasize one thing for the benefit of the Minister of the Environment (Mr. Davis), the minister in charge of fisheries; that is, fishermen in northern Saskatchewan have often complained that they have experienced extreme difficulty in obtaining financing under this act. Sometimes they have had the feeling that the department was not too interested in this freshwater fishery.

A major reason for my participation today is to impress on the minister that there is a freshwater fishery in this country, and that even though it is not the most significant or important occupation in the west it does provide a livelihood for quite a few hundred people. I think when these people ask for grants or help in order to modify or build fishing boats this help should be made available to them. Certainly, I realize that the bulk of the financing will go to the Pacific and Atlantic coasts where the great fisheries are, but we must also take into consideration those people who earn their livelihood from fishing on the northern prairies.

I wish to commend the Minister of Regional Economic Expansion (Mr. Jamieson) who last year gave assistance—because we could not obtain it through the fisheries act—in the form of financing to the Athabasca Fishery Co-operative which wished to buy seven or eight lake boats. These are old boats, and I hope that perhaps this amendment will now make it possible for these fishermen to obtain some grants for the purpose of upgrading their boats to a proper standard.

Another thing I wish to mention is that fish farming is becoming increasingly popular on the prairies. Certainly, I know of a number of people within my riding who are becoming involved in fish farming. My colleague tells me this is the case in Assiniboia. I know a farmer who had a 20-acre lake with water depth ranging up to 20 feet. This was useless, except that the cattle drank the water which meant that there was no need to pump it. He started experimenting. He put trout fingerlings in the lake. It has been found out that it is possible to produce a fair amount of fish by stocking a lake with fingerlings in the spring and harvesting them in the fall. This fish farmer has a market for the fish in Regina and other cities. As these potholes and ponds become more and more productive, I hope some of these people will be eligible for assistance not in respect of fishing vessels but in respect of perhaps ice making and storing equipment. Some farmers have asked me about this. I said that if they have a fairly significant fish farming operation they might be able to obtain some assistance in respect of providing ice making and ice-storing facilities. This is the type of assistance which might be of benefit to them.

In closing I wish to mention that in northern Saskatchewan it is the native and Métis people to whom fishing is a very significant occupation. Some of them have done very well at it. Some of them have encountered problems because the fishing equipment they have is old and requires updating. Perhaps some of their methods of fishing should be updated as well. I hope this measure in some small way will help the people in northern Saskatchewan, Alberta and Manitoba obtain a greater degree of self-sufficiency because after all this is what they want. They want to be able to hold up their heads with pride and dignity and be able to earn their own living without being dependent on government aid, either through social security or other measures.

Another matter that has bothered the people of the north and the west involves the Freshwater Fish Marketing Corporation. There have been problems concerning the price this corporation pays to the fishermen and so on. Before the fisheries committee last year the hon. member for Selkirk (Mr. Rowland) and I introduced a motion requesting an investigation of the Freshwater Fish Marketing Corporation, but the minister has never taken any action on this. I hope he will do so in the not too distant future. I realize I am getting slightly off the topic, Mr. Speaker. I would simply like to conclude by saying that this is a commendable amendment and I hope it can go through all stages today and be passed without too much delay.

● (1250)

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, first I would thank the minister and congratulate him for introducing this bill. Although it is rather brief, it is still very important because, as we know, its purpose is to qualify the modification and the conversion of fishing boats so as to be eligible for departmental subsidies. It was mentioned earlier that it was regrettable that the fisheries service was part of the Department of Environment. It depends on the points of view, Mr. Speaker. It is not sure that government structure would profit by the creation of small departments.

Since the incorporation of the fisheries service in the Department of Environment, we have seen many improvements to the fishing industry, to fishermen, to the regulations, of which this is an example. There is also the creation of the small craft harbours branch through which the Department of Environment budgets building and maintenance programs for port facilities, particularly when they concern fisheries.

So it all depends on points of view. In my opinion, there may be some advantages to the fisheries service being incorporated in a larger department and considering the benefits that accrued from the situation, we could say the change was a good one. Of course, the fishing industry and the protection of the environment are two very closely related activities, because in many aspects fisheries will depend in the future on the way we will protect our environment.

As everyone knows, Mr. Speaker, fishing is a very important activity in my riding. I have not recently taken the time to make an economic evaluation of the fishing industry in relation to others. There are other important industries in my riding such as mining, lumber and, to a small degree, agriculture but in view of the number of

people engaged in fishing or working in fish packing plants, fisheries are certainly the most socially important industry in my electoral district.

Thus, in 1969, 17 per cent of fish catches in Canada were produced in my riding. A percentage of 17 is a lot, Mr. Speaker, even for a Nova Scotia member. I am proud of this achievement, and that explains why fishing is not only a part of our economy, but a part of our culture. In fact, for several coastal settlements, the end of fishing would mean a great cultural, social, and economic loss.

The amendments introduced by the minister today will be very profitable, Mr. Speaker, since, for many years, the fishing industry has been overdeveloped. When one type of fishing becomes overdeveloped, the fisherman must abandon his boat because all his equipment is aimed at this particular industry. He finds himself at a disadvantage since the only way he can benefit from the subsidy is to abandon his old boat or sell it or have another one built. I think this bill will rectify this situation.

Not only will the bill help fishermen in such a situation, but it will also make positive improvements. We must urge the fishermen to go into types of fishing that will be more profitable. If today, for instance, a fisherman is herring-fishing in the Gulf of St. Lawrence or the Chaleurs Bay, because I am a native of this area, one that you know very well Mr. Speaker, or if he is herring-fishing offshore or even inshore, I think that he should be encouraged to convert his fishing to another species. This bill will enable the fisherman to qualify for subsidies to pay for his expenses when transforming his boat.

Not only is this a remedy or an improvement for the fisherman, since fishing is overdeveloped and no longer profitable, but it is also an encouragement, a stimulus for the fisherman. He will be able to determine whether his type of fishing is really the most profitable or whether he should not go into another type.

Mr. Speaker, the supply aspect of fishing is not the only one to determine if a fisherman should continue to fish one particular species; there is also the market situation to consider. Today, prices are good for Atlantic crab. For certain species there might be less fish so prices are in a state of depression. Fishermen could perhaps be encouraged to go into those resources whose market is more responsive and consequently more profitable.

I mentioned potential conversion or encouraging fishermen to convert when the market is perhaps not so good or when the resource is not there. Mr. Speaker, there are still in the sea species which are not sufficiently fished. For example, there is the small crab known as the rock crab and means have not yet really been found to handle it for market purposes. Incidentally, a company in my riding has filed an application with DREE to build a plant which will buy the small rock crab. Its name is not yet common currency but people familiar with fishing will know what I am talking about. They will be able to handle and market it. And fishermen will have to know in advance that that fish is marketable. They will have to buy equipment and in certain cases convert their vessels.

That fishing operation is usually done with multipurpose vessels, small vessels used to fish lobster or herring near the coasts, or even the larger crab, the Atlantic crab.

Some minor or major alterations might have to be done to the vessels. Mr. Speaker, may I call it one o'clock.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Breau: Mr. Speaker, when the House adjourned at one o'clock, I was in the process of explaining that Bill C-2 is not only a piece of legislation to help people being disadvantaged owing to the fact that the species of fish they are seeking to capture does not exist anymore or is threatened with extinction or that the market is not good. This bill incorporates many good features.

The positive aspect of this measure is as follows: The government, being responsible for that, will from now on encourage fishermen to look for the more profitable species of fish. Governments have the responsibility to make sure that Canadians get the maximum profit especially in the fishing area.

A way of ensuring that we are getting maximum earnings is to see that fishermen fish for a profitable resource, either, because the market is good or because the resource is sufficient.

Mr. Speaker, even if that has nothing to do directly with this bill, I should like to mention a few needs of the fishing industry in my area. Obviously, one must distinguish between deep-sea fishing and inshore fishing, as deep-sea fishing is much more a trade, an important business, economy-wise, than inshore fishing.

As I said before one o'clock, inshore fishing not only has an economical value but it also has undoubtedly a social and even a cultural value because people at home and everywhere in the Maritime provinces are proud of having settled along the shores on a community basis.

I should like to say, Mr. Speaker, that, contrary to what many people think, the fishing boat building subsidy program is not necessarily a subsidy program for the fishing industry. I find it most important to explain that fact. For example, in the case of smaller boats, that may be subsidizing the fishing industry but in the case of larger boats, traditionally, grants have been paid not necessarily because the fishing industry needed them but to maintain the Canadian shipyards.

The fishermen, and mainly those needing bigger boats, were and probably still are able to buy their boats abroad at a significantly lower cost than in Canada. The purpose of the program was first to subsidize the shipbuilding industry rather than the fishing industry.

I would like to mention a few needs of the fishing industry. Of course the most urgent one is the improvement of port facilities. We are all happy about the fact that the Department of Fisheries is now responsible for planning the construction of port facilities related to fishing.

But, Mr. Speaker, the national budget has been so much neglected for the past ten years or so that catching up with this negligence will be very costly and the government will have to maintain the national budget at a very high level.

The subcommittee of the committee on national resources and public works recommended last year that capital investments should be of the order of $30 million a year. In view of the fact that many facilities have been neglected in the past, even a $30 million budget is not too high and, of course, account taken of inflation, the government should keep this national budget at a much higher level than $30 million because funds spent in improving our port facilities are far from being wasted money.

If we consider the other economic contributions of those facilities, with the exception of commercial fisheries, I think that they provide many advantages.

I refer here to those facilities used not only for fishing but also for recreation. It is quite important to have coastal a harbour installations which can accommodate and assist Canadian boats.

I merely wish to say in conclusion that the improvement of harbour installations deeply concerns fishermen, local authorities, unions, fishermen's associations, industrialists and civic leaders, because they want, as I said a while ago, to make good and have harbour installations governed by adequate standards.

Mr. Speaker, even if it does not directly affect the bill, I would like to discuss the question of unemployment insurance for fishermen.

I think that many people still say that it is a social subsidy. It is no more a social subsidy for fishermen than it is for construction workers.

In many regions of this country, the construction industry is paralysed in the wintertime and consequently workers live on unemployment insurance.

What is unemployment insurance in these instances? It is a subsidy to the construction industry. To grant a social subsidy in the fishing sector is not worse than in the other sectors.

To my mind, there is some injustice in the way fishermen are treated under the unemployment insurance program. I have not the time today during this debate on a bill which concerns mainly subsidies for the modifications of boats, to discuss this problem in depth. However, I will simply say that after several meetings with groups of fishermen in my constituency, I realize that there are some obvious injustices and I hope the government will correct them as soon as possible.

It seems to me two things should be done. First of all, something similar to crop insurance should be set up, a type of catch insurance that would compensate fishermen for their losses in times of disasters and bad storms. This would help stabilize the fishermen's income.

But catch insurance, Mr. Speaker, would not suffice to give the fishermen social benefits comparable to those the unemployed get. There is no reason why fishermen should not get the same benefits as other workers. And what is worse, in several cases, the fishermen is subjected to special regulations under which he gets less benefit, less unemployment insurance when his son or daughter or even his wife worked in a fish factory, and after eight, ten or 12 weeks of contributions, depending on the area of the country, and this happens in my riding, they are granted benefits for about 40 weeks.

When this special program was established in 1972, at the same time as the new unemployment insurance program, I think it was expected that a catch insurance program might be implemented to replace unemployment insurance for fishermen.

It is obviously impossible to do so, because the government contribution to the unemployment insurance fund is too high.

In order to be put on the same footing as other workers, the fishermen would have to pay much higher contributions, way too much as compared with that of other workers.

I merely want to say this at this point, Mr. Speaker, because it is an area that deeply concerns the fishermen of my riding.

By way of a conclusion, I shall say that the bill the hon. minister has brought forward today is a good one, not only because it aims at helping fishermen in difficult circumstances due to a poor market, the scarcity or overexploitation of a number of fish species, but also because it is an incentive. In fact, this positive legislation will encourage fishermen to consider and analyse in minute details the true benefits of fishing such and such species, and maybe convert their equipment and fishing vessels accordingly.

● (1410)

[*English*]

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I am pleased to have this opportunity to take part in the debate and to support some of the propositions put forward before the luncheon break by the hon. member for South Shore (Mr. Crouse). I am happy to see this amendment to the Fisheries Development Act. Many fishermen in my constituency have been anxiously waiting for passage of this legislation because they want to avail themselves of some of the funds which will be available under this act. I have certain reservations as to how accessible this fund will be to fishermen.

I have figures before me showing the disposition of funds made available under the Fisheries Improvement Loans Act since its inception in 1955. As an Atlantic Canadian, I am not overly impressed with the amount of money which has been lent in my part of the country under the Fisheries Improvement Loans Act. I am not at all against British Columbia getting all the funds it can under that act. I see, according to the statistics which have been given to me, that Pacific coast fishermen received two-thirds of all money lent under the Fisheries Improvement Loans Act since its inception in 1955, and that little more than one-quarter of total funds went to Atlantic Canada.

One must bear in mind, too, that in 1971 Atlantic coast fishermen landed 2.1 billion pounds of fish and shellfish, whereas in the same period fishermen on the Pacific coast landed 229 million pounds of fish. This indicates to me clearly that there is greater need for assisting fishermen

on the Atlantic coast than for assisting those on the Pacific coast. In 1971, Pacific coast fishermen borrowed $2.5 million under the Fisheries Improvement Loans Act. In the four Atlantic provinces, slightly less than $700,000 was distributed under the act. I do not wish to in any way begrudge the amount of money that has gone into other parts of Canada as opposed to the amount that has gone into the Atlantic region, but these figures must indicate there is a great need for communication with the fishermen on the east coast of Canada. These funds and benefits under the act must be made more accessible to them.

● (1420)

In many cases the chartered banks to which the fishermen must apply to get these funds under the government guarantee have not been willing to co-operate. In fact, in many cases they have discouraged fishermen from availing themselves of the funds under the Fisheries Improvement Loans Act. Instead, they try to direct them into getting funds through other plans which the banks have. By doing this, the fishermen are being denied such benefits under the Fisheries Improvement Loans Act as lower interest rates. Because of the reluctance of the banks, and I am not condemning all banks, to explain the act to the fishermen and to make funds available to them under the act, these fishermen in many cases are being forced into the clutches of the loan sharks. In many cases, they are paying interest rates far in excess of those available under the Fisheries Improvement Loans Act. Consequently, they are paying more for their money to buy property and gear.

I wish to impress upon the minister and the House the need to develop better liaison with the fishermen, particularly those in remote parts of the country. For example, in my province it involves considerable hardship and expense for some fishermen to travel to the chartered banks in order to apply for a loan under this act. I ask that some thought be given to the problems these people encounter with regard to inaccessibility of banking services. I strongly recommend to the minister and the government that some form of mobile loan service be provided, either by the banks or the Department of Fisheries. This would eliminate the need for fishermen to make often expensive and long journeys to centres where credit institutions are located.

As I said earlier, the fact that a large number of fishermen are not taking advantage of loans under the Fisheries Improvement Loans Act indicated they are unable to communicate with the banks. In many cases, the banks have expressed an unwillingness to lend money, even with the government guarantee.

An example of this occurred in my constituency not too many days ago. A very successful fisherman went to a local chartered bank to apply for a loan under the Fisheries Improvement Loans Act. The bank imposed restrictions on that person that were not consistent with the restrictions imposed by the Department of Fisheries under the Fisheries Improvement Loans Act. Certain requirements were made of that fisherman which were not consistent with the provisions in the act. Consequently, this man was refused a loan. Fortunately, after having made representations to the bank manager and the fisheries people in the province, that fisherman eventually got his loan. However, had he not been able to contact me or some other official in the province, more than likely he would have been driven to a finance company where he would have had to pay interest charges perhaps three or four times in excess of those charged on loans under the Fisheries Improvement Loans Act.

That is an example of a chartered bank discouraging someone from making a loan under the Fisheries Improvement Loans Act. The reason is obvious. Banks are in business to make money. If the banks can convince fishermen to make loans through their regular plans, they can charge more interest than they are permitted to charge under the Fisheries Improvement Loans Act. This is obviously the reason they are encouraging fishermen to apply for conventional loans rather than loans under the act.

There are a number of questions that remain unanswered. I am sorry the minister is not here. Possibly before this debate is concluded, he will be able to shed some light on a few questions which not only interest me, but many fishermen in this country. For example, the purpose of this amendment is to assist fishermen who want to modify and improve their fishing boats. However, there is no mention of providing new engines for boats. In many cases, the fishermen are expected to improve their fishing capability. They should be able to get assistance from the government for the purpose of purchasing more powerful engines.

Another question that comes to mind is the limit that will be placed on the modifications by this amendment. I have the impression, rightly or wrongly, that there will be a floor of $5,000. For example, if a fisherman is going to make certain changes, alterations or modifications to his boat at a cost which does not exceed $5,000, he will not qualify for the 35 per cent subsidy provided for in the amendment. I would like the minister or somebody on the government side to explain these two aspects of the amendments.

Like my colleague, the hon. member for South Shore, I have very strong reservations about the wisdom of only allowing 35 per cent of the cost of these modifications. Surely, the government can see fit to increase that to 50 per cent. In many cases the changes that must be made to these fishing boats, especially in view of the new licensing program being initiated by the Department of Fisheries and the inspection program, will be substantial. Consequently, not too many more people will be able to avail themselves of the benefits of the act. This will be because of the limitation on the amount of money they can receive. I strongly recommend to the minister and the government that this 35 per cent be increased to at least 50 per cent.

There are a number of other matters pertaining to fisheries that could be discussed. They may not be directly related to the amendment we are now debating. Certainly, the matter of licensing is very important. On November 14, the Minister of Fisheries (Mr. Davis) announced in the House a rather extensive licensing program. A great many people in my constituency have objected to this proposed licensing program on the ground, among other things, that they had been given insufficient information, or in some cases no information, as to the possible effects of this policy on their traditional way of life. After the minister had made that statement, I took it upon myself to hold several public meetings in the fishing communities in my

riding at which I outlined in some detail what I thought the policy would mean for the future of the fishing industry. I could not find one person attending these meetings who had any idea what the possible effect of these new regulations might be on his traditional way of earning a living. I have reason to believe that today, two or three months later, the fishermen are no further ahead in their understanding of what is happening than they were when the minister made his statement on November 14.

● (1430)

I understand the minister has visited the province and held a few meetings, but I am at a loss to understand why he would go to Newfoundland and hold meetings for fishermen in communities which in many instances are probably 50 miles from the nearest fishing port. I have a feeling that the minister has developed an aversion to salt water, and to judge from some of the comments I have heard in the last few months his feelings in this respect are understandable, because in a great many areas fishermen are confused and unaware of what is happening. They are unable to obtain sufficient information from the minister and from the department. I hope the minister has more success in communicating the benefits of the amendment we are now debating, thereby enabling fishermen to take advantage of it, than he has had in communicating the effects and possible implications of the ship licensing program he announced in November.

When we talk about ships and modifications to fishing vessels, we must, of course, bear in mind that ships need good harbour facilities. This is another area in which the government has been sadly lacking in eastern Canada. I refer to the establishment of better and more modern harbour facilities. This year, approximately $4.5 million will be spent in Newfoundland to improve harbours and related facilities. This is only a drop in the bucket. In St. John's West alone we could use three times that amount to provide proper landing facilities for fishermen. It is strange that, though the government can find money for almost anything else—vast sums for the provision of bigger and better public buildings in Ottawa, for bigger and better underground parking structures in Hull, for the provision of multimillion dollar television transmission facilities in Toronto—it cannot find the funds necessary to provide the basic requirements of the Atlantic area.

Some hon. Members: Shame.

Mr. Carter: Some members may ask why they hear so much from representatives of the Atlantic area, particularly from Newfoundland, about the need for these facilities. We get up time after time to draw attention to the frustration of our fishermen. Is it any wonder that our fishermen feel this way or that they should have formed the impression that the government has written off the fishing industry and is content to throw crumbs to it, as it were, rather than embark on a program which would enable the industry to develop to its full potential?

Is it any wonder that our fishermen have expressed reservations with respect to the position Canada is to take at the forthcoming Law of the Sea Conference? Can you blame the fishermen, Mr. Speaker, for having certain reservations as to the suitability of the minister who is to lead our delegation at that conference, the Secretary of State for External Affairs (Mr. Sharp)? They are aware of certain statements made by this minister during his career as a politician, and they are aware of his dislike for or indifference toward the fishing industry. This is why many of our fishermen are very skeptical as to the possible outcome of the conference.

My hon. friend from New Brunswick mentioned the need for a more comprehensive, more suitable plan of unemployment insurance for fishermen. We have been asking for such a program for a long time. The present program is unsatisfactory as far as we are concerned. There is no reason fishermen should be treated differently from people working in fish plants, or in any other walk of life, when it comes to unemployment insurance. I have consistently brought this matter to the attention of the Minister of Fisheries and of his colleague, the Minister of Manpower and Immigration (Mr. Andras). We have consistently called attention to the inequities of the present scheme as it applies to fishermen, but unfortunately our pleas have fallen on deaf ears.

In concluding my remarks, let me say once again I support the position taken by the hon. member for South Shore (Mr. Crouse). I support the bill but I regret that the amount of the subsidy should be 35 per cent rather than 50 per cent, at least. I strongly urge the government and the ministry to do everything possible by way of advertising and better liaison methods to make sure that every fisherman who needs some of this money, and who is eligible to receive it, will be in a position to apply for a loan or a subsidy and, all things being equal, to receive it. Based on our experience with respect to the Fisheries Improvement Loans Act only a small percentage of the available money will trickle into the areas where it is so badly needed. There is a great need for a better system of communication with the fishermen. I hope the minister will accept some of our recommendations in this regard and make sure that every fisherman will have access to this fund, and to the banks which will be handling the matter for the government.

● (1440)

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to say a few words in support of the bill before the House, Bill C-2, to amend the Fisheries Development Act. I should like to remind the minister responsible for the bill of some of the problems that are faced especially by the freshwater fishermen of the Northwest Territories.

Most of the fishermen of the Northwest Territories have to work under winter conditions and, as a result, this bill is not of much benefit to them. I hope the minister will bear this fact in mind and will not exclude fishermen of the Northwest Territories from its provisions. We have a number of fishermen in the Great Slave Lake and Great Bear Lake areas, as well as the Mackenzie, the inland lakes and the char fishery, people along the Arctic coast. Most of their operations take place in the wintertime and, therefore, transportation plays an important part. The Freshwater Fish Marketing Board has not been of much help to the fishermen in that area.

Another point that must be kept in mind is that DREE is not effective either in that part of the country. Funds to expand operations are not readily available to fishermen of the Northwest Territories. They are not making big money due to the high cost of transportation and the very long distances over which their product must be shipped. I encourage the minister responsible for the bill not to forget these fishermen who must make a living. It is important to the fishermen in the areas I have mentioned that funds be available if they wish to improve transportation facilities, their equipment, Bombardiers, toboggans and that sort of thing. As most hon. members know, these fishermen operate from October to May, much of their fishing being done through the ice. I close by saying once again that I hope the minister will not forget these inland fishermen.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is a pleasure for me to rise to take part in this debate on Bill C-2. As a west coaster I sometimes feel that the rest of the country does not realize that anything happens beyond the Rocky Mountains, but I can assure them it does. Therefore, it is with somewhat mixed feelings that I heard the second last speaker refer to the amount of financial assistance given to our fishing fleet. I do not want to compare figures. I simply hope the money will be distributed on the basis of need and usefulness on either coast. I expect that probably the west coast got the lion's share, because at that particular time we were in the market for a lot of new fishing vessels of modern design, and the funds made available have gone a considerable way to stimulating fishing vessel construction.

In this respect I point out that payments made to small shipyards in some cases have been lamentably late, and in one case at Victoria very nearly resulted in a local firm going bankrupt. I hope the minister will ensure that this does not happen in the future. These small shipyards are not giant organizations and are based on a rather precarious financial structure between contracts.

The lateness of this amendment is about the only thing I can criticize. This bill is before us today, April 5, and the fishing fleet in the southern part of Vancouver Island goes to sea next week. It is much too late for them to take advantage of the provisions of the bill in the immediate future, so they will have to wait until the next season. The bill could just as well have been brought in last fall. Then, during the winter season when the boats were laid up the necessary conversions and modifications could have been made. It is necessary that these conversions and modifications be made, particularly to the trolling vessels on the west coast, whose operators find they are forced to turn their boats into dual purpose boats. More and more want this year to turn their boats into netting and trolling vessels.

To understand the fishing industry at all on the west coast, Mr. Speaker, you have to understand the make-up of the industry and that is not simple. There are many conflicting interests in fishing on the west coast. The waters of the Straits of Juan de Fuca, the Gulf of Georgia, the west coast of Vancouver Island, the Queen Charlotte area and Prince Rupert are divided up between United States and Canadian interests, as well as other interests such as Japan and Russia. Then there is a further division

of conflicting interests within the Canadian fishery. The netting vessels are generally manned by members of the United Fishermen and Allied Workers Union. Then, we have the Pacific Trolling Association, whose members are owners of their own boats and put to sea with a small crew. The third conflicting interest is the sports fisherman who is of commercial importance largely because of the number and what he does for the tourist industry.

To start with the United States interests in Pacific coast fishing, there are two factors that we must consider first of all. They consider it is their right to fish the Fraser River run. At present they are taking one-half of the sockeye run in the Fraser River, and they claim they are justified in doing so because back in the 1930's at the time of the Hell's Gate slide in the Fraser River repairs were made with a certain amount of U.S. money. They put $750,000 into building fish ladders in the Hell's Gate, and since that time they claim they are entitled in perpetuity to half of the sockeye salmon that spawn upriver. This results in their taking out something of the nature of four times their original investment every year, according to figures compiled on the basis of fish landed. We and the Americans are continuing to meet to determine how many fish each side has caught and how many each side is entitled to catch.

There are other difficulties with the United States. We divide the Straits of Juan de Fuca right down the middle along the international boundary. Fish, not knowing for sure whether they are Canadians or Americans, come into the western entrance to the straits and generally follow the Canadian shoreline for a distance, then bear right and go over to the American side and along the American shore. Canadians are the first to catch these fish because some 22 years ago we started netting them at the entrance to the straits on our side of the border. Netting there is not the most efficient way for us to reap the harvest, but at the present time it is a good arguing point with the United States. We have been doing it, as I say, for 22 years now and it is beginning to become a traditional right of ours. However, it would be more efficient, should we have the nets moved back toward the river mouth. This would, of course, alleviate the problem of the sports fishermen who generally fish behind the net in the area of Victoria and the Gulf Islands at Vancouver.

● (1450)

The Americans and Canadians are bargaining about this and if they could agree that it would be in the best interests of both countries, then we could move our nets back and take the fish harvest in a logical sequence. This would give the sports fishermen a crack at the fish before they get to the nets. The trollermen who fish in the open sea on the west coast of Vancouver Island are not concerned about the net fishing behind them except in terms of what it might do to production over the years.

For the coming year, rumoured restrictions on trolling catches for coho, are 1,900,000 fish for Canadians, to be caught by about 1,000 boats. That sounds like a lot of fish, Mr. Speaker. Incidentally, that word coho is c-o-h-o; it does not have an "e" on it and I would appreciate it if *Hansard* would spell it this way. I come from the area where coho is spawned, caught and canned and it is coho. This limitation of 1,900,000 coho for trollermen this year

will mean that they must make do with some other kind of fishing, so they are going into netting as well.

I am sure that the Canadian case for a better deal with the Americans could be made if we were united ourselves. On the one side, we have the very strong United Fishermen and Allied Workers Union working for fishing companies which are in many cases merely subsidiaries of American fishing companies. This is a strong, tough union that has done a lot for its members. Also on the Canadian side we have the Pacific Troller's Association which is the epitome of what members of this House like to refer to as the small businessman. They own their own boats, earn their own living, work hard, and make good money. I have never met a fisherman in either of these conflicting camps that I did not like. There is something about fishing, I believe, that brings out the best in men and they are all good Canadians but it is like saying that the Catholics and the Protestants in Ireland are all good Irishmen, but you cannot bring them together. Until the day comes when the trollermen and the Allied Workers Union can find a way to work together there will be difficulties when working with the Americans. I see no hope of agreement in the near future. The leadership and the psychology of these two organizations is simply too dissimilar.

As to the future of fishing on the west coast, I think we are going to have to catch more of other species than salmon. The salmon is a wonderful fish for eating but we have been forced to realize that there are other fish in the sea, those that are referred to as groundfish on the east coast and as bottomfish on the west coast. This will require changes in our fishing fleet. While the modification and conversion is welcome I hope it will not cut down on the amount of construction permitted under the Fisheries Development Act.

We expect to do more fishing in the open seas off the west coast of Vancouver Island and the Queen Charlottes. In this regard it might be of interest to delineate my party's policy. We believe that other states may only fish within our territorial limits with Canada's permission. We would, if elected, expand the coastguard and increase its mandate. In co-operation with the Department of Fisheries, it could provide adequate surveillance over marine resource areas. This would be aimed at protecting the rights of our fishermen and others at sea in Canadian waters.

I do not want to take up a great deal of time, Mr. Speaker, as I know other members wish to speak on this subject. I am pleased to see an amendment, late as it is, which will help us on the west coast. To that degree, I am thankful for it and hope we will be able to make good use of it in the near future.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I welcome the opportunity to participate in this debate on a bill which will provide subsidies to fishermen for the conversion and modification of fishing vessels. No one can quarrel with the merits of the bill because it should allow fishermen to diversify their activity, to take advantage of other species and, hopefully, it should increase their income.

I say "should", Mr. Speaker, because over the past few years we have had to introduce many amendments to programs which could be of benefit to fishermen but, I am sorry to say, while the over-all particular policy sounds good, the small print in the regulations never reaches the fisherman until he applies for the subsidy. As is usual, with many good programs, it confuses and discourages him that he cannot meet the criteria, nor can he afford it. This new program permits the fisheries service to make payments to vessel owners in the amount of 35 per cent of the cost of an authorized conversion or modification to an existing vessel. This is fine, but we should look at what can happen and note the lack of co-ordination of fisheries policy. Even though it is well intentioned, it is a helter skelter of ad hoc policy which confuses the fishermen and everyone interested in it.

For example, on June 22, the minister announced a reduction in the size of vessels on which subsidies would be given from 45 feet to 35 feet. Naturally, this was welcome news but the announcement went on to say that the program was in response to increased demand for new fishing vessels suitable for inshore fishermen. The minister announced that more than $100 million would be invested over the next two years. That was in June, 1973. He indicated that about 50 large offshore craft and more than 500 boats under 75 feet were being planned or projected and approximately 150 fishing boats between 35 feet and 45 feet were expected to be built under the extended subsidy plan. With even greater fanfare, the minister announced that this unprecedented investment in fishing vessels reflected the strong optimism of the Canadian industry in the future of our fisheries, and that everything pointed to expansion of our fish catches. He was inviting fishermen to go out and catch all the fish available, because the price was better and the government was going to provide the subsidies.

What happened less than two months later, Mr. Speaker? The minister announced a three-months freeze on construction subsidies available for craft of 35 feet to 75 feet. Apparently current applications for vessels already exceeded the funds allocated for the purpose. They had to control the development of the fleets and avoid short term over-capitalization which would dilute the benefits that the fishermen would otherwise have gained from increased catches. This occurred just two months after this announcement of $100 million, which was never touched. After announcing that he wanted everyone to build boats, and, after altering the subsidy to include vessels of 35 feet, just two months later he put a freeze on it. I say "only two months" but, on the one hand, the minister says they are prepared to spend $35 million in subsidies to get more boats in the water, while on the other hand he puts a freeze on the subsidies because there are too many boats and the fishery must be controlled. This is what is referred to as the left hand not knowing what the right hand is doing!

Three months later the minister announced a new fishing fleet development policy to match fleet size to fish stocks by introducing a more selective subsidy program for vessel construction. He was now to consult with the industry, the provincial governments and the fishermen to establish a new licensing control program. In other words, now he has decided he will have to license boats so there will not be too many fishing in the various areas. This is fine, but we should not confuse the fishermen who do not

hear about these wonderful announcements until the poor member of parliament has to go to the region and make excuses for their not knowing about it.

● (1500)

There have been three announcements within a period of five months, each contradicting the others. I took it upon myself to travel the length of my riding, a distance of 400 miles, to check with the fishermen. Only one community that I visited had been consulted. Not one fisherman knew what I was talking about, because there was no communication except with those they say they are communicating with and to whom they wish to provide explanations concerning what they are doing. But the fishermen do not know what is going on.

Many other good programs have been announced since I have been here. There is a program, for example, to provide 50 per cent forgiveness grants for the provision of ice-making facilities and boats. This is a good program, but I still have not seen any results nor have I heard from any of the fishermen about it with the exception of the ones I met to tell them about the program. I do not know of anyone who has received benefits from this program. I hope the minister will see that information about the program is passed on to the fishermen.

The statistics in respect of this program to provide ice-making facilities show that $9 million worth of additional equipment is required across Canada and that some 370 locations have been identified. I am wondering if anyone thought about the type of facilities that are already provided in which to house ice-making facilities which are so badly required. Everybody realizes that the fish and its classification deteriorates without ice facilities. I am sure everybody realizes that this is a good program. But where is it? Who is it directed to? It certainly is not directed to my district of the province of Newfoundland. I would be very glad if somebody could tell me that it has been directed there, if my information should be incorrect. I would like to know, as my colleague the hon. member for South Shore (Mr. Crouse) asked, how much money has been directed toward this end. I am sure the minister can provide that information for us.

Another contradiction relates to the particular program we are talking about today, subsidies for conversion and modification of boats. Almost at the same time as the announcement for the subsidy was made, another announcement came from the minister's office indicating there is a new program to improve fish quality and the vessels of the inshore and midshore fisheries. So all he is doing is providing a subsidy, on the one hand, of 35 per cent and at the same time contradicting the policy, and hurting the fishermen who want to take advantage of it, by issuing instructions under the fish inspection regulations, which take up about 13 pages and seven schedules, effective April 1, 1975. The fishermen will have to comply with all these regulations. In other words, what he is saying is that all the boats built before the direction from the Department of Fisheries will have to be built all over again, so the 35 per cent subsidy is not enough.

The fisherman will be further discouraged and will not be able to take advantage of this subsidy. As two of my colleagues said, the subsidy either will have to be increased to 50 per cent or there will have to be immediate consultation with the provinces in an effort to have them add to the subsidy, as they do now under the fishing boat building program. I hope this will be treated as a reasonable request. We all agree that the fishermen need programs, but for some reason or other the government forgets where the priorities are. There is no point in a fisherman improving his boat or improving the facilities unless he has a proper place to house his boat, proper harbour facilities and a place where he has protection for his crew and his real estate—which, of course, is his boat.

In the six years I have been here I have made many requests in respect of harbour facilities. I am sure all members representing the fishery were happy when the minister announced that he was taking over the responsibility for small craft harbours from the Department of Public Works. We were happy about this announcement because the Department of Fisheries is more closely allied to the fishery activity itself and has a larger budget for this purpose. Every time we made a request of the Department of Public Works for a harbour facility we received the familiar "thank you for your interest" letter. The department would send out an investigation team. It would do this about 12 times a year, at 12 places. Then a letter would come back saying, "Thank you for your interest. We have investigated the matter, but unfortunately we do not have enough funds available and therefore we must defer the project for another year."

We thought our frustration in this regard had been overcome, but now when we apply to the Department of the Environment the story is the same; we are told there is a lack of funds and that the project must be deferred for another year. The department does not seem to realize that the fishing industry will never get a proper start unless the fishing vessels are protected. I hesitate to mention parochial names, but there are many areas in my district which have been investigated, at a cost of thousands of dollars, for the purpose of opening up the whole area to make available its marine resources. The end result in each case, however, has been studies, task forces, reviews and resource studies, again to the frustration of the fishermen until they threaten now to open harbours themselves, to the detriment of Canada. This is the type of attitude which prevails. The government pays only lip service to these problems of the fishermen in the form of putting something on paper to the effect that the fishermen will be consulted and that an advisory committee will be set up, but the people who form the advisory committee never see anybody from that time on.

One of the fundamental bases of freedom of the fisheries is the need for protection from foreign draggers. Until this famous Law of the Sea conference comes about—I am sure everybody has heard about this so often that there is much frustration about it—Canada must provide an adequate surveillance and rescue capability. This is available through the Department of National Defence. This is another very important and basic phase of the fishing operation. Before we can introduce programs and permit the fishermen to take advantage of them, they must have a boat and they must have protection from the foreign draggers which are allowed to come in, rape our shores and take away the livelihood our fishermen have depended upon for hundreds of years.

The other day I made a representation to the Minister of National Defence (Mr. Richardson). I was very pleased that he announced to the air reserve squadron of Canada that he would give it a more important role in becoming more allied with the duties of the regular force. He would double the force. He would provide them with regular force equipment and planes, and they would take a more active role in the Canadian forces. I can see no better way of implementing an increase in the strength of that force than by the formation of a squadron in eastern Canada with part of it located in Newfoundland which has all the hardware, hangars, fuel tank capability and is a good source of recruitment so that members of the force could take part in the air surveillance which is so badly required. He said, in answer to my question, that he would seriously consider this, and I hope it will be a decision which will help the fishing industry in Newfoundland.

● (1510)

I should like to point out to hon. members the presence in the gallery of the new chairman of the saltfish corporation, Mr. Bradbury, who has been with the Department of Fisheries and has helped in every possible way. Another thing the minister should realize is that in view of the high price of saltfish and the lack of attention paid by fishermen to salting fish, fishermen could be encouraged to take a more active part in this industry which could give them a good livelihood. This points out the need for basic facilities which they do not have at present. By salting fresh fish, fishermen can get rid of their catch quicker and thus avoid spoilage. I hope that when Mr. Bradbury takes over his duties, if he has not already done so, he will recognize this fact and will provide the necessary funds and the proper processing facilities to salt fish, a product which Newfoundlanders know better than anyone else and which could bring them an advantage in fisheries.

Another problem which exists now with the change in government is the lack of co-ordination between the federal and provincial governments. I wish you could see, Mr. Speaker, some of the letters that I receive. I could give you an example. It took me seven months to find out from both levels of government which of them was responsible in a certain case. This would make you frustrated, too. There were seven months of correspondence and inspections, of delegating responsibility to another level of government, and then that level of government after investigating the case hands the problem back and says it is not a provincial but a federal matter.

I should like to refer to the time when there was a Liberal government in Newfoundland and the then premier advised all fishermen to burn their boats. This was probably the poorest advice ever given to any citizens of Canada, as far as I have heard or read. Here we are, with the fishing industry at its peak, the price of fish never having been as high and the income derived from fishing never better—but it is the basic needs of fishermen that must be met to allow them to take advantage of the improved situation after years of hardship when prices were at 3.5 cents to 4 cents.

The minister should stop announcing programs every few days. Instead, he should try to consolidate the existing programs. There is the fisheries improvement loans program under which fishermen who have prospects can go to the bank and obtain a loan. The various levels of government should get together and define their responsibilities with a view to establishing a simple policy that fishermen could understand and that would be to their benefit.

I have no quarrel with the bill as introduced. As I said earlier, the new legislation should provide fishermen with some benefits, if dealt with properly and in a common sense manner. I have no hesitation in indicating my support for the bill before us.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, we are about to give second reading to a bill entitled an act to amend the Fisheries Development Act which stands in the name of the Minister of Fisheries for Canada (Mr. Davis). I suppose the very obvious question to ask is: Where is the Minister of Fisheries for Canada? I am asking that question because he is not in his seat at present. My next question is: Where is the minister's parliamentary secretary? Quite frankly, as I look across the chamber I cannot see the Parliamentary Secretary to the Minister of Fisheries. I assume that someone over there is getting ready to wind up this debate on second reading, whenever it comes to that point.

I am very pleased to see that we have on the government side such leading authorities on fisheries as the Secretary of State (Mr. Faulkner). I see he is very busy taking notes over there, so perhaps he is getting ready to reply. Or could it be that the Minister of Justice (Mr. Lang), who is a leading authority on a number of subjects, so that it would not be too difficult for him to move from wheat to fish, will be the minister to wind up the debate? I thought for a little while that it might be the Minister of Supply and Services (Mr. Goyer) who would speak at the end of the debate. He has been in the House for part of the time and, as all members of the House are aware, he has recently been branching out and becoming a leading authority and spokesman for the government on such diverse matters as the storage and purchase of oil. I was rather hoping he would be the one to wind up this debate.

I also see the President of the Treasury Board (Mr. Drury) sitting over there, smiling. I do not know whether he considers himself to be an authority on fisheries in Canada. Sometimes he appears to be aware of some of the financial problems of fishermen, and since this bill involves money I can say quite honestly that I am glad to see he is here. Perhaps he will respond on behalf of the absent Minister of Fisheries to close the debate.

The program that has been the subject matter of most of the discussion by members who have participated in this debate, namely, the program of grants for the construction of smaller fishing vessels, has not been of great consequence on the west coast of Canada. Some hon. members will recall that for a number of years we had a program which provided assistance for the construction of small fishing vessels without the benefit of the Fisheries Development Act. It was operated under authority granted to the government through the provision of certain funds in the estimates. But a few years ago—not all that long ago—the Minister of Fisheries announced with great fanfare that he thought the program should have a proper statutory framework, and that in order to regularize it and expand the scope of the department's activities and the

financial backing of the government to assist in the development of the fisheries industry we should have a Fisheries Development Act.

Members who were on the committee will recall that we broadened the program to include things other than the construction of fishing-vessels. Not very long before that we had expanded the act so that it would include ice-making plants, fish-chilling facilities, and so on. I am happy to report that there is some interest on the Pacific coast in that new aspect of the act. I think applications are in the course of development for construction of additional ice-making equipment and storage equipment, which may assist in having our fishery's catch landed, processed and delivered to the consumers' tables in better condition than has occasionally been the case in the past. That is all to the good, Mr. Speaker; but as some hon. members have pointed out, every so often we are asked to give our blessing to a proposal, in statutory form, for some great new program. Sometimes we accept proposals with considerable enthusiasm.

● (1520)

My recollection is that members representing Atlantic coast constituencies were enthusiastic about the announcement concerning the Fisheries Development Act. They said it had particular implications for their inshore and mid water fishermen. Yet today we heard reports which indicate that when we get right down to the place where the fishermen are, not very much has happened as yet and the fishermen are still living in hope of seeing some practical developments flow out of the legislation that we passed.

Now we are being asked to expand the Fisheries Development Act to cover programs to assist in modifying and converting existing fishing vessels. On the face of it, I have no hesitation at all in saying that I am prepared to support this concept in the legislation because it is necessary, if the minister is going to move, particularly on the Atlantic coast, to require higher construction standards for fishing vessels so that there be some enabling legislation whereby the regulations which he is so freely tossing out do not become increasingly impossible for the fishermen to live with.

So far as the Pacific coast is concerned, I have said that this program up until now has been of very little practical consequence. The simple explanation for this is that our really major fishery on the Pacific coast is the salmon fishing industry. From the outset of the small fishing vessel assistance program, the salmon fishing industry of British Columbia has been ruled ineligible to participate in it on the ground that we had too many salmon fishing vessels in the water and it would not be proper for the parliament of Canada to take steps to encourage the construction of more. It may be pertinent at this point to remind the House that, far from having special programs to assist in the construction of fishing vessels for the salmon industry, in effect we have had a program to buy out fishing vessels, something which is a complete reversal of the import of this legislation. We have had what is known as the buy-back program.

While on the one hand we have been putting money into grants to assist in the construction of fishing vessels, on the other hand, in my part of the world primarily, we have been putting money into the pot to get fishing vessels out of the fishing industry. Both these developments may be necessary, and in some respects desirable—although the salmon fishermen of British Columbia would tell you that most of the money for the buy-back program comes out of their pockets. It is a sort of subsidy in reverse. In effect, they are subsidizing themselves to get fishermen out of the industry. This is worth mentioning in light of the experience that has just been recounted to us, where shortly after we passed legislation expanding the program for fishing vessel construction on the Atlantic coast the minister announced a freeze on the granting of moneys until a complete review was undertaken of the approach that was planned.

The fact is that every so often the Minister of Fisheries talks about great, unexploited fisheries which we are not utilizing to the full on a sustained yield basis. Then he suddenly discovers that with the kind of technology available to Canadian fishermen or, as is more frequently the case, available to foreign fishermen on the Atlantic coast, the fishery that has been underexploited becomes overexploited. I would agree that there must be some flexible application of various programs in the light of certain circumstances, but it is pretty difficult for individual fishermen to make rational plans to commit funds for the construction, improvement or conversion of a fishing vessel, funds which may be the principal investment of their lifetime, when they do not know from one week to the next whether a new edict will come out saying they can no longer participate in that particular fishery. For that reason alone, fishermen have every right to be concerned that when we pass a law there will be a realistic application of it. I hope that kind of application will be given to the present proposal to extend assistance with respect to the modification and conversion of fishing vessels.

One question in my mind that ought to be answered concerns whether this part of the program will be open to the west coast salmon industry. I have already indicated that west coast salmon fishing vessels have never been eligible for grants under this program. I am not basically quarrelling with that, but just as is the case on the east coast, so also on the west coast increasing emphasis is being placed upon having the type of vessels which will ensure that catches arrive at shore in good condition. This has a particular application in respect of our west coast salmon fishing industry. Some of the developments that have taken place recently require quite expensive installations in a modern salmon fishing vessel to preserve the quality of the fish and to increase the efficiency of the fishermen by installing proper refrigeration so he can stay out longer before returning to port with his catch.

That really is the only direct question in relation to the west coast fishery that comes to my mind. The questions which were asked by other hon. members from the Atlantic coast certainly deserve to be answered also. Perhaps I should also say that the questions raised by my colleagues, the hon. member for Meadow Lake (Mr. Nesdoly) and the hon. member for Northwest Territories (Mr. Firth) about the application of this program to the freshwater fisheries of Canada are also particularly relevant.

● (1530)

As I recall from our committee discussions, the Minister of Fisheries has said that these programs are available to those engaged in the inland fisheries. This question was raised partly because jurisdiction over fisheries management on the prairies, in Ontario and in the territories has not been vested directly in the Department of Fisheries but has been delegated to provincial authorities for purposes of administration. For a long time I have thought that because of that particular administrative arrangement the federal Department of Fisheries has not paid as much attention to the potential development of our inland fisheries as it might have done.

One of the main considerations which must be borne in mind when one thinks of the potential of the fisheries industry in Canada is this: because of our geographic extent and because many parts of the country are far from the sea where fishing is traditionally carried on, it is difficult to transport fish to places far from where it is caught and to make sure it arrives in good condition. Fish, unlike beef, does not improve with hanging: if it is not handled carefully it deteriorates quickly. Thus, in the interest of providing quality, attractive, high protein food for Canadian consumers, fisheries resources should be developed as closely as possible to centres of population.

What I have to say in this connection has particular application to the freshwater inland fisheries of Canada. This problem was given major attention at the federal-provincial fisheries conference held in Ottawa in 1964. The governments of the three prairie provinces showed their interest by attending the conference. Ministers of those three governments were prepared to come to grips with the policy issues involved. The result of the conference was the establishment of the Freshwater Fisheries Marketing Board. That board, unfortunately, got off to a bad start. I do not know if our fisheries committee has received the answer as to how and why this happened, but it became very apparent that poor management people were put in charge of the board in its initial stages. The resulting setback was most unfortunate for the welfare of fishermen of inland areas. Hopefully, steps are under way to rectify that situation. From my assessment, I still think the idea was sound; I say this on the basis of facts which were brought forward when the formal proposal was made to establish this marketing board.

There is a fair potential for developing a freshwater fish market domestically and in the central parts of the country to the south. There is a fair potential, therefore, for an export market. For these reasons, I feel that the Minister of Fisheries should pay attention to the development of the industry so that it meets its potential. This bill is important in connection with assistance for the construction and modification of existing vessels, that is to say, existing vessels which must be improved and brought up to standard. It is also important for providing vessels with equipment which will enable them to preserve fish. The minister should also see how the program can best be applied to the development of fisheries in the freshwater fishing areas of Canada. I think I have said what needs to be said on this bill on second reading. I await with interest the response of the government when this debate is to close.

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I hope to speak no longer than thirty seconds.

The purpose of the bill we are studying is to amend the Fisheries Development Act. The whole problem is to add four words to the existing act. This has been suggested last fall, when we were studying Bill C-4 during the first session of the 29th Parliament.

What we have said since eleven o'clock this morning is 90 per cent repetition of the debates we have had in committee on the 1974-75 estimates and during the study of this bill, during the first session.

As all other members, I would like to see this bill adopted by the House today, to allow the fishermen from Gaspésie and from all over the country to take advantage of the amendment, this summer.

For this very reason, Mr. Speaker, I ask that the bill be referred immediately to the Committee of the Whole so that it may be adopted after third reading and submitted to the Senate.

[*English*]

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I am not usually loquacious, nor is it usual for me to take part in a debate unless I feel I have something important to say. I presume, therefore, that when I resume my seat the House will be in the position to give this bill second reading. Perhaps hon. members may then be inclined to proceed to private members' hour.

As the previous speaker said, this is a small amendment to the act which was amended about a year ago. The act relates to the provision of grants for cold storage and other facilities which would preserve the quality of fish products and would improve the harvesting of the living resources of the sea. This bill is a further small amendment, to assist in the modification of fishing vessels as well as in their construction. Simple amendments such as this reflect fairly important trends in the industry. For example, it is now recognized that fish stocks, fishery resources, are no longer limitless. They never were. Until fairly recently many thought that such resources were limitless, that no matter how many fish you took from the sea, there were always more. Now we realize that fish stocks are limited. Some of them are overexploited while others have potential which is not being exploited at the present time.

● (1540)

In situations of that sort, in some cases it is necessary and desirable that fishing vessels which have been designed for a particular type of fishery be modified to take part in the exploitation of a different resource. This happens from time to time. There is also the necessity of modernizing fishing boats so that the catch can be preserved more efficiently and to eliminate the rather large waste experienced in the fishing industry through the quality of the catch deteriorating before landing. This is another important recognition. We must exploit our resources in a way that is not wasteful. We must develop methods of catching and processing stocks of fish used for human food.

We in North America have been very slow to move away from the original pioneer attitude where it was thought that the bounty of nature was almost unlimited and we could be very prodigal and wasteful in its exploitation. We are now learning, none too soon, that that is not the case. We must exploit these living resources carefully in order to maximize their use and minimize damage to them so there will be a continuous resource. Our renewable resources must be husbanded and harvested in the best possible way.

We must not lose sight of the fact that the fisheries on the east coast are chiefly carried on by people who settled there historically for the purpose of making their living in that way. There is an important sociological aspect to this question. The Department of Fisheries should be extremely careful in administering this and other acts so that the good sense of the fishermen can be part of the input into every new course of action taken by the government. In this connection there is dire need for improvement to small boat harbours, especially those in eastern Canada. I and many inshore fishermen are rather disappointed at the snail's pace at which this is taking place, because small boat harbours have been starved of funds for a number of years. This situation should be rectified as speedily as possible.

I have only one further comment to make, Mr. Speaker. I hope that when this amendment is being administered, it will be administered jointly with the provincial governments concerned in the hope that they will augment the grants made to the fishermen concerned. When one is modifying a boat rather than building a new one, he can invest quite a lot of money without increasing the boat's capital worth. Therefore, I think it is necessary for the aid to apply to a higher percentage of such cost. As far as I can see, no provision is made for such a percentage increase in this bill, but I hope that jointly with the provincial governments a way can be found to increase where necessary the assistance as a percentage of the over-all cost so that the fisherman's share will not be so high. Otherwise, I doubt whether desirable modifications will ever be made to some fishing craft.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am pleased to have the opportunity to speak on behalf of the Minister of Fisheries (Mr. Davis) in connection with this bill. Hon. members may have forgotten—this brings me back to an old pastime, rather than breaking completely new ground—that some five years ago I had the responsibility of piloting through the House the bill which created the Freshwater Fish Marketing Corporation; so I am at least back in the business once again.

I was a little disappointed to hear the comments of the hon. member for Comox-Alberni (Mr. Barnett) regarding the absence of the minister and his parliamentary secretary. As hon. members know, quite often the business before the House on a particular afternoon—and I think it is true in this case—is as much arranged to suit the convenience and wishes of members of other parties as it is to suit the wishes of the government. That is sometimes done even though the minister is not available, if the opposition have strong wishes in this regard. It is only fair to observe that this is often the case. Therefore, remarks about absences of members are a little ill-received. In this particular case the Minister of Fisheries is on his way to address the Pipeline Contractors' Association, and the parliamentary secretary is representing his minister at the third international environment conference in Kenya. As hon. members will realize, they are properly about the business of the Department of the Environment and Fisheries and for that reason cannot be here.

I will try very briefly to answer at least a few of the relevant questions raised by hon. members who roamed a little over other subjects in the field of fisheries. In answer to the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the department is moving forward with its quality improvement programs. In the 1974-75 estimates there is provision for a program for fish-chilling and icing which is national in scope. It is, therefore, part of the over-all program. I am happy to tell the hon. member for Comox-Alberni (Mr. Barnett) that if a British Columbia fisherman has a vessel which can be converted for use in an area of fisheries that is underutilized, he can presumably qualify for assistance under this program.

The hon. member for St. John's West (Mr. Carter) raised a couple of questions about the nature of the program. Basically, the answer is that the regulations which will be established under the act will allow for some of the matters about which he is concerned, such as improving the engines of fishing craft. The hon. member for St. John's West also mentioned an upper limit. While at this point in time no upper limit has been set, this likely will be done in connection with the regulations which are being drafted. It is probably undesirable to make this an open-ended program, but that matter has not been finally determined: the regulations have not yet been drafted.

I was very pleased to hear the suggestion of the hon. member for Malpeque (Mr. MacLean) that we might now proceed with second reading of this bill and speed its progress through the House so that this amendment, with its own important significance, can become a part of our law.

Mr. Deputy Speaker: If the House is ready for the question, the Chair will proceed to put it. Earlier today the hon. member for Meadow Lake (Mr. Nesdoly) suggested, on a point of order, that the bill be considered in committee of the whole rather than being referred to the standing committee. This, of course, would require unaminous consent. If there were unanimous consent, the motion would be varied.

Mr. Baker: Mr. Speaker, speaking for the official opposition, we would be agreeable to that. We are anxious to see the matter finalized as quickly as possible.

Mr. Knight: Mr. Speaker, if the bill is put to the committee of the whole and given third reading I assume it will be done on the basis that we have had all the debate necessary and it will be passed right through the House.

● (1550)

Mr. Crouse: Having led off the debate for the official opposition on this measure, may I say we are prepared to give the bill third reading at this time in order that the benefits which could accrue to fishermen and processors

in Canada might be received at an earlier date than would be the case if passage were delayed.

Mr. Lang: On that point of order, Mr. Speaker, may I say I am very pleased with the co-operation shown and the welcome given to this change in the law.

Mr. Barnett: The Minister of Justice having closed the debate in such a capable fashion, may I say we shall be pleased to see it done in this way.

Mr. Deputy Speaker: Shall the order be varied accordingly and the bill referred to committee of the whole?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

Mr. Bell: Mr. Speaker, I was about to suggest that we adjourn. I simply say that this shows what we can do, through co-operation, in passing legislation when certain members of parliament are not here to mess things up.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: I gather it is the wish of the House that the Chair should call it four o'clock.

Some hon. Members: Agreed.

Mr. Deputy Speaker: For the next 60 minutes we shall proceed to the consideration of private member's business as listed on today's order paper. The understanding of the Chair is that Bill No. C-107, standing in the name of the hon. member for Rocky Mountain (Mr. Clark) is the measure we shall proceed with for the next 60 minutes. Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA ELECTIONS ACT

PROVISION TO APPOINT COMMISSIONER TO INVESTIGATE COMPLAINTS OF VIOLATION OF ACT

Mr. Joe Clark (Rocky Mountain) moved that Bill C-107, to amend the Canada Elections Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, I hope that the spirit of co-operation which is so evident in the chamber will be continued through the remaining 57 minutes and allow this bill to make satisfactory progress. Bill C-107 proposes to clear up or to add force to one of the provisions in Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and various other pieces of legislation.

Bill C-203, the House will remember, was passed by this House and adopted on January 4 after an extensive amount of work in committee by members of all parties. I think all of us who had the opportunity to work on this bill at the committee stage and take part in the discussions in the House recognized that the bill which was produced, Bill C-203, is an imperfect bill although much less imperfect than the law it replaced and much less imperfect than the bill as originally put forward. There are, however, some very clear faults in the election expenses legislation which was adopted by the House earlier this year. For example, in the provision for contributions to constituency associations there is no $100 limit, which means, in effect, that there would have to be an accounting for every membership which is purchased and for every raffle ticket which is sold by a constituency association—for every dollar or 50-cent expenditure of that kind. I do not think this is what parliament intended, but that is in the law.

Parties are required to specify days on which they intend to advertise via the electronic media some months or even years in advance of the election date. This presents an obvious difficulty. The fiscal year to be followed by the various parties is not spelled out. This will create difficulty when comparing periods which should be comparable. The requirement that candidates should break down the expenditures they incur is probably insufficient. The language of the bill is so broad that a number of interpretations could be placed upon it. All these shortcomings could cause difficulty later for individual members of this House and for the parties to which they belong.

However, in my opinion, the major failing of Bill C-203 is its failure to include effective provision for enforcement. There has clearly been a substantial change in the approach to the regulation of election campaigns. Certain limits have been imposed. Publication of contributions and expenditures has been required, real reforms have been undertaken. The major shortcoming is this: there is no provision in the bill as it stands for enforcement, no way to guarantee that the reforms we have written into law will be honoured. Substantial penalties have been established, but those penalties will be useless unless we are determined to enforce them. We have incorporated sharp teeth into the measure but no political party, no candidate, will fear sharp teeth if they know that the jaws will never snap, that the teeth will never bite.

In the absence of the fear of penalties and rigid enforcement, in the absence of any fear that fines will actually be assessed and that punishment in the courts will actually ensue whenever offences are committed, we might as well have no bill at all. If there is no enforcement, then we have acted in vain. If there is no enforcement, then in effect we have no reform of electoral practices in this country.

● (1600)

I think a situation that would undermine entirely the purposes of the election expenses bill, which was laboured over so mightily by so many members in this House last year, would be where one party observed the law rigidly and another did not, and the party that did not observe the law suffered no penalty and the provisions that were written into the act were not enforced. If that were to happen once we would be well along the way to a situation

where, in effect, there was no regulation of election practices, where in effect there was no electoral reform.

I think we have to be realists here and recognize that political parties and political candidates do not operate entirely on the basis of good will. We are in elections to win, and it is important, at least to our peace of mind, to know that the other side is limited by certain provisions and penalties. Just like other mortals, politicians and political parties need incentives to obey the law. We are not going to do so out of sheer belief that the law is good; we need incentives to obey the law. The problem with the legislation that we have passed is that as it now stands there is no such incentive.

When we were in committee, Madame Speaker, I attempted to introduce an amendment that would have built in an enforcement procedure making use of the office of the Auditor General, an office that is already well established as an effective watchdog over the procedures and expenditures of the House of Commons. This particular proposal was ruled out procedurally because it went beyond the original scope of the legislation which had been brought before the House and consequently was not a matter that we could entertain properly as an amendment at that time.

When it was ruled out, the hon. member for Greenwood (Mr. Brewin) of the New Democratic Party introduced an amendment of his own, an amendment that was subsequently accepted and which created a commissioner who is subject to and appointed by the Chief Electoral Officer. The language in the bill reads precisely thus:

> The Chief Electoral Officer shall appoint a commissioner whose duties, under the supervision of the Chief Electoral Officer, shall be to ensure that the provisions of this act in regard to election expenses are complied with and enforced.

That was the best we could do in committee and it was the best latitude that the procedures of the House of Commons would allow. The procedures did not allow recourse to the Auditor General. The procedures did not allow recourse to the kind of independent commissioner that I am proposing in Bill C-107 before the House today. I think because we had spent a long time in the committee and had undertaken and achieved a number of changes, and because we were conscious that there was a certain public pressure to introduce these reforms to our electoral law quickly, most of us were prepared to accept the commissioner amendment as the best we could do to meet the problem of enforcement. But on reflection I, and I believe other members of the House in other parties, fear that it is not good enough simply to have a commissioner who is the creature of and is responsible to the Chief Electoral Officer. We carried the amendment with the design of creating an enforcement mechanism, but in fact we did not achieve what we set out to achieve since there is not an adequate enforcement mechanism.

I should like to bring to the attention of the House the concerns I have about the enforcement mechanism that was approved in the committee and which is in the bill. In effect, the provision to establish a commissioner as incorporated in Bill C-203 is simply a writing into the law of the existing practice. It already is, and it was before the passage of this most recent electoral reform, the duty of the Chief Electoral Officer to ensure that the provisions of the previous election law are carried out. In practice, Madam Speaker, the Chief Electoral Officer, the incumbent now and the Chief Electoral Officers who preceded him, is and were not able, for reasons I will not go into, effectively to carry out that enforcement function.

[Mr. Clark (Rocky Mountain).]

I think we are being naive if we believe that the mere designation of a person, the mere writing of that silent function into the law, is going to change the practice. We have to bear in mind that the function of the Chief Electoral Officer is primarily administrative. The function of the commissioner is an investigative one. It is very difficult to mix the job of administration, the primary task of the Chief Electoral Officer, with the investigative job that must be done if we are going to have effective enforcement of electoral reform legislation in this country.

Just in the nature of things, work that must be carried out in investigation is bound to jeopardize the reputation for non-partisanship that is essential to the effective functioning of the administrative job of the Chief Electoral Officer. That office works only because all parties in the House and all parties in a campaign believe that the electoral officer is fair to all and beholden to no particular party. There is a very real danger that if he follows, or influences his commissioner to follow, the investigative work too rigorously, then the requirement of non-partisanship will suffer so seriously that he will not be able to carry out his administrative job. I think that by trying to answer this very real need for an enforcement mechanism we have inadvertently imposed upon the Chief Electoral Officer a burden that could well be crippling in the carrying out of his administrative functions, which are the essential functions that he has to perform.

Another reason that we have inadvertently created a major problem here is that the Chief Electoral officer is now simply overworked during election periods when offences, in the nature of things, are most likely to be committed. I think we must realize that while the functions of an investigative officer, of a commissioner, are to continue between elections as well as during an election period, the time when the need will be most acute will be when an election campaign is in progress. I suggest it is simply unrealistic for us to expect the Chief Electoral Officer to be able to devote the time, the attention or the staff to carrying out the investigative function during the period it is most required. So we are left with no particular improvement.

If I might, Madame Speaker, I should like to quote extensively, so there will be no fear that these notions about the dangers of enforcement are only mine, from a very considered and considerable brief presented to the standing committee by Professor Hugh Thorburn who is a recognized and independent Canadian authority on electoral processes and is a professor at Queen's University. I quote Professor Thorburn:

> My major criticism of the bill—

That is Bill C-203 in draft form.

> —as it stands is that it lacks an effective provision for its enforcement. If we consider the elections act in its many forms through the years, its major shortcoming has been the fact that many of its provisions have remained a virtual dead-letter. If we survey the record we will find that "on no occasion has a member of an established party initiated action against a candidate from another established party".

● (1610)

We find that he quotes the party practice. I emphasize that on no occasion has the function been carried out in the past. Professor Thorburn goes on to say:

> Since no enforcement provision was included in the act, and established parties naturally feared retaliation if they or their members should bring an action or lay an information against a member of the other party or parties, virtually nothing was done to compel obedience to the law, and the prohibitions in the act remained essentially unenforced. In addition, since private citizens are not likely to take the trouble and incur the cost of contesting an election suit, this means of initiating an action is virtually inoperative. Also, we have not had any effective organized non-political groups to undertake the responsibility of scrutinizing election activities with a view to initiating legal action in cases of infractions. Finally, no public agency has felt itself responsible nor has been made responsible for prosecuting candidates or others who violate the law on election expenses.
>
> Under such conditions it makes relatively little difference what provisions are made in the law to require scrupulous behaviour of all participants in the election process. If nothing is done to compel obedience to the law, the law is quickly brought into contempt and serves merely as a form of window-dressing to cover a situation which could not be approved of.

Madame Speaker, I think that draws our attention, from a perspective of academic objectivity, to the very serious break in the law which we have not yet been able to reform satisfactorily. So unless we adopt this measure that I propose in Bill C-107, or some similar measure, we could be left without having achieved electoral reform at all, despite our labours.

I recognize the problems of operating an independent commission, problems of additional staff, problems of whether that office or officer will be busy between elections, although I think it would be helpful to have that kind scrutiny occurring between elections as well as problems of extra costs. But as a parliament I think we have to face the larger problem, if parliament has laboured to pass a reform bill which will not work and if we have an instrument which will not work because it is not likely to be enforced.

As active politicians, all of us go to schools to meet with young people and we are aware of the developing cynicism in the country toward the political process. All of us who care about the future of our political institutions, and indeed about the future of our country, know that our greatest enemy is not another party in this House but it is the simple cynicism that is growing daily, fed perhaps by the forces of Watergate but also by a feeling among Canadians of all ages, that parliament does not mean what it says. When we pass laws designed to achieve reform, we do not go that extra step to ensure that it will be achieved.

I think we have to be conscious of that and of the fact that a great deal of attention has been paid by the public generally, and particularly by the young people of Canada, to Bill C-203 to reform electoral practices which was passed in January. If we have not in fact achieved reform, we are going to be accused of engaging in an empty gesture and of having made a pretense of reform when we knew that what we were writing into the law would not be enforced and therefore there would be no change.

Madame Speaker, I have no particular pride of authorship in Bill C-107. There are provisions in it that perhaps would fall of their own weight.

The Acting Speaker (Mrs. Morin): Order, please. I regret to advise the hon. member that the time allotted to him has expired.

Some hon. Members: Continue.

The Acting Speaker (Mrs. Morin): Is it agreed?

Some hon. Members: Agreed.

Mr. Clark (Rocky Mountain): Thank you, Madame Speaker. I hope that the unanimous consent expressed here will be repeated later in the day.

I have no pride of authorship in this bill. My intention was simply to draw the attention of parliament again to the very serious problem which faces us of not having devised effective enforcement procedures to make sure that reforms introduced in the fall of last year will be practiced in future. If there is a disposition in the House to have the subject matter of this bill considered, I will believe that the work I have been trying to do in introducing the bill has been worth while.

In thanking the House for its generosity in giving me these extra few moments, may I express the hope that serious attention will be given by members on all sides of the House to the problem of amending Bill C-203 in respect of election expenses in order to make sure that we have legislation which achieves the reforms that all members wanted and that we have the essential instruments of enforcement to do this.

Mr. Rod Blaker (Lachine-Lakeshore): Madame Speaker, may I join the hon. member for Rocky Mountain (Mr. Clark) in expressing the pleasure not only of myself but, I am sure, of all hon. members present in the House at seeing such a remarkable change in the occupant of the Speaker's chair.

Some hon. Members: Hear, hear!

Mr. Blaker: In supporting Bill C-107, introduced by the hon. member for Rocky Mountain, I could perhaps quote him verbatim. I could not find myself more in agreement with anything I have heard in the many debates and the discussions at the Standing Committee on Privileges and Elections than with what I heard the hon. member say today. After paying such a compliment it is customary to add the word "but"—and I shall proceed to do that, unfortunately—but with all due respect to the hon. member's intentions, although the recommendations set forth and the proposals made in Bill C-17 are certainly much in order, the sections relating to the electoral districts are rather unfair and contradict one another.

Hon. members interested in pursuing the subject will find that the definition of an "electoral district agent" in section 2 is somewhat contradictory to that referred to in subsection 13.1(4) of the act, which again is contradicted in subsection 13.1(2)(b), so there can be no doubt that the amendment is absolutely necessary. The difficulty is, however, that there are a number of other amendments which one would think will have to be considered. Before going on to that, and in order to make more sense of the problems that I foresee which will require amendments and which I think might be referred to as the need for an

omnibus amendment bill on this particular act, we might briefly review some of the provisions of the act and what they were intended to do. We should then look at some other problems raised in Bill C-107 which could possibly be brought before the House by reference to the committee or by presentation of motions.

The bill requires, with respect to political parties, that they must disclose the source and application of their funds or, in more usual terminology, must indicate the source and amounts of all donations where the amounts are in excess of $100, and must indicate their expenses on an annual basis whether they be expenses for an election year or a non-election year. Furthermore, with respect to political parties we have ascertained a limit of 30 cents per voter which would mean that the four major political parties in Canada cannot spend in excess of approximately $4 million each per election. That is a very considerable restriction in view of the kind of expenditures we are familiar with in regard to some of the elections conducted by our neighbour to the south.

● (1620)

Secondly, we have attempted in this bill, and to a large extent have succeeded, although there are more problems to which I should like to refer later, to give the average individual citizen an opportunity to participate in federal politics in a manner never before available to him. If he chooses to make a donation of $100 or less, he will remain anonymous and, in addition, $75 of the $100 will be deductible from his taxes owing. It is not a tax deduction in the usual sense. It is actually a tax credit. It is a direct contribution, if you like, to the federal government system and to parliamentary democracy.

Thirdly, we have to some measure made great strides in restricting expenses of candidates, although the point made by the hon. member for Rocky Mountain is that perhaps we have not gone far enough. I tend to favour a commissioner in the ridings. I suppose that means a policeman, although perhaps that is a nasty word. Whatever we may think of the matter, there certainly is no shortage of members of this House who are familiar with candidates who run some rather strange campaigns. Perhaps it would be a nice idea if we were all subject to the same scrutiny by a well organized commissioner.

We have succeeded in limiting expenditures to $1 for each of the first 15,000 names on the voters' list, 50 cents for each of the next 10,000 names and, finally, 25 cents for every name after those first 25,000. In an average riding this would mean something in the order of $25,000 or $26,000 which the candidate can expend for election purposes. In addition to that—again I will refer back to these sections because there are more problems here—we have created a system by which such a candidate, so long as he obtains 15 per cent of the vote in his riding, will be compensated by the people's money through the federal government to the extent of something like eight cents for the first 25,000 names on the list and six cents for those thereafter. So we are looking, in an average riding of about 50,000 people, at something in the order of $7,500 going back to the candidate who has succeeded in attracting at least 15 per cent of the population.

[Mr. Blaker.]

I might add the personal note that I think 15 per cent is still far too low. It should be higher because it seems to indicate the possibility of candidates who are attracted by the compensation factors of this act. It seems to me there is a very distinct possibility that some candidates may find it financially desirable to put their names on the list only to find themselves with, hopefully, 15 per cent of the vote having spent as little as $5,000 and then to find themselves compensated by the federal government for $7,000 or $8,000 simply because they obtained the required percentage of the vote. For those who win, there are enough financial penalties in becoming a member of parliament without making it particularly attractive to candidates who lose to not win—if that grammar can be used.

In addition, we have provided for the facilities of an auditor. There are more problems in that section in respect of an auditor. I do not think we have defined this properly. However, the act does provide that the liabilities are to be shown. The whole subject of voluntary labour is brought under consideration in the sense that there has been a tendency in the past to use individuals, I think, on a form for compensation but without actually referring to them in the election returns and in the setting forth of the costs of the candidate's election.

There is the whole matter of commercial value. That is another problem which I think may require amendment as well, because there are the different features relating to the cost of an article or its commercial value which raises the matter of wholesale, retail, and so on. We have supplied a whole group of agents who come under the titles of chief agent, electoral district agent, registered agent, and official agent. I suggest that the public will become as confused as most members after they get through with the flock of agents who have been provided. But there they are, and presumably between the official agent for the candidate and the registered agent for the party there is some hope that disclosure of income and expenses can be enforced and, hopefully, we should be able to provide the Canadian public with a much better idea of who is running their elections, and why.

Perhaps at this time I might affirm again to the hon. member for Rocky Mountain the co-operation which existed in the committee during the meetings for hours on end and the picking away at one clause after another. If today the hon. member for Rocky Mountain were to find that his bill in fact is not referred to the Standing Committee on Privileges and Elections, I certainly would want him to understand that it is with nothing but the greatest respect for the draftsmanship and intentions of his bill that this might happen. It is by coincidence that there seem to be so many other problems that it may be better procedurally to go by way of an omnibus amendment for many of the other areas about which we and others are concerned or, conversely, there may be a reference to the committee on privileges and elections and we can get back at the whole thing again, although I think most members of the committee would not be entirely delighted with that proposition.

I should like to refer simply, for the sake of the record, lest some of these thoughts get lost, to other areas which I think require reconsideration. On the question of the appointment of auditors, both sections 13.3(1) and 62.1(1)

define an auditor as a person who normally carries out the duties of an auditor in a province or the province in which the electoral district of the candidate is located. There is, of course, different provincial legislation which defines the practice of accountancy in Canada throughout the various provinces. The expression "who normally carries on the duties of an auditor" leaves much room for disagreement. As the hon. member for Rocky Mountain mentioned earlier, it seems a shame to go to all this trouble to have a workable act only to find that we are not enforcing it properly, and one of the most important sections is that which refers to the auditor and his report. So we might want to look at the question of amending the act in terms of the auditor and his function.

Also under sections 13.3 and 62.1 the requirement of an auditor is to report whether in his opinion the return presents fairly the information contained in the accounting records on which the return is based. In other words, he is saying he has read the records, and the records and the return look similar. But what we would really like the auditor to do, I think, is verify that the candidate or the party has complied with the provisions of the entire elections act. We do not want him simply to read a group of receipts and say, in effect, that the total reads the same as what is shown on the election returns. We want him to go further and say that the candidate has behaved properly, as we expect him to do under the provisions of this act.

Another problem—and this has been discussed up and down the House of Commons, in committee and elsewhere—is that of contributions made directly to a party or to a candidate. This refers to section 13.4 and section 63(2) where there is a requirement in the act for disclosure of the names of the donor where the amount is over $100. The difficulty here is that if one party association makes a contribution, this contribution presumably is the accumulation of all kinds of large and small contributions which have been brought in from the communities. The intention of this act is to provide anonymity to donors, but in the event that the association has made a contribution of an accumulation of small donations, the act would appear to read that the requirement of the candidate is that he ascertain the names of those individuals who made small donations to their party association and make those names public. That was never our intention. In fact, quite the reverse was the case. We wanted to guaranteee the anonymity of people who choose to involve themselves financially in the system of parliamentary democracy.

● (1630)

Another problem—I am not quite sure how we missed this one, because it is so obvious—is that under section 63(1) the candidate must, within two months following the election, submit his returns respecting election expenses. A section in the act immediately preceding 63, that is, section 62(12), provides that all expenses incurred by a candidate in respect of the conduct or management of the election must be paid within 50 days. So we manage to allow a near contradiction to get in, and we should ensure that the report time and the payment time are the same.

In terms of the publication of the auditor's report and the summary of candidates' returns respecting election expenses, members of the committee will remember that it was very much their opinion that candidates' expenses should be published in the local newspapers. In fact, what has happened is that the law now reads that the candidate, presumably at his own expense—which one would tend to think he would consider an election expense—shall publish his election expenses, and then we provide that the returning officer shall do the same. So unfortunately we have a system in which both the candidate and the returning officer are duplicating one another's expenses and we have not made it perfectly clear whether or not the candidate can deduct the cost of advertising of his election expenses or, rather, make it part of his election expenses bills. I will not go on because there is no end to these problems. However, another area is the question of the destruction of records. We seem to indicate in the act that records can be destroyed, but under the Income Tax Act we say that records must not be destroyed. So there is a conflict in that sense.

In view of all those problems, I wonder whether the hon. member for Rocky Mountain will agree with me that if we do this piecemeal, one private member's bill at a time, we shall be well into the next election—which I understand is very soon, anyway—before we have the bill in good enough shape to run an election. Therefore, it would appear preferable, I suggest with respect, that we gather up all these difficulties and consider them. As hon. members know, various discussions are even now going on with major parties and with the electoral officer with a view to having a look at the act and these problems. Therefore, as I said earlier, I suggest that we hold off reference of Bill C-107 in order that we can bring all these topics together either in one reference to the committee, for discussion, or in one omnibus amendment to be presented.

I will sit down with the repetition of one thought, that I think I speak on behalf of all members on our side who worked on that committee when I say it was very much an all-party effort. To see the hon. member for Rocky Mountain back with a private member's bill so obviously intended to further the spirit of the work that we did is a high commendation to him personally, and a pleasure to those of us on this side who had the opportunity to work with him on the committee. It is with regret that I cannot agree with the hon. member that we should refer this bill today to the Standing Committee on Privileges and Elections.

Mr. Peter Stollery (Spadina): Mr. Speaker, I should like to say just a few words to express some of my thoughts on this most important matter of the Election Expenses Act and the possibility of abuse which is to be controlled. As hon. members know, the whole idea of an Election Expenses Act was thought for many years to be an impossibility. In fact, in many countries it was considered impossible or very difficult, and I suppose that the reason we brought it to fruition in Canada was the experience in the country to the south of us where they certainly have problems with election expenses the likes of which I do not really think we have in this country.

I think that Bill C-203 is a major piece of reform legislation and the result of a great contribution by the members of the committee of which I was proud to be a member. To give some indication of the complexities with which we had to deal, it is only necessary to note that members of

the committee who worked so hard for so many months thought even at the end of their deliberations that the committee would not be able to come up with a piece of legislation. We dealt with more than 160 amendments to the original bill with which we were presented, and I believe we held nearly fifty meetings.

It is, of course, evident to anyone in the House that putting a group of parliamentarians around a table to try to come up with a piece of legislation to effectively control election expenses is a difficult task to say the least. It is like having a lot of backroom lawyers sitting around, each of whom considers himself to be an absolute authority on election expenses. Because, of course, they all had to go through an election successfully and somehow by hook, but not by crook, raise the money to present themselves as candidates.

As one who wound up after the last election owing a great deal of money to the bank, and having found himself to be his largest personal contributor—somebody had to have some confidence in me—I found myself wondering a little when we started our meetings who was going to control the money which I was going to contribute to my own campaign or, should I say, go into debt for, because I am still paying for some of those expenses. I am sure that members of this House can understand why it took us this enormous number of meetings, and, imagine, 160 amendments, some of them so arcane that many of us actually became very knowledgeable about one section of this bill, but there were other parts with which we simply could not keep up because to understand the complexity of this whole piece of legislation was very difficult.

With reference to the suggestion in the bill of the hon. member for Rocky Mountain, I would like to bring to the attention of the House that we considered at length the idea of having a special commissioner to occupy himself with abuses of the Election Expenses Act. I think there is a great deal to be said for that. Frankly, the reasoning—and I think it has a great deal of merit—is the same kind of reasoning that worked in the committee. You see, we have all of these members who for the moment at any rate are successful politicians, watching each other, knowing how the tricks can be done and all of them, as I said, experts on the subject of raising money. I think it was felt that the most effective kind of watchdog you could have in an election campaign, where you could risk having a fairly severe sentence and possibly have your election contested, would be the other candidates who were running against you.

● (1640)

Rather than set up another bureaucracy, another agent of parliament, it was felt—although I am inclined to feel still that the suggestion has a great deal of merit—that the most effective watchdogs keeping an eye on candidates in an election, abusing or running afoul of the Election Expenses Act, would be their opponents. One would presume that they would be watching very carefully for this sort of thing. That rests as a most effective method of enforcing the law. We also recognized when we worked on this act that it would have to do for one election, and that after an election was operated with the legislation there undoubtedly would be need for amendments and reform of it. After seeing how it worked out in action, under fire, we knew there would undoubtedly be things that would have to be done to make it more effective. But we were faced, and I think are still faced in terms of another agent of parliament, with the problem that it would be premature. We were faced with the fact that we had to get something on paper to work with, and having done that we would then go through an election, find out what did not work in the act and the next parliament would make amendments. I think that was one of the really essential pillars in our thinking and also one of the reasons why we were in fact able to come up with a piece of legislation.

[Mr. Stollery.]

After we settle down to address ourselves to this problem, it was foremost in our minds that we would have to do it again, but at least that we must have something constructive, something to work with that members of parliament in the succeeding parliament would be able to analyze and would listen to the Chief Electoral Officer on how effective it was, having him really as the senior person checking and controlling.

It is for that reason that although I see merit in Bill C-107, I think it would be premature for us at this moment to consider enacting something that would only complicate a matter already so arcane that it took us nearly 50 meetings, dealing with over 160 amendments, to enact a piece of legislation. I think the hon. member for Rocky Mountain, who had a very positive attitude and who worked very hard in that committee, should be complimented on bringing this bill forward, but I think he is being a little premature.

Mr. Douglas Stewart (Okanagan-Kootenay): Mr. Speaker—

Some hon. Members: Question.

Mr. Stewart (Okanagan-Kootenay): I must say "sorry" to hon. members opposite. Perhaps they will have an opportunity to call "question" in a moment or two, but I hope I will be allowed to carry on for a little while.

Mr. Baker: Is that an undertaking?

Mr. Stewart (Okanagan-Kootenay): I wish I could give that undertaking, but perhaps there are other hon. members who wish to follow me. However, I will attempt to be brief. By way of general preamble I wish to pay a sincere compliment to the sponsor of the bill for his excellent dissertation in support of Bill C-107. I think the same commentary could be made with respect to the speakers following him, the hon. member for Lachine-Lakeshore (Mr. Blaker) and the hon. member for Spadina (Mr. Stollery).

I have what I believe to be a number of relevant comments to put on the record. At least, I hope they will be relevant. I am really not aware of any particular requirement as to the drying out period for printed ink work, nevertheless I would not be surprised if that period in this instance had not yet passed in respect of the Election Expenses Act, chapter 51, Statutes of Canada 1973-74 which, as all hon. members know, was given royal assent on January 14 of this year. Yet, Mr. Speaker, we now have a bill before us which in effect proposes an amendment to section 7 of that act which contains new section 61.1 of the Canada Elections Act. I must suggest, however, with due

respect, that the existing new section 61.1 of the Canada Elections Act is much more clear and comprehensible than that proposed in Bill C-107. Of course, there are a number of good reasons why I say this, and if hon. members will bear with me I will attempt to elucidate.

At the outset may I say it is unfortunate that backbench MPs do not have available to them the plethora of experienced draftsmen who are available in government departments. And because we do not, Mr. Speaker, and because our other responsibilities as representatives of the people are indeed onerous, oftentimes we as members understandably fall short in our draftsmanship of other than government bills. To say this is not to do other than commend the hon. member for Rocky Mountain for his valiant attempts to present us with a text which is in all respects relevant.

Having thus complimented the sponsor of the bill, I must nevertheless submit that in considering it I have some difficulty in grasping clearly and concisely what the bill is about and how, if passed, other sections of the act to be amended may be affected. That is to day, our deliberations this afternoon require our concentrated focus on an orderly arrangement of the proposed amendments and demand that we should take into account those consequential amendments to the act as well as the main proposed amended section.

In the present case, in the bill before us I note that the existing new section 61.1 of the Canada Elections Act falls under a new division heading of "Election expenses, official agent and auditor of candidates." The foregoing is consistent with the subsequent sections of the Canada Elections Act and leaves no doubt but that new section 61.1 relates only to the subject of that division. However, the bill before us introduces, in draft proposed 61.1, an entirely new subsection (1) which purports to go far beyond matters dealing only with "Election expenses, official agent and auditor of candidates." Quite apart from the foregoing, the intended subsection, in my submission, deals with matters already contained in other parts of the Canada Elections Act as amended by the Election Expenses Act. Further, proposed new paragraph 61.1(1)(b) has no bearing whatsoever on any of the other subject matters contemplated in new section 61.1.

● (1650)

What I have said so far, Mr. Speaker, all with the greatest respect, relates to a weakness in the orderly drafting and arrangement of the subject matter of the proposal. I reiterate, however, that in the present case—

Mr. Yewchuk: Filibuster.

Mr. Stewart (Okanagan-Kootenay): I might have some part of my speech left over. There is much that is important which can be said another day. If I may to return to serious and relevant comments, in the present case the matter is vital as it leaves this reader in doubt as to the limits of the matter covered, and raises conflicts with other existing provisions of the Canada Elections Act as amended by the Election Expenses Act.

May I now refer to the subject matter covered by the amendments proposed in the bill. The obvious first point is that new subsection 70(4.1) of the Canada Elections Act as contained in section 11 of the Election Expenses Act already allows a provision for the Chief Electoral Officer to—

—appoint a commissioner whose duties, under the supervision of the Chief Electoral Officer, shall be to ensure that the provisions of this act in regard to election expenses are complied with and enforced.

Are we, then, to have two commissioners, one appointed by the Chief Electoral Officer and one appointed on the nomination of Mr. Speaker? If the answer is affirmative, then surely imponderable conflicts would arise as to the duties of the respective commissioners. The second point which stands out and requires clarification is the fact that a commissioner will be appointed—

—whose duties will be to see to the administration of this act.

The first point which arises is that the existing provisions of subsection 4(1) of the Canada Elections Act lay out the duties of the Chief Electoral Officer. I think it pertinent to quote that subsection, which reads:

(1) The Chief Electoral Officer shall

(a) exercise general direction and supervision over the administrative conduct of elections and enforce on the part of all election officers fairness, impartiality and compliance with the provisions of this act;

(b) issue to election officers such instructions as from time to time he may deem necessary—

Mr. Deputy Speaker: Order, please. Earlier the Chair had indicated that for the following 60 minutes we would proceed with private members' business even though we were to begin private members' hour a few minutes ahead of the time provided under the Standing Order. Is it agreed that we consider private members' hour to have expired?

Mr. Baker: No, Mr. Speaker. My understanding of the order which you made was that the hour might begin prior to four o'clock, but there was nothing said about termination. I would not want to miss hearing the prepared research notes presently being read into the record in order to talk out a sound bill. I think the hon. member should be permitted to carry on for just a few more minutes reading into the record notes prepared by the research department of the Liberal Party.

Mr. Deputy Speaker: As I recall it, the expression I used was "for the next 60 minutes." However, I will be happy to hear the hon. member for Okanagan-Kootenay (Mr. Stewart) continuing until five o'clock, the regular time of adjournment.

Some hon. Members: Agreed.

Mr. Stewart (Okanagan-Kootenay): Mr. Speaker, I can well understand the remorse of the hon. member for Grenville-Carleton (Mr. Baker). If the hon. gentleman wishes to hear me out, I will give him full opportunity. Certainly I would not dispute any ruling of the Chair. I assure you, Mr. Speaker, that I spent hours in the preparation of this technical presentation. I ask the forebearance of my colleagues. If the hon. member for Grenville-Carleton wishes to hear me—

Mr. Baker: I do. We want to listen.

Mr. Stewart (Okanagan-Kootenay): —I will continue, if the House is disposed so to allow me.

Mr. Baker: Absolutely.

Mr. Stewart (Okanagan-Kootenay): Thank you very much.

Mr. Clark (Rocky Mountain): The hon. member was dealing with a very serious point.

Mr. Stewart (Okanagan-Kootenay): My colleague from Rocky Mountain—this is not related to the subject matter before us—has national parks in his riding which are second in rank only to those in my riding, the great parks of Yoho, Glacier, Mount Revelstoke and Kootenay.

Returning to the topic before us, I believe I was reciting to hon. members subsection 4(1) of the Canada Elections Act. Perhaps I could refer members to it for their own edification. They can find it in the Revised Statutes. They will note, no doubt, that there is a direct conflict between the duties of the commissioner, who must see to the administration of this act, and the statutory responsibility now imposed on the Chief Electoral Officer, who exercises general direction and supervision over the administrative conduct of elections.

Admittedly, it might be argued that the duties proposed for the commissioner to see to the administration of this act are broader and encompass more than the Chief Electoral Officer's supervision over the administrative conduct of elections. However, I suggest to members that the obvious answer to the argument regarding the conduct of elections is what the Canada Elections Act is all about. Then I wish to point out to hon. members—

Some hon. Members: Seven more seconds to go. Six more.

Mr. Stewart (Okanagan-Kootenay): —that a very serious conflict arises—

Some hon. Members: Four seconds. Three seconds.

Mr. Stewart (Okanagan-Kootenay): —in respect of proposed new clauses—

Some hon. Members: Two seconds. One second.

Mr. Deputy Speaker: Order, please. The hour and five minutes provided for the consideration of private members' business having expired, this House accordingly stands adjourned until Monday next at two o'clock.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 8, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

First report of Standing Committee on Health, Welfare and Social Affairs, in both official languages—Mr. Isabelle.

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

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[*English*]

AIR TRANSPORT

BRITISH COLUMBIA—CLOSING OF AIRPORTS BY FIREFIGHTERS' STRIKE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely, that the closing of all airports in British Columbia due to the strike by the firefighters is having serious ramifications for the economic and transport sectors of Canada. I therefore move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That the House instruct the Minister of Transport or the President of Treasury Board or their senior officials to travel to Vancouver to meet with the firefighters with a view to settling their grievances.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

BRITISH COLUMBIA—DISRUPTION OF SERVICE BY AIRPORT FIREFIGHTERS' STRIKE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my motion is similar to that moved by my hon. friend. It touches a matter of urgent and pressing necessity. I will try a somewhat different approach. Since aircraft service to central and northern British Columbia has become a lifeline indispensable to health and social services, industry and commerce, and since this service has been totally disrupted by an illegal strike of emergency service employees at all airports in British Columbia, I move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That the government take the necessary steps to utilize manpower and, if necessary, equipment maintained by the Armed Forces to firstly allow for time for immediate and meaningful negotiations and to immediately restore services.

Mr. Speaker: Again, this motion is proposed under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion therefore cannot be put.

* * *

● (1410)

[*Translation*]

AGRICULTURE

DIFFICULTIES OF PORK PRODUCERS IN EASTERN CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to raise a matter of urgent and pressing necessity.

I move, seconded by the hon. member for Drummond (Mr. Boisvert):

That this House study without delay the financial difficulties experienced by eastern pork producers as a result of profit losses because of lower pork prices and the constant increase in the cost of feed, and that immediate solutions be found that this group of producers be better protected.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

Industrial Research and Development

[English]

REGIONAL DEVELOPMENT INCENTIVES ACT

AMENDMENT TO ENSURE THAT APPLICANTS FOR GRANTS USE ACCURATE INFORMATION AND DATA

Mr. Bill Knight (Assiniboia) moved for leave to introduce Bill C-274, to amend the Regional Development Incentives Act.

Some hon. Members: Explain.

Mr. Knight: Mr. Speaker, the purpose of this bill is to ensure that applicants for federal grants under the Regional Development Incentives Act use accurate information and data which are subject to public scrutiny. This arises out of the fact that several grants, for example, in the Lanark region, have been misused in the past.

Mr. Speaker: Order, please.

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

AMENDMENT TO ENSURE PROPER EVALUATION OF EFFECTIVENESS OF DISBURSEMENTS

Mr. Bill Knight (Assiniboia) moved for leave to introduce Bill C-275, to amend the Regional Development Incentives Act.

Some hon. Members: Explain.

Mr. Knight: Mr. Speaker, the purpose of this bill is to ensure that the effectiveness of disbursements from the public purse is properly evaluated, and that improvements in the grants system can be made promptly on the basis of such evaluation.

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

* * *

INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT

AMENDMENT TO REQUIRE MONTHLY REPORTS GIVING AMOUNTS OF GRANTS AND NAMES OF COMPANIES

Mr. Bill Knight (Assiniboia) moved for leave to introduce Bill C-276, to amend the Industrial Research and Development Incentives Act.

Mr. Speaker: Does the hon. member wish to explain the bill?

Mr. Knight: Yes, Mr. Speaker. I apologize for taking the time of the House, but in view of the importance of the bill I do wish to explain it. The purpose of the bill is to require the Minister of Industry, Trade and Commerce (Mr. Gillespie) to make monthly reports on the operation of the Industrial Research and Development Incentives Act, indicating the names of the companies and the amounts of the grants, in the same way that the Minister of Regional Economic Expansion (Mr. Jamieson) is supposed to make reports under section 16 of the Regional Development Incentives Act.

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

* * *

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO PROVIDE FOR INCORPORATION, OBJECTS, REGIONAL ADVISORY COUNCILS, POWERS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-20, to incorporate the Federal Business Development Bank.

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

* * *

[*Translation*]

CONFLICT OF INTEREST

REFERENCE OF PAPER "MEMBERS OF PARLIAMENT AND CONFLICT OF INTEREST" TO STANDING COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

On the Order: Government Notices of Motions April 5, 1974—The President of the Privy Council:

That the Green Paper entitled "Members of Parliament and Conflict of Interest" be referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: The notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House, pursuant to the provisions of Standing Order 21(2).

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

PUBLIC SERVICE COMMISSION LANGUAGE TRAINING CENTRE—NUMBER OF EMPLOYEES TAKING COURSE

Question No. 1—**Mr. Baker:**

1. How many officers or employees of Public Service unions have taken or are taking language training at the Public Service Commission Language Training Centre?

2. What priority are they given?

3. What is the cost involved and who is paying for the training?

4. What are the names of the individuals and, if they are on leave of absence from the Public Service, on what date did each one commence leave?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. Nine.

2. Not applicable.

3. The union representatives were fitted into existing courses without charge.

4. Public Service Alliance Officers:

	Name	On leave from
Presently on course:		
	William E. Brassington	January 30, 1967
	Kenneth R. Fraser	April 3, 1962
	Andrew I. Stewart	April 1, 1967
Previously on course:		
	Albert H. Bond	June 19, 1956
	*T. J. Dooling	
	C. A. Edwards	October 1, 1962
	*Lloyd A. Fucile	
	**T. F. Gough	1945
	***Roy S. West	February, 1973 to December, 1973

* Took language training while in department.
** Retired August 1970.
***Has since resigned from Public Service.

DEPARTMENT OF MANPOWER AND IMMIGRATION—ADVERTISING CONTRACTS

Question No. 101—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of Manpower and Immigration since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of Manpower and Immigration during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Vickers & Benson Ltd., 980 Yonge Street, Toronto, Ontario, M4W 2J8.

2. (a) Vickers & Benson, $270,785.42—Jan. 11, 1973; Vickers & Benson, $1,038,110.41—Aug. 2, 1973; Vickers & Benson, $426,677.05—Sept. 12, 1973. Tenders or competitive presentations were not requested. Authorization for these expenditures without tender or competitive presentations was given by Treasury Board on recommendation of the Department. (b) Summer Student Employment Program, Immigration Adjustment of Status Program, Local Initiatives Program.

3. (a) Vickers & Benson Ltd., 980 Yonge Street, Toronto, Ontario. (b) Gordon Hill Advertising, 1470 Place du Canada, Montreal, P.Q. (c) Omnicom Advertising Agency, 1110 Sherbrooke W., Montreal, P.Q. The minister decided not to use two of the advertising agencies mentioned above in order to reduce the amount of time required by departmental officials in briefing the different agencies on current activities and new policies of the department.

Order Paper Questions

NATIONAL DEFENCE—INCREASE IN PAY FOR RESERVISTS

Question No. 109—**Mr. Hees:**

Does the statement of the Minister of National Defence to the Association of Canadian Defence Associations, reported in Newspapers on January 18, 1974 to the effect that there will be an increase in pay for the Reserves, mean that there will be an increase in the establishments for units or the total pay available to units so as to provide (a) more pay for fewer soldiers (b) more pay for the same number of soldiers (c) more pay for more soldiers?

Hon. James Richardson (Minister of National Defence): The announced increase in pay is an increase in the rate of pay for reservists individually, and bears no relationship to the current or future size of the reserve forces.

CPR—SCRAPPING OF RAIL CARS

Question No. 130—**Mr. Gleave:**

1. How many rail cars of a type used for carrying grain have been scrapped by the Canadian Pacific Railway during (a) the past 12 months (b) the previous 12 months?

2. How many rail cars capable of being repaired to carry grain have been scrapped by the Canadian Pacific Railway during (a) the past 12 months (b) the previous 12 months?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. (a) For the calendar year 1973, 1253 cars. (b) For the calendar year 1972, 1228 cars.

2. (a) and (b) In the Judgment of the railway, none. The practice of the railway is to inspect the condition of every car, and the decision to scrap a car is taken on the basis of the economic feasibility of repairing it.

GOVERNMENT STRATEGY—WIDESPREAD COMMODITY AND MATERIAL SHORTAGES

Question No. 226—**Mr. Stevens:**

Does the government have a strategy to deal with widespread commodity and materials shortages within Canada which threaten the nation's growth potential for 1974 and, if so, what is the strategy?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Energy, Mines and Resources is concerned: Canada moves into the year 1974 after a year of extraordinary high real growth. The world economy, including Canada, has enjoyed three decades of extremely rapid growth by historical standards. Both in a short and rather longerterm sense it is not, therefore, surprising that evidence of specific commodity and material shortages would form a part of the problem of economic management. The tightness of world supply of some commodities and materials has, of course, been exacerbated by the recent major disruptions in petroleum supply. It is anticipated that both material and demand shortages outside of Canada will have a larger influence on Canadian real growth in 1974 than any internal shortages. The government is, however, examining intensively the possibility of strategic shortages particularly in the context of staging major Canadian capital developments over the next decade in a manner which will lead to sustainable growth and minimal dislocation. In so far as the Department of Industry, Trade and Commerce is concerned: Officials of the Department of Industry, Trade

and Commerce are fully aware of current and developing situations to do with widespread commodity and materials shortages within Canada. These situations are examined and reviewed regularly on a commodity basis, and options are considered at a time when shortages or future shortages become apparent. The specific action depends on the nature of the commodity and the related industry characteristics. The government is prepared to take whatever steps are required to ensure that Canadians do not suffer unduly as a result of material shortages. In so far as the Department of Agriculture is concerned: The government strategy with respect to ensuring adequate commodity and material supplies was outlined in the throne speech.

CANADIAN FILM DEVELOPMENT CORPORATION—ANNUAL BUDGET

Question No. 300—**Mr. Gauthier (Ottawa-Vanier):**

1. What is the annual budget of the Canadian Film Development Corporation?

2. What part of the budget comes from federal subsidies?

3. Do contracts between the Canadian Film Development Corporation and distributing companies include certain clauses to guarantee the distribution of films financed entirely or in part by the Corporation to minority official language groups which, through provincial cultural bodies or local film clubs, would want to rent films from the distributing agency and (a) if so, what clauses apply between the Canadian Film Development Corporation, France Films and Cinepix of Toronto for the film "Kamouraska" (b) if not, does the Corporation intend to provide clauses in its contracts to guarantee to minority official language groups their right to obtain, in the language of their choice, films financed by the Corporation at reasonable prices and, if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: 1. The 1973-74 budget of the corporation is $3.9 million (including administration) representing its share of a total feature film budget of $9.75 million.

2. $3.3 million derives from an appropriation authorized under section 18 (1) of the CFDC Act. $600,000 comes from returns on the corporation's investments and loans.

3. No. Contracts now existing between the producers assisted by the corporation and Canadian distributors stipulate that the distributors must use their best efforts to distribute the films as widely as possible and under the best possible terms to maximize the revenues for the CFDC and other investors. Provincial cultural bodies and local film clubs have access through such distributors to all CFDC-financed films. (a) See above. (b) No. The corporation is of the opinion that under existing arrangements distributors can and do provide films partially financed by the corporation to minority official language groups, without undue delay and on the best possible terms.

AIR CANADA—COMPUTERIZED RESERVATIONS

Question No. 324—**Mr. Reynolds:**

1. What was the cost of the new reservations computer installed by Air Canada?

2. Do companies other than Air Canada use the computer and, if so, which ones?

[Mr. Reid.]

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. In 1973 Air Canada spent approximately $1.1 million on new computer equipment for its ReserVec II reservations system. Of this amount, $1 million was for capital expenditures for new mass storage and high speed storage units; $100,000 represented the rental of a third UNIVAC 1108 processor.

2. Other companies using Air Canada's ReserVec II system as of March 1, 1974 were Pacific Western Airlines and Air Jamaica.

3. Average use is as follows: (a) Air Canada, 90, 94 percent; (b) Others, 10, 6 percent; (c) None.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—GEOGRAPHIC DIVISION OF EXPENDITURES AND EMPLOYEES

Question No. 364—**Mr. Nystrom:**

1. For the fiscal years 1971-72 and 1972-73 what amount of the total expenditures for the Department of Industry, Trade and Commerce were spent (a) outside of Canada (b) within Canada (c) in each of the 10 provinces, the Yukon and Northwest Territories?

2. (a) What was the total number of employees in the Department of Industry, Trade and Commerce as of March 31, 1973 (b) how many of those employees would be considered employees of the headquarters and are employed on the (i) Quebec side of the national capital (ii) Ontario side of the national capital (c) how many employees does the Department have in each of the 10 provinces, the Yukon and Northwest Territories?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce):

(In Thousands of Dollars)

	1971/72	1972/73
(a) Total expenditures outside Canada	178	142
(b) Total expenditures within Canada	235,692	285,253
(c) Total expenditures by Province:		
Newfoundland	—	1,319
Nova Scotia	2,248	4,407
New Brunswick	2,524	4,920
Prince Edward Island	371	188
Quebec	33,324	42,248
Ontario	42,496	53,340
Manitoba	5,345	1,963
Saskatchewan	32	79
Alberta	1,839	1,329
British Columbia	5,205	9,072
Yukon and Northwest Territories	63	80
*Other	142,245	166,308

*Other—No provincial breakdown

2. (a) 2,513 (includes Locally-Engaged abroad). (b) (i) None. (ii) 2,058. (c) As of January 1974, the department had the following number of employees in each of the provinces and territories, exclusive of the National Capital Region: Alberta, 10; British Columbia, 10; Manitoba, 10; New Brunswick, 5; Newfoundland, 2; Northwest Territories, 0; Nova Scotia, 6; Ontario, 13; Prince Edward Island, 0; Quebec, 10; Saskatchewan, 6; Yukon Territory, 0.

CBC—AMOUNT PAID BY "LE JOUR" FOR PUBLICITY

Question No. 376—**Mr. Herbert:**

How much was paid by the newspaper *Le Jour* to CBC for publicity?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: The CBC considered the arrival on the competitive Montreal newspaper scene of a new daily newspaper as an event of legitimate public interest. The significance of *Le Jour* and its administration and style were such that its inauguration received extensive coverage and comment not only by other Montreal newspapers and broadcasting stations but also on programs of the English and French radio and television stations of the Canadian Broadcasting Corporation in Montreal. Payment to the CBC by a newspaper or any individuals, groups of individuals, companies or organizations in connection with the discussion of, or reference to them, in the CBC's programs in contrary to the established policies of the CBC and was, therefore, not involved in the case of the newspaper *Le Jour*.

CBC—PIERRE BRISSON INTERVIEW

Question No. 394—**Mr. Herbert:**

Was Pierre Brisson paid by CBC for the interview he granted to the said Corporation?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: Pierre Brisson received a fee from the CBC for the interview he granted to the said corporation.

PARLIAMENT HILL—DISPOSITION OF PAPER WASTE

Question No. 411—**Mr. Haliburton:**

1. Who hauls away the paper waste from Parliament Hill?
2. What is the cost of removal?
3. How many tons of paper are involved (a) per month (b) per year?
4. Is paper waste separated from other garbage?
5. Is such waste (a) recycled (b) incinerated (c) used as land fill?
6. What was the volume of waste removed from Parliament Hill in (a) 1965 (b) 1967 (c) 1969 (d) 1971 (e) 1973?
7. If it is incinerated, what is the cost of incineration?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Tri-Cil Waste Management Limited (City of Ottawa Garbage Contractor).

2. Approximately $609 per month. During 1973 a total of 370,370 cubic feet of waste was removed at a cost of $7,306.

3. Paper is not weighed.

4. No.

5. (c) Used as land fill.

6.

Garbage	Waste Pater
(a) 1965, 66,612 cubic feet	Disposed by C.A.D.C.
(b) 1967, 101,192 cubic feet	Disposed by C.A.D.C.
(c) 1969, 111,754 cubic feet	Disposed by C.A.D.C.
(d) 1971, 110,292 cubic feet	Disposed by C.A.D.C.
(e) 1973, 370,370 cubic feet	Included in garbage

7. The waste is not incinerated.

PUBLIC SERVICE COMMISSION—POSITIONS ADVERTISED

Question No. 421—**Mr. Stollery:**

1. For the years 1971, 1972 and 1973, how many Public Service positions that were advertised in newspapers by the Public Service Commission were subsequently filled from within the ranks of the Public Service?

2. What was the total cost of advertising positions by the Public Service Commission in Canadian newspapers for each of these years?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. During 1971, 1972 and 1973 the Public Service Commission made the following appointments:

	1971	1972	1973
To the Public Service	7,226	7,992	8,650
From within the Public Service	10,100	11,920	13,800
Departments made the following appointments under delegated authority:			
To the Public Service	20,480	30,576	30,329
From within the Public Service	28,869	37,996	45,736

The computerized and manual report systems of the Public Service Commission are not programmed in such a way as to permit us to say how many of the appointments from within the Public Service were related to vacancies originally advertised in open competitions or how many of the appointments to the Public Service resulted from advertising.

2. 1971-72, $306,172.89; 1972-73, $739,585.92; 1973-74 (To January 31/74), $627,069.23. The figures include costs of advertising in newspapers and periodicals, some of which would lead to appointments by departments, under delegated staffing activity.

APPLICATION FOR PERMITS FOR EXPORT TO CUBA

Question No. 440—**Mr. Harney:**

For each year 1969 to 1973 (a) what was the number of applications for permits for export to Cuba (b) what was the number of permits granted under the Export and Import Permits Act?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The answers to the above-noted questions are contained in the following table.

Year	Export Permit Applications Received	Export Permits Issued	Export Permit Applications withdrawn at Request of Applicant or on basis of no permit required	Export Permit Applications Refused
1969	85	71	7	7
1970	169	137	27	5
1971	127	103	13	11
1972	113	94	15	4
1973	81	40	34	7
Totals:	575	445	96	34

Order Paper Questions

CBC—PERMISSION FROM THE MUSICIANS' UNION FOR THE APPEARANCE OF RCMP BAND

Question No. 442—**Mr. Diefenbaker:**

For what reason must permission from the Musicians' Union be secured for the RCMP Band as was stated to be the case when the Band appeared over CBC on January 10, 1974?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: For many years, the CBC has recognized the American Federation of Musicians as the exclusive bargaining agent for musicians appearing on its radio and television programs. The RCMP Band, and military type bands, in the course of regular duties, may be broadcast on radio or television without any need for permission from the Musicians' Union. On the CBC English television network program of January 10, 1974, however, the members of the RCMP Band performed in a capacity similar to that of musicians in an orchestra working as the featured musical performers in a television entertainment program.

COST OF SPRUCE BUDWORM CONTROL—NEW BRUNSWICK, 1973-74

Question No. 458—**Mr. Howie:**

From March 31, 1973 to March 31, 1974, how much money was paid by the government for the protection of New Brunswick forests by aerial spraying to prevent and control the effects of spruce budworm and other insects and is the government continuing this programme beyond March 31, 1974?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): The cost of the federal share of the spruce budworm control operation in New Brunswick in 1973-74 was $631,200. In 1974-75 the government will again share in the cost of control operations in New Brunswick to the extent that funds are available within a limited budget.

*CANADIAN PENSION COMMISSION—APPLICATIONS

Question No. 481—**Mr. Diefenbaker:**

1. How many applications from veterans for pensions and allowances await decision by the Pension Commission?

2. In how many of these cases has there been a delay of (a) six months (b) 12 months (c) 18 months in processing the applications and making a decision?

3. How many (a) World War I veterans (b) World War II veterans have made their first application for pensions during the past year?

Mr. Maurice Foster (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows: 1. As of 24 February 1974, there were 7,360 applications for pension awaiting decision by the Canadian Pension Commission.

[Mr. Guay (St. Boniface).]

2. Statistics on outstanding claims are not available for the precise period indicated in the question; however, following are figures for closely related periods as of February 24, 1974: Applications five months or more old, 7,360; Applications twelve months or more old, 5,006; Applications eighteen months or more old, 243.

3. Most World War I veterans and many World War II veterans for whom decisions on pension application are pending first made unsuccessful applications and exhausted their appeal rights many years ago and before the Pension Act was amended in 1971. With the amendments of 1971, all veterans, regardless of their period of service, were granted the right to make new applications based on the amended legislation and many have exercised this right. In addition there have been a considerable number of applications from veterans with disabilities that manifested or worsened during recent years and which they consider are attributable to their war service.

The total number of applications received in 1973, including first time and repeat applications was 8,731. This includes applications relating to World War I, World War II, Regular Force, Special Force and other service. The Commission does not record the period of service as a statistic at the time of receipt of applications.

VETERANS AFFAIRS—DISABILITY PENSION, NEW BRUNSWICK

Question No. 485—**Mr. Howie:**

On March 1, 1974, how many veterans were known to be waiting for a Board hearing in respect to their disability pensions, pension increases or adjustments and, of these, how many were from New Brunswick?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): As of March 1, 1974, there were 2,973 applications (including 193 from New Brunswick) for an Entitlement Board or a hearing as to quantum of pension, which had not yet been considered. Of this number, 1,542 (including 77 from New Brunswick) are in the course of having a Statement of Case prepared in the manner and form required by the Pension Act for an Entitlement Board, or are being prepared for a hearing as to quantum. A Statement of Case or other necessary documentation has been prepared for each of the remaining 1,431 applications and referred to the applicant, usually through his advocate, to determine if he is satisfied with the Statement of Case or other documentation and to certify that he is ready to proceed with the hearing. Of this number 534 cases (including 22 from New Brunswick) have been certified by the applicants and are ready for hearing and 897 (including 94 from New Brunswick) are awaiting certification of readiness to proceed.

WILLIAM HEAD PENITENTIARY—CONSTRUCTION OF FENCE

Question No. 491—**Mr. Munro (Esquimalt-Saanich):**

1. Has the contract been awarded to construct the new fence at William Head Penitentiary to convert that institution from a minimum to a maximum security institution?

2. Was it awarded through open competition and, if not (a) for what reason (b) if so (i) in what journals was the competition advertised (ii) how many bids were received?

3. Was the bid accepted the lowest bid offered and, if not, for what reason?

4. (a) To what company was the contract awarded (b) what was the amount of the contract?

5. What elements, beyond the 1,500 feet of fencing on the land perimeter, are included in the contract?

6. What provisions are made for security on the sea perimeter?

7. Were the estimates submitted by all bidders verified by the Public Works Quantity Surveyor?

8. (a) Does the contract include enlarging the parking lot and whose area is being reduced by the new fencing (b) what plans are there for enlarging the parking lot and the garden area?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes, a contract was awarded for a standard fence to parallel existing so that the institution can be used for medium security inmates.

2. (a) Award was made as a result of selected invitation method in order to meet an urgent need to provide more secure accommodation as established by T.B. Minute No. 723554. (b) (i) There was no advertising in journals. (ii) One bid was received (five invited to tender).

3. The only bid offered was accepted.

4. (a) The contract was awarded to K.C. Johnson Ltd., Victoria, British Columbia (b) The amount of the contract was $115,826.

5. The elements are: Fence length about 1,000 feet, about 40 feet of sea wall, land levelling and grading (rock blasting) for fence construction.

6. For further security on the sea ends of the fence and land connection, raised guard posts are slated to be contracted soon to overlook the ends of the fence. Elsewhere, vehicle and foot patrols will guard the sea perimeter of the peninsula.

7. The bid was in line with Public Works estimate.

8. (a) The contract does not include enlarging of the parking lot which is being reduced because of the land need for the fence. (b) The institution, with its own labour force, will enlarge the parking lot and garden.

TRANSPORT—CHARTER OF LIBERIAN REGISTERED VESSEL "MESIS"

Question No. 492—Mr. Rose:

1. Where and for how long was the Liberian Registered Vessel *Mesis* out of service before it was charted to haul grain?

2. Who chartered the vessel, for what destination and at what price?

3. What was the usual cargo of the *Mesis* before it was chartered for grain?

4. Who paid for the cleanup and grain refit of the *Mesis*?

5. What was the contract cost of cleanup and repair?

6. What is the usual contract price of vessel for equivalent cargo?

7. Was the *Mesis* the vessel required to post a $50,000 bond as a result of a bunker oil spill at Vancouver's Lynn Terminals, February 14, 1974?

8. What was the reason for the *Mesis* being at Lynn Terminals, a lumber terminal, when its cargo is expected to be grain, and for how long is it expected to remain at Lynn?

9. What are the daily docking charges at Lynn Terminals?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. S.T.S. *Mesis* was out of service from January 18, 1974, until March 6, 1974. The vessel arrived at Vancouver at 15:30 on January 30, 1974 and commenced loading grain at 08:20 on March 6, 1974.

2. The S.T.S. *Mesis* is owned by Transports Intermares Armadora S.A. of Liberia and is on a time charter to Embiricos Shipping Agency Ltd. of London England. The vessel was chartered by the Bangladesh Shipping Corporation on January 18, 1974, through their agents, R.G. Shaw Ltd., London England from Embiricos Shipping Agency Ltd. to carry 33,000 metric tons of grain, 5 percent up or down, purchased by the Bangladesh Government from the Canadian Wheat Board, at a charter rate of U.S. $34 per metric ton, for discharge in Chittagong and/or Chandler.

3. Normal cargo is bulk heavy oil.

4. All costs paid by Embiricos Shipping Agency Ltd., London, England.

5. Canadian agents, Empire Shipping Ltd., are unaware of the contract cost because the contract was handled directly by Embiricos Shipping Agency Ltd.

6. The usual contract price of cleanup and repair varies according to the degree of sediment, scale and general condition of the compartments. The price usually ranges from $10,000. to $15,000. but has been known to go as high as $125,000.

7. S.T.S. *Mesis* was charged in court on March 19, 1974, and posted two bonds, $25,000. for the criminal charge and $11,000. for the civil charge.

8. The vessel was moored at the lay by berth for cleaning tanks and fitting for the carriage of grain. Vessel commenced loading grain at 08:20 on March 6, 1974, and sailed at 14:00 on March 19, 1974.

9. The maximum daily docking charge is 60 cents per foot per 24-hour day.

NUMBER OF MILES OF TRACKS OWNED BY RAILWAY COMPANIES

Question No. 515—Mr. Boisvert:

How many miles of track do the railway companies own in (a) Canada (b) the Province of Quebec?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): (a) 44,025; (b) 5,324.

IMMIGRATION STATISTICS

Question No. 520—Mr. Stackhouse:

1. How many landed immigrants were admitted to Canada in each year 1973, 1972 and 1971?

2. What was the breakdown by origin of country for each such year?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1 and 2. The information requested is contained in "Immigration Statistics" which is published annually and available from Information Canada or the Department of Manpower and Immigration. It is also published on a quarterly basis and available from the Department of Manpower and Immigration.

Order Paper Questions

VETERANS AFFAIRS—PENSIONS IN EXCESS OF 48 PER CENT

Question No. 521—**Mr. Dick (Supplementary):**

1. What percentage of the veterans receiving a disability pension have been getting more than 48 per cent?

2. How many of that percentage have been called in by the Canadian Pension Commission and had their pension reviewed and increased?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. 19.69 per cent.

2. Statistics on the numbers of veterans called in for pension medical examinations are not kept in accordance with the percentage of disability pensions awarded to the veterans concerned.

SPRUCE BUDWORM CONTROL, NEW BRUNSWICK, 1974-75

Question No. 538—**Mr. Howie:**

To what extent will the government's participation in spraying to control and eradicate the spruce budworm in New Brunswick forests be limited in terms of (a) financial contribution (b) area being sprayed (c) field operations during the spraying season?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): (a) The Department of the Environment appropriation in Main Estimates 1974-75, to meet costs for the federal share of funding forest pest control operations in Canada, is $2.6 million (Vote 30). Both Quebec and New Brunswick have applied for financial assistance in 1974. (b) The area treated will be independent of the level of federal financial assistance. It is a provincial decision. (c) The Maritimes Forest Research Centre of the Department of the Environment will, as in past years, carry out pre-control and post-control surveys and provide technical and advisory services during the spraying season.

OFY FUNDS TO CONSTITUENCIES REPRESENTED BY LIBERAL AND PROGRESSIVE CONSERVATIVE MEMBERS OF PARLIAMENT

Question No. 589—**Mr. Cossitt:**

1. For what reason did it take a period of 50 days from September 11, 1973 to October 31, 1973 for the Secretary of State to reply to Question No. 2,671 of the First Session of the 29th Parliament that it was not possible to answer questions as to the total amount of OFY funds allocated in 1972-73 to constituencies represented in the House of Commons by (a) Members of the Liberal Party (b) Members of the Progressive Conservative Party?

2. If a record of OFY funds is not kept according to electoral districts, how was it possible for the Secretary of State to send Members of Parliament representing specific electoral districts copies of all OFY applications received for each individual electoral district?

3. What was the total amount of funds allocated in 1972-73 to constituencies represented in the House of Commons by (a) Members of the Liberal Party (b) Members of the Progressive Conservative Party?

4. What is the name of each Cabinet Minister, the name of the constituency he represents and the total of OFY funds allocated to each such constituency for 1972-73?

Hon. James Hugh Faulkner (Secretary of State): 1. During the period involved, officials of the Secretary of State Department undertook a study to examine ways and means of providing the information requested. The findings of the study were that a new computerized structure would be required to provide information by constituency, and that an inordinate amount of time and expense would be involved in establishing such a structure. For managerial, technical and administrative reasons, the Opportunities for Youth Program and records were built on a regional and subregional basis which did not take into account and did not generally correspond to the actual limits of federal or provincial constituencies. The five regions were Atlantic, Quebec, Ontario, the Prairies and Northwest Territories, and British Columbia and the Yukon.

2. At the urging of a number of Members of Parliament who had indicated a desire to be consulted on submissions from their own constituencies, the office of the Secretary of State at the beginning of the 1973 program undertook to sort the applications as best it could by federal constituencies. The consultation of April, 1973 did not represent an allocation by constituency, but rather a consultation process by which the Secretary of State gathered information prior to making decisions on projects. In view of the fact that the youth applying for projects were not restricted to being from or operating within one constituency, in multiple-riding urban areas more than one constituency was affected by some proposals. Hence, in many cases, more than one Member of Parliament was consulted. This exercise, arising out of the constituency demand, was not reflected in OFY selection records which are classified by region and subregion. This explains why the 600-page report listing Opportunities for Youth projects for 1973 is classified by provinces, municipalities and localities and in alphabetical order. This document enables a reader who is familiar with the limits of a given constituency to establish a list of those projects which were carried out within that constituency.

3 and 4. It is not possible to answer these questions, since the allocation of the funds of the OFY program was done within a framework of regions and subregions, and not within the framework of electoral constituencies.

* * *

QUESTION PASSED AS ORDER FOR RETURN

DEPARTMENT OF NATIONAL DEFENCE RESEARCH EXPENDITURES 1972-73 AND 1973-74

Question No. 283—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of National Defence on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

ORAL QUESTION PERIOD

[*English*]

AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—REQUEST THAT MINISTER INTERVENE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the strike by firefighters is still continuing at Vancouver airport and that his regional officials have had very little success in solving the dispute, will the minister personally go to Vancouver and talk to the people on strike to see if he can end it?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, two minutes ago I was told of the arrival in Vancouver of two senior officials of the department who flew there to try to settle the conflict as soon as possible.

[*English*]

Mr. Reynolds: Mr. Speaker, my supplementary question is directed to the same minister. Just two minutes ago I was talking with the strikers in British Columbia who informed me that unless either the Minister of Transport or the President of the Treasury Board is willing to go to Vancouver they are not willing to talk to the minister's officials. It is time the minister did his job and went there and talked to these people.

● (1420)

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to ask the minister a question on the same matter. Since negotiations with the firefighters in British Columbia are six months behind and since this serious strike also affects the lives and safety of every person outside the city of Vancouver, is the minister prepared to do something today by going there and settling this strike or, if not, employing the armed services to provide emergency protection to the air carriers?

Mr. Marchand (Langelier): Mr. Speaker, anybody can play politics with anything, but I tell you this situation in Vancouver is very serious. I have here copies of wires from the union asking their men to go back to work. Possibly you represent them better than their union, but I do not believe it.

Mr. Oberle: Mr. Speaker, I should like to direct a supplementary to the minister, who is a renowned labour leader. Why can he not settle a strike involving 100 people in British Columbia and what is he doing about the prospective strike of air traffic controllers? Has he got that under control as well?

Mr. Marchand (Langelier): Mr. Speaker, if the hon. member had been here a little longer he would know there is something in government called the Department of Labour. A report will be made to the Department of Labour and after that I will be informed and we will see what we can do.

Mr. Speaker: Order, please. A number of members are seeking supplementaries of the minister. The Chair will recognize the hon. member for Oshawa-Whitby to complete the first round of questioning and then return to this important matter starting with the hon. member for Vancouver South. As I indicated, I will recognize the hon. member for Oshawa-Whitby in an attempt to complete the first round of questioning.

* * *

TRADE

CANADA-UNITED STATES—CANADIAN DEFICIT IN AUTO PARTS—MONITORING OF COMPANIES' PURCHASING PATTERNS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. In view of the fact there was a deficit of over $1 billion in trade in automotive parts between Canada and the United States last year as a result of something like a 20 per cent increase in the purchase of parts by Canadian assembly plants in the United States, can the minister inform the House whether or nor the government is monitoring the purchasing patterns of General Motors, Ford and Chrysler, particularly under the auspices of the DISC's which have they set up?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I cannot give a specific answer to the question of the DISC's to which the hon. member has referred, but we are certainly monitoring the over-all situation so far as parts imports and parts exports are concerned. More than that, we are trying to develop new markets for Canadian parts manufacturers. There have been missions recently to three major trading areas of the world. On the last trip to Mexico I took representatives of the Canadian automobile parts manufacturers with me.

Mr. Broadbent: In view of the fact that, whatever increased sales we may expect to get in other countries, the fact remains that the United States market is of overriding importance, can the minister inform the House whether or not he has attempted and, if so whether he has made any progress in this regard, to seek assurance from the assembly plant operators in Canada that they will purchase more parts for their assembling of automobiles from Canadian parts producers?

Mr. Gillespie: Mr. Speaker, I think the assembly operators are interested in purchasing just as many parts as they can. This is largely conditioned, as the hon. member knows, by the state of the United States market at the present time.

* * *

INDUSTRY

MANUFACTURE BY GENERAL MOTORS OF NEW VEHICLE AT STE. THÉRÈSE IN PLACE OF VEGA—ASSURANCE THAT NUMBER EMPLOYED WILL NOT BE REDUCED

Mr. Edward Broadbent (Oshawa-Whitby): I have a further supplementary, Mr. Speaker. Considering the fact

that General Motors Corporation has decided to transfer its production of the small Vega from Ste. Thérèse, Quebec, to the United States and to replace it with a new vehicle, the sales potential of which is unknown, would the minister inform the House whether he has obtained assurance from that company that the numbers employed at Ste. Thérèse will not be below what they are at the present time?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have spoken with the president of General Motors of Canada with respect to this particular item. He has assured me that the automobile that will go into the Ste. Thérèse plant will be a comparable vehicle in terms of a small car with a very comparable potential. He has gone further and said that he sees no reason to expect any reduction in employment.

* * *

[*Translation*]

INCOME TAX

PERMISSION TO COMPANIES TO DEFER PAYMENT—REQUEST FOR EXTENSION TO INDIVIDUALS WITH LOW INCOMES

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I wish to direct my question to the Minister of Finance.

In 1973, the government granted an interest free loan of $774 million to Canadian corporations in allowing them to defer their fiscal payments. Can the minister tell whether he intends to give to low-income taxpayers that same privilege through which multimillionnaire corporations use tax moneys without paying any interest?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not share the opinions expressed in the article the hon. member quoted. In any case, one must take into account jobs created not only in Quebec but also in the whole of Canada through grants or rather tax reductions granted to these corporations.

Mr. Boisvert: Mr. Speaker, may I ask a supplementary?

Could the minister tell whether he considers it normal that low-income taxpayers should be penalized when they do not pay their taxes before April 30 whereas corporations that make millions of dollars of benefits can defer their tax payments and thus use government money without paying interest?

Mr. Speaker: I think this is more of an argument than a supplementary question.

* * *

[*English*]

AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—SUGGESTED USE OF ARBITRATION TO SETTLE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the minister's invitation to the opposition on Friday to settle the strike, would the minister consider a special arbitrator or arbitrators and include my colleague, the hon. member for Burnaby-Richmond-Delta, who obviously is well informed.

Some hon. Members: Oh, oh!

Mr. Fraser: No one from British Columbia is trying to exploit the situation, as the minister suggested on Friday.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think we should look at the situation as it is. I think there are some very important values at stake in Vancouver. I know that the alliance has taken a very serious stand concerning these firefighters. This is not a normal dispute but we are trying to solve the problem by normal means. I do not see what would be achieved by forming a committee of the House.

Mr. Fraser: Mr. Speaker, would the minister tell the House why he rejects an independent arbitrator as a means to bringing the union, the firefighters involved and the government together so that negotiations can continue, particularly as the minister said, that the circumstances are special?

Mr. Marchand (Langelier): Mr. Speaker, for a reason which is very simple. We have a certain number of laws in this country which regulate labour relations between employees and employers. You have the Public Service Alliance of Canada which is certified to represent this group, and Treasury Board is negotiating with the certified agent. Treasury Board cannot negotiate with anybody else because this is an exclusive bargaining right.

* * *

PUBLIC SERVICE

REGIONAL PAY DIFFERENTIALS—POSITION OF PRESIDENT OF TREASURY BOARD

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. In view of the current serious problems involving the firemen at Vancouver airport and similar problems in the recent past with regard to nurses and dockyard workers under federal jurisdiction, will the President of the Treasury Board now concede that his concept regarding regional pay differentials for Treasury Board employees is inequitable and unworkable and contributes to labour problems—

Mr. Speaker: Order, please. I am sure the hon. member will appreciate that is debate rather than a question.

Mr. MacKay: May I rephrase my supplementary question, Mr. Speaker?

Mr. Speaker: The first question was hardly a supplementary. Perhaps the hon. member has a supplementary question to ask now.

Mr. MacKay: Perhaps I can rephrase the question. Since the policies of the President of the Treasury Board appear to some of us to be inconsistent in that many employees under Treasury Board jurisdiction do not receive equal pay for equal work across the nation and, on the other

hand, as in the case of the Vancouver firefighters, they do not receive comparable pay to that in the private sector, when do the minister and the government intend to phase out this particular approach which appears to be causing difficulties?

● (1430)

Hon. C. M. Drury (President of the Treasury Board): If the hon. gentleman will discuss the matter with his colleague from Vancouver, the one thing he will see is that the issue here is a conflict between a resolution of the Public Service Alliance convention calling for national pay rates and the refusal of the local in Vancouver to accept that resolution. The problem is to reconcile the quite natural demands of the Vancouver firefighters for some comparability of pay with people in Vancouver rather than with some national average.

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AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—DISCUSSIONS TO ACHIEVE SETTLEMENT

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. I appreciate that the union has asked the men to return to work, but what I would like to ask him is whether there are discussions going on today in Ottawa with his department, and what is the nature of these discussions, so far as he can tell the House, between Treasury Board and the union affected with a view to settling this crippling work stoppage?

Hon. C. M. Drury (President of the Treasury Board): The answer is yes, Mr. Speaker. The Department of Transport, as the Minister of Transport has indicated, has sent a special team to Vancouver to talk directly to the departmental employees. In the meantime, urgent discussions are continuing at the national level here in Ottawa between the bargaining agent and Treasury Board.

OVERSHOOTING OF HALIFAX AIRPORT RUNWAY BY AIR CANADA DC-8—SUGGESTED INDEPENDENT BODY TO INVESTIGATE ALL TRANSPORTATION ACCIDENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question related in a sense to airports to direct to the Minister of Transport. It arises out of concern about public safety. What can he tell the House today about the regrettable incident involving a DC-8 overshooting a runway at Halifax? Has an investigation been launched and, if so, will the details be made public?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there is no doubt that it was a regrettable incident. A team of inquiry from my department is in Halifax right now trying to find out exactly what happened.

Mr. Forrestall: Mr. Speaker, my supplementary question goes from the specific to the general. In light of the current circumstances that surround transportation accidents in Canada, the growing number of such accidents, their relevance to the general public and their direct relevance to the travelling public, does the minister not think it is time to remove from the jurisdiction of the Department of Transport responsibility for the investigation of accidents affecting all modes of transport and establish an independent body so that the general public will not be confused by the apparent conflicts of interest?

Mr. Marchand (Langelier): Mr. Speaker, when I spoke in the House a few weeks ago I think I mentioned that I would favour an independent board in such cases, and that whenever a new policy was introduced this would be part of it.

* * *

GRAIN

ESTIMATED SHORTFALL IN WHEAT EXPORTS BECAUSE OF TRANSPORTATION DIFFICULTIES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to direct a question to the minister in charge of the Canadian Wheat Board. Has the minister made any estimate of the shortfall in wheat exports that the present transportation difficulties will cause by the end of the crop year and, if so, what is that figure?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there is no specific figure available because of the speculative features that are involved in any such calculations. The Wheat Board certainly would have liked to make additional sales in certain circumstances and will still want to do so if the special measures now being taken allow more grain to be moved to export position than had earlier been anticipated.

Mr. Ritchie: In view of the special arrangements, is the Wheat Board considering paying farmers for trucking wheat from branch lines at present inoperative to main line points that are open?

Mr. Lang: I know that this is a matter they have at least been examining, but to this point they certainly have not made a decision to do that.

* * *

IMMIGRATION

CHILEAN REFUGEES—REPRESENTATIONS BY CHURCHES FOR CHANGES IN PROCEDURES—POSITION OF MINISTER

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. Did the minister receive a deputation of leading churchmen last week who pointed out that there was a continuing emergency in the Chilean refugee situation, particularly in Peru and Argentina, and urging procedural reforms in handling these cases? If so, what was his response to the representations of the delegation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that is correct. I met with a delegation from the Canadian Council of Churches, along with my colleague, the Solicitor General. We discussed the

whole range of the matter of the Chilean movement. They made certain valuable and constructive suggestions to us, based on their information, which we have passed along to our people, particularly with regard to procedures in Peru and Argentina.

Mr. Brewin: Has the minister made or is he contemplating making any changes to deal with the problem that exists in the new humanitarian spirit which he has announced guides the government in this field?

Mr. Andras: Mr. Speaker, as I indicated to the delegation, the situation in Chile itself seems to have changed, and we have reduced the number of people we had temporarily sent there. But it is an ongoing operation, both to deal with normal applications from Chile in the normal manner and to be prepared to handle, with special consideration, any remaining refugee cases that are brought to light.

* * *

INDUSTRY

CONSTRUCTION IN SARNIA-LAMBTON OF PLANT TO PRODUCE FEEDSTOCK FOR PETROCHEMICAL INDUSTRY

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. Was he made aware of the welcome announcement today that a $250 million world scale plant to produce feedstock for the petrochemical industry will be constructed in Sarnia-Lambton?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have been made aware of a favourable decision—

Some hon. Members: Oh, oh!

Mr. Gillespie: —on a project which has been championed by the hon. member for Sarnia-Lambton—

Some hon. Members: Hear, hear!

Mr. Gillespie: —which has been assisted by the corporate tax cuts—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am wondering whether the minister wishes to return to motions for the purpose of making a statement.

* * *

BUSINESS OF THE HOUSE

SUPPLY—REQUEST FOR DESIGNATION OF OPPOSITION DAY IN WEEK BEGINNING APRIL 22

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the government House leader. Would the hon. gentleman be prepared to designate one of the sitting days of the week beginning April 22 as an opposition day?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am not prepared to do that. I would be happy to consult with my colleagues, but in the normal course the designation of opposition days is a matter for decision—

Mr. Hees: Between you and Stanley Knowles.

Some hon. Members: Oh, oh!

Mr. MacEachen: —by the government because such days come under the business of supply. So the answer is that I am not prepared at the moment to designate any day.

REQUEST THAT PUBLIC ACCOUNTS COMMITTEE MEET BEFORE EASTER RECESS TO ARRANGE TIMETABLE

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I wish to direct a supplementary question to the government House leader on the matter of unfinished business before the Easter recess. Would he check into the possibility of the Public Accounts Committee having a meeting before Easter so it could arrange its timetable? I understand that the Auditor General worked hard to get his report going and everybody is anxious to get started, but the nod has not come from somebody.

Hon. Allan J. MacEachen (President of the Privy Council): As I understand it, Mr. Speaker, a reference has been given by the House to the Standing Committee on Public Accounts at the request of the Chairman, and if a nod is required from me I will be glad to give it now.

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SPORTS

PROSPECTIVE LEGISLATION RESPECTING WORLD FOOTBALL LEAGUE—INTENTION OF GOVERNMENT AS TO FREE VOTE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Acting Prime Minister. It has to do with the bill in connection with barring the World Football League from Canada. When that bill comes before the House, is it the intention of the government to permit a free vote in order to calm and quieten Liberal members from Toronto and elsewhere who are very frightened by its terms?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not know what decision will be made by the various parties as to whether the whips will be off, but I do not think this is a matter that goes to the roots of our policy.

● (1440)

Mr. Diefenbaker: It is a matter that goes to the roots of the survival of some of the seats of Liberals. Was the minister speaking for the government at Osgoode Hall Law School in Toronto a couple of days ago when he said that the federal government may permit a free vote?

Asked if party discipline would be enforced when the matter came to a vote, he said, "I wouldn't think so". Was that expressing government policy or just his own personal fears?

Mr. Sharp: Mr. Speaker, may I first thank the right hon. gentleman for his solicitude on behalf of our party. It is rather rare to hear it expressed. I did not make any such statement, Mr. Speaker. I was asked whether there would be a free vote and I said that there will be a government bill which I will support and I did not know whether the whips would be on.

Mr. Diefenbaker: That is a revised version.

* * *

GRAIN

PURCHASE PRICE OF ADDITIONAL HOPPER CARS TO FACILITATE MOVEMENT—POSSIBILITY OF RAILWAYS SHARING COST

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. Can the minister tell the House the total purchase price of the 4,000 hopper cars and will the CPR and the CNR be requested to assume a portion of the cost?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the government has made the decision to purchase these cars but the tender call has not yet been made. Therefore there is no confirmed purchase price at this point. The order will be placed by the government.

Mr. Towers: Would the minister not consider it to be in the best interests of the Canadian people to ask both these corporations to assume the cost and the administration of this project?

Mr. Speaker: Order, please. It seems to me that is a representation. The hon. member for Moose Jaw.

PURCHASE OF ADDITIONAL HOPPER CARS TO FACILITATE MOVEMENT—ADEQUACY OF RAIL BEDS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I have a supplementary question for the Minister of Transport. Is the minister aware of reports about the 4,000 boxcars recently ordered by the federal government being too heavy for the rail beds and that they could thus cause further deterioration of railway equipment? If so, will he guarantee to the House that the 4,000 boxcars are the correct size and weight for the rail beds?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I presume that if some hopper cars are built they will be built according to the capacity of the rails, and if the rails have to be upgraded they will be upgraded.

AGREEMENT WITH RAILWAYS ON MAINTENANCE OF HOPPER CARS ALREADY IN USE

Mr. Bill Knight (Assiniboia): Mr. Speaker, my supplementary question is for the minister in charge of the Canadian Wheat Board. I may add that the Minister of Transport will have a lot of investing to do if he is to upgrade all lines in western Canada in view of how they have been allowed to run down. In view of the fact the government is calling for tenders for the building of another 4,000 hopper cars, can the minister inform the House whether the railways have yet come to an agreement on paying for maintenance of the first 2,000 cars the government purchased?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the agreement between the Canadian Wheat Board, which is trustee for the government for these cars, and the railways is a completed agreement and is available to members. When we announced the decision to order these additional 4,000 cars in accordance with the request from the Canadian Wheat Board and many other organizations like the Saskatchewan Wheat Pool, we did so knowing exactly how many miles of track can handle 263,000 pound loaded hopper cars and knowing we would want to continue putting pressure on the railways to add more miles of trackage in that category by the time the hopper cars are available.

Mr. Speaker: Order, please. A number of members are seeking supplementaries and we will be running short of time. Perhaps the Chair might recognize the hon. member for Assiniboia, the hon. member for Mackenzie, the hon. member for Saskatoon-Biggar and then try to go to the next question.

ACTION TO MAKE USE OF BOXCARS AT PRESENT INOPERATIVE ON BRANCH LINES

Mr. Bill Knight (Assiniboia): In view of the fact the minister, in announcing the 4,000 hopper cars, said there would be a closing of branch lines throughout western Canada, and at least 70 per cent of these lines are in Saskatchewan, and in view of the fact they involve in the neighbourhood of 1,000 elevator delivery points, can the minister inform the House what action the government is going to take to have the railways bring into operation all the boxcars which are now on those branch lines, some of which could be in operation with some effort on the part of the railways?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the announcement of the purchase of the hopper cars was not in any way related to any announcement about elevators being temporarily closed. Canadian National Railways did indicate that some of its branch lines would not be opened for a certain period of time because of the snow conditions. I think that may involve as many as 500 elevators. I certainly agree with the wisdom of the thought that you do not send more locomotives into snowbanks after cars when they are badly needed to move grain that is available on the main lines and get it to Vancouver where ships are waiting. That is the essence of the position at the moment. It is true you get a faster turnaround of rail equipment by using these main lines. Accordingly, the Canadian Wheat Board is giving additional delivery opportunities to all farmers whose elevators are temporarily closed so they can deliver their grain, road conditions permitting, to lines that are presently open.

Oral Questions

TRANSPORT

INTENTION OF RAILWAYS TO ABANDON CERTAIN BRANCH LINES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Transport. Several years ago the railways presented the country with a list of lines that they intended to abandon. The government at that time stepped in and guaranteed that these lines would be operated until January 1, 1975. Has the minister authorized these lines to be abandoned at this time or are the railways proceeding on their own initiative?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker. The only policy at this time is that all these branch lines are frozen. We do not know exactly what is going to happen in the future.

Mr. Korchinski: In view of the fact that some of these lines are operational and rail liners are going through on these lines, why is it that boxcars are left sitting on sidings and carloads of fertilizer, lumber and oil are not brought in by rail but by truck transport?

Mr. Marchand (Langelier): Mr. Speaker, I think we will have a perfect opportunity on Wednesday next, when I will meet in a national conference the railways, the shippers, all those who are users of railways and the truckers, to get to know exactly what is happening and to ask the railways what we want to ask them. We have invited the chairman of the Standing Committee on Transport and Communications and he will surely attend the meeting.

REQUEST THAT CONTROL OF RAILWAY AND AIR TRANSPORT, HARBOURS BOARD AND MARITIME COMMISSION BE RETURNED TO DEPARTMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Transport. As the minister has clearly indicated in recent speeches that much of the difficulty in transportation matters today is caused by lack of control over these matters by the government, is the minister giving consideration to bringing back into his department the Board of Transport Commissioners, the Air Transport Board, the National Harbours Board and the Canadian Maritime Commission, and by so doing once again give the government the control it needs over these important matters, thereby greatly improving transportation of Canadian goods?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I thank the hon. gentleman for the question. I think I have already partly answered it by saying that I hope shortly to be in a position to produce a policy paper for the cabinet on the revisions I think should be made in the department. At that time I will be happy to discuss it with members of the House.

Mr. Speaker: Order, please. The Chair will recognize a further supplementary to the previous question. I recognize the hon. member for Yorkton-Melville for a supplementary, then the hon. member for Champlain and the hon. member for Hamilton Mountain.

[Mr. Lang.]

GRAIN

POSSIBLE APPOINTMENT OF BOXCAR CONTROLLER TO FACILITATE MOVEMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary is to the Minister of Transport. Some time ago the minister referred to the appointment of a boxcar controller to allocate boxcars. When is he going to act upon his own suggestion and make the appointment?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I mentioned to the House that we would try to monitor the distribution of boxcars in Canada. A man has been hired and will be presented at the meeting on Wednesday.

* * *

[*Translation*]

NATIONAL REVENUE

REPORT THAT CERTAIN QUEBEC OIL COMPANIES DID NOT PAY FEDERAL INCOME TAX LAST YEAR

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of National Revenue or the Minister of Finance.

Can he say whether what happened in Quebec—seven oil companies not paying any tax in that province—also happened at the federal level or did any Canadian oil company have no federal tax to pay during the last financial year?

Mr. Speaker: I feel that such a general question could be placed on the order paper. It is so general that I wonder if the minister would be ready to answer. It should be placed on the order paper. If there is some urgency, I will be pleased to grant priority to this question on the adjournment motion.

* * *

● (1450)

[*English*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—ALLEGED REJECTION OF SOME APPLICATIONS BEFORE ASKING MEMBERS FOR RECOMMENDATIONS

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Is it a fact that a number of applications for Opportunities for Youth grants were actually rejected by the minister's department before he went through the motion a week ago of asking members of parliament for their recommendations on applications received this year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker, not to my knowledge, unless there was the odd application that was obviously in the wrong form or something like that. I will look into the matter, but to my knowledge this is not so.

Mr. Cossitt: Mr. Speaker, in view of the possibility of an imminent federal election—

Some hon. Members: Oh, oh!

Mr. Cossitt: —will the minister assure the House that in selecting or passing on applications this year it will be done on the basis supposedly laid down and not with any political considerations in mind?

Mr. Speaker: Order, please. That is a representation. The hon. member has to assume his representation will be taken into account.

* * *

THE CANADIAN ECONOMY

INFLATION—MEASURES TO MAINTAIN EARNINGS OF WORKERS

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I wish to direct a question to the Minister of Finance. In light of the fact the Steel Company of Canada, the largest steel producer in Canada, recently announced wage increases due its employees August 1, 1974, and an additional cost of living allowance of 15 cents an hour will be paid from August 1, 1974, in order to relieve the effects of inflation on the living standards of its employees, does the minister have any further measures to sustain the average weekly earnings of workers which have been seriously eroded by inflation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have no comment to make on the action of the Steel Company of Canada.

Mr. Beattie (Hamilton Mountain): Maybe the minister will have some comment on my supplementary. In addition to the Stelco raise, the second largest steel company in the country, Dominion Foundries and Steel Company, also found it necessary to increase wages. What further evidence does this government need that its inflationary policies are not working, and what steps is the minister taking to keep real wages in line with inflation?

Mr. Speaker: Order, please. I am sure the hon. member will agree his question is hardly in order when it contains argument. Perhaps the second part of the question might be in order and the minister might be prepared to reply to it on motions.

* * *

NATIONAL DEFENCE

CADET CORPS—AMENDMENT OF ACT TO PERMIT RECRUITMENT OF FEMALES

Mr. Jack Marshall (Humber-St. George's-Ste. Barbe): Mr. Speaker, my question is to the Minister of National Defence. At a conference of the Army Cadet League of Canada on the weekend, great concern was expressed about the lack of government action in amending the National Defence Act to permit the recruiting of females. Will the minister indicate what progress is being made in this regard?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I intend to recommend to the House a number of amendments to the National Defence Act. One amendment which I will recommend will allow the cadet corps to be open equally to girls as well as boys.

* * *

AGRICULTURE

REQUEST FOR SUPPORT PRICES FOR HOG AND BEEF PRODUCERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the fact the government of British Columbia has announced a subsidy payment of $4.50 per hundredweight to hog producers in that province and that previously Saskatchewan and Alberta announced subsidy payments, can the minister advise if it is the intention of the federal government to institute an adequate support price for hogs, or is it its intention to abdicate entirely its responsibility with regard to supporting the hog industry in Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the first national approach to hog production and the problems the producers are having with the low prices of pork products will be tomorrow when I meet the national pork producers organization in my office.

Mr. Gleave: Since the market price of fat cattle has fallen by an amount greater than the five cents a pound subsidy now being paid, is it the intention of the government to bring in a price support program for beef cattle that will have some relationship to the cost of production?

Mr. Whelan: Mr. Speaker, at the present time there are many people in the beef production industry in Canada who are telling us we should withdraw the program we have at the present time. This is a very disorganized group of people, probably the most disorganized group of producers in Canada. They have many different opinions about what should be done with regard to the beef industry. Therefore it is very difficult to solve the problem.

* * *

ENVIRONMENTAL AFFAIRS

GREAT LAKES—ACTION TO PREVENT FLOODING AND CLEAN UP POLLUTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Minister of the Environment I will direct my question to the Acting Prime Minister. In view of the fact the International Joint Commission announced last week that it is unable to stop any future flooding of the Great Lakes, as well as the unfortunate fact that the United States in admittedly falling sadly behind schedule in its clean-up campaign, what action

does the government intend to take regarding this very serious matter?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. member has raised two separate questions. The first deals with flooding on the Great Lakes. Both sides in the International Joint Commission had to recognize that it is very difficult to do much about excessive rainfalls. The water all has to pass through the St. Lawrence. Therefore it is impossible to deal with that problem except by regulating the level of the water in the various lakes. With regard to the second question, I was talking today to the chairman of the Canadian section of the International Joint Commission who gave me an account of the talks. While the Canadian government is not altogether satisfied with the progress being made by the United States in cleaning up the Great Lakes, at least progress is being made and there is good will on both sides.

[*Later:*]

Mr. Jelinek: My supplementary is to the Acting Prime Minister. On October 17, 1973, I asked the Minister of the Environment if adequate staffing and funding would immediately be provided for the proposed cleanup and control of flood levels of the Great Lakes, to which he gave this House his assurance. According to spokesmen in two different International Joint Commission offices in Ontario, this has not been the case. I therefore ask whether the government is still planning to take immediate action, as promised by the minister, or if in fact it is thinking of nullifying the Great Lakes water quality agreement?

Mr. Sharp: Mr. Speaker, as far as I understand the situation, Canada is fully up to date in carrying out the agreement with the United States. The United States is having some difficulty in funding its operation. I do not think it is lack of staff on the part of Canada that is causing any of these difficulties.

* * *

COMMEMORATION

INQUIRY AS TO POSSIBILITY OF EVENTS TO HONOUR MACKENZIE KING, ARTHUR MEIGHEN AND J. S. WOODSWORTH

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in the absence of the Secretary of State I will direct my question to the acting minister. Considering that this year, 1974, marks the centenary of the birth of three outstanding statesmen and leaders of three historic parties, Right Hon. Mackenzie King, Right Hon. Arthur Meighen and Reverend J. S. Woodsworth, can the acting minister advise if the government has in mind any commemorative events honouring the careers of these distinguished Canadians who brought honour and distinction to this House and much greatness and credit to this country?

Mr. Speaker: I have the impression this question might have been placed on the order paper, but perhaps the minister might reply briefly.

[Mr. Jelinek.]

PENITENTIARIES

POLICY RESPECTING VISITS BY MEMBERS OF PARLIAMENT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, in view of the hide and cover attitude of the government regarding Ontario grand juries, as expressed last week, may I ask the Solicitor General if he has issued instructions or if there is a government policy which would prevent individual members of parliament on their own initiative from entering into and inspecting federal government institutions?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. It is the policy of the penitentiary service and my department to permit entry of members of parliament during regular periods. However, when there are disturbances we have to regulate this because we cannot have an extremely large number of people, whether it be press or members of parliament. But in usual periods of time we permit members of parliament at any time.

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ENERGY

SUBMISSION OF BILL C-18 TO PROVINCIAL GOVERNMENTS FOR APPROVAL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to ask the Minister of Energy, Mines and Resources a question that may help us in the debate on Bill C-18 which is to commence today. Was this bill presented to the provincial premiers and governments for their approval? This bill, of course, arises from the agreement between the federal and provincial governments. Has the federal government received the total approval of the ten provincial governments with regard to all the terms and conditions?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As the hon. member knows, Mr. Speaker, the general principles involved in the bill were the subject of an agreement between the first ministers on March 27. As the hon. member also knows, it is not in accordance with the practice of the House to circulate a bill outside the Privy Council before it receives first reading in the House.

● (1500)

Mr. Woolliams: I have one supplementary question arising from the fact that this bill is the result of an agreement between the federal government and the provincial governments concerning the export tax and setting the price of crude petroleum and its by-products. Am I to understand from the minister's answer that neither he nor the government have made any attempt to obtain from the provinces an acknowledgment that the bill embodies the terms and conditions of the agreement made at that time?

Mr. Macdonald (Rosedale): The terms and conditions reached as a result of that conference have been incorporated in this bill. The bill is a public document for the first ministers examination and as far as I know no exception has been taken to its terms.

AGRICULTURE

BEEF CATTLE SUBSIDY—SUGGESTION FOR PAYMENT TO FARMERS SELLING CATTLE AT COMMUNITY SALES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to address a question to the Minister of Agriculture. In view of the fact that no premiums are being paid to farmers selling at community sales, would the department give consideration to the stabilization board supplying and attaching tags to slaughter cattle for sale so that the rebate can be paid to the farmer rather than the money all going to the packing plants?

Hon. E. F. Whelan (Minister of Agriculture): I think we have given consideration to just about every means of making sure that these premiums are paid to those who are entitled to them, that is, to the producers of the beef. We shall certainly look into the hon. member's suggestion although I am sure it has been considered. It is very difficult to administer because many of these commodities change hands as many as ten times before they actually get to the packing firm.

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CONSUMER AFFAIRS

INCREASE IN PRICE OF ASPHALT AS RESULT OF INCREASE IN PRICE OF CRUDE OIL—SUGGESTED REDUCTION OF SALES TAX

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Finance concerning the increase in the price of oil by-products as a result of the increase in the wellhead price of oil. For example, the price of asphalt has risen by almost 100 per cent. Would the minister tell us whether he took this into account at the time the wellhead price of oil was increased?

Hon. John N. Turner (Minister of Finance): Without accepting the full implications of the preamble, may I say we also took account of the fact that the price in Canada is about $4 below the world price.

Mr. Darling: In view of the fact that the price of asphalt has doubled in the last few months and is expected to increase still further, would the minister consider reducing the 12 per cent federal sales tax on asphalt to ease the burden on builders and other users of asphalt such as municipalities and provincial governments?

Mr. Speaker: That, of course, is a representation for consideration by the minister. Orders of the day.

Mr. MacKay: I rise on a point of order, Mr. Speaker. I shall be brief. I would not want to try to sneak an argumentative point past Your Honour. But it relates to a statement made by the President of the Treasury Board on March 25, reported at page 852 of *Hansard*. It is also relevant to what was said today with respect to the situation at Vancouver. On March 25 the President of the Treasury Board said:

In the case of regional pay policy, the government for years has taken the position that it would not be a leader in matters of pay and salary

but would follow the pattern set by what is generally known in this country as the private sector.

It is plain, and it is on the record of this House, that there is a differential of at least $3,000 in Vancouver between what the firefighters at the airport are receiving and what firefighters in the private sector are receiving, so I believe it is incumbent upon the minister to set the record straight and tell us whether or not he intends to follow the principle he stated in the House.

Mr. Speaker: That is hardly a point of order. Perhaps the hon. member will have an opportunity on another occasion to become involved in a debate with the minister on this matter.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

CUSTOMS TARIFF

The House proceeded to the consideration of a ways and means motion concerning the Customs Tariff.

Hon. John N. Turner (Minister of Finance) moved:

That a ways and means motion laid upon the table Friday, March 1, 1974, concerning the Customs Tariff be concurred in.

Motion agreed to.

* * *

[*English*]

CUSTOMS TARIFF

Hon. John N. Turner (Minister of Finance) moved that Bill C-21, to amend the Customs Tariff be read the first time and ordered to be printed.

Motion agreed to.

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YUKON, NORTHWEST TERRITORIES AND CANADA ELECTIONS ACT

AMENDMENTS RESPECTING COUNCILS AND ELECTORAL BOUNDARIES

The House proceeded to the consideration of Bill C-9, to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act, as reported (without amendment) from the Standing Committee on Indian Affairs and Northern Development.

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development) moved:

That Bill C-9 be amended

(a) by deleting "9.2" in Clause 1 in line 14 on page 1 and substituting therefor "9.1"

(b) by deleting Clause 2 on pages 1 and 2 and substituting the following therefor:

2. The said Act is further amended by adding thereto, immediately after Section 9 thereof, the following section:

"9.1 The Commissioner in Council may make ordinances to increase or decrease the number of members of the Council, but the number of members shall not be fewer than 12 or greater than 20."

Motion agreed to.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved: That Bill C-9, "An Act to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act," as amended, be concurred in.

Motion agreed to.

[*English*]

Mr. Chrétien moved that the bill be read the third time and do pass.

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

* * *

PETROLEUM ADMINISTRATION ACT

PROVISION OF EXPORT CHARGE, COMPENSATION FOR OIL IMPORT COSTS, AND REGULATION OF PRICE OF CANADIAN CRUDE IN INTERPROVINCIAL AND EXPORT TRADE

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved that Bill C-18, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain oil import costs and to regulate the price of Canadian crude oil in interprovincial and export trade be read the second time and referred to the Committee of the Whole.

He said: Mr. Speaker, this bill to enact the Petroleum Administration Act provides legislative support for three major themes of government petroleum policy as set forth in the Prime Minister's statement of last December 6 and as put before the first ministers' conference on energy in late January. The agreement which was reached among first ministers on Wednesday, March 27, represented the achievement of a broad consensus among the provinces and the federal government that these themes represent three essential constituents of a national oil policy.

Government policy has developed in response to the major disruptions of world oil markets over the past several months. These disruptions took the form of both temporary restrictions in world supplies of crude oil, and perhaps more importantly in a massive upward movement of world oil prices as producing countries began to exercise monopoly control over world prices.

In response to these forces, government policy has been to articulate three principles: First, that the price of Canadian crude oil should move upward to encourage exploration and development in Canada and thereby ensure further availability of our own resources, which will necessarily be more costly because they are both physically and technically less accessible, and also to ensure a continuing capacity for self-sufficiency. There is no reason why Canadian crude oil must move to international levels which no longer represent any fundamental reconciliation of supply and demand in world markets. Second, the approximate one-half of Canadian crude oil production that is exported should be sold at a fair and reasonable opportunity price in United States markets, that is, at a price consistent with the price which the U.S. is paying for other imported oil. Third, the proceeds from the sale of oil in the U.S. at a price higher than the domestic Canadian price should be employed to reduce the exposure of consumers in eastern Canada who would have otherwise had to pay full international prices for oil and oil products. We have described this third principle as embracing a single basic crude oil price to all Canadians except for transportation differentials.

[Mr. Marchand (Kamloops-Cariboo).]

● (1510)

These three themes or principles which, as I have said, have the support of all of the provinces are embodied in this legislation, for which we seek the approval of this House. Part I of this act deals with petroleum export charges, Parts II and III with domestic oil price restraint and Part IV with petroleum import cost compensation.

I believe that by this time the House understands well, Mr. Speaker, the background to the development of this policy. The nationwide address by the Prime Minister (Mr. Trudeau) on December 6, the statement by my colleague the Minister of Finance (Mr. Turner) to this House in moving second reading of the Export Tax Act in early January, and the analysis and statements put before first ministers at the energy conference in late January, are all important and comprehensive expressions of both government policy and the reasons for it. If I may say so, Mr. Speaker, while we would make no particular claim for prescience with respect to the rapidly altering world oil scene over the past few months, the record will show that we have been entirely consistent in our view of the policies which Canada would have to adopt in adjusting to these developments.

I would like to review very briefly the major events in this development commencing with September 4 last year. On September 4 the Prime Minister called upon the oil industry, among others, to support a program of voluntary price restraint. This request was part of a general anti-inflationary program and was addressed to the oil industry, where crude oil prices had increased by some 95 cents over the previous nine-month period.

It is fair to say that 95 cents looked at the time as a very significant price advance, particularly since world and Canadian crude oil prices prior to these advances had remained relatively stable for more than a decade. Ninety-five cents was, of course, a very modest herald of what was to come. It did nonetheless represent an increase of crude oil price of almost one-third and brought the average price of crude oil and equivalents in western Canada to approximately $3.80 to $3.85 at the wellhead or $4 at Edmonton.

The government's request to the oil industry on September 4 of last year was voluntarily to maintain this average price of crude oil in western Canada and hence the prices of products produced from this crude oil. At that time the government acknowledged that for those refiners dependent on imported oil no such over-all restraint would be

possible, and that they would be allowed to pass on documented and approved crude cost increases in the form of higher prices.

When the freeze was instituted, product prices immediately east of the Ottawa Valley line were one cent and two cents lower than those in the west. Eastern gasoline and heating oil prices were permitted to rise by an average of two cents on November 1 and an additional average of five cents on December 1 for which the major tax increases of October 16 in the Middle East and November 1 in Venezuela were principally responsible. These product price movements led to a five cent to six cent differential which has existed in markets served by imported oil since December 1 and will continue to exist until approximately May 15. I will return at a future stage to the events that will occur on or about that date.

Having frozen domestic crude oil prices at $4 at Edmonton, the government was next advised by the National Energy Board in mid-September that continuing increases in international oil prices implied that sales of Canadian crude oil on a $4 basis in United States markets would no longer be just and reasonable nor in the Canadian interest. Rather than permit the industry in Canada to attempt to manage a two-price system from which the benefits would flow exclusively to the industry, the government's immediate response was to give notice that it would seek the approval of this House to levy an export tax equal to the difference between the value of Canadian crude oil delivered in the United States and the average price of all imported oil prevailing in these markets. The export tax, the manner of its imposition and the disposition of its proceeds are now, I am sure, sufficiently well understood, at least as that regime has operated until March 31 of this year, that I need not dwell on it further for the moment.

Nor will I dwell at any length on other developments through this period except to note that government thinking and policy took two broad directions as a result of the exposure of one-half of our country to the increasing difficulties of international oil supply and pricing. The first of these directions was to carry on a very intensive and searching review of Canadian policy with respect to all energy sources. This review led to a series of federal positions which were laid before the first ministers' conference on energy and which have resulted in a continuing and fruitful interchange with provincial authorities in the development of major initiatives in nuclear energy, coal and hydro-electric development and transmission. The second direction was to focus on Canada's oil and gas systems which led, through extensive federal-provincial consultation and the first ministers' conference on energy in January, to the final agreement reached by the first ministers on March 27.

I have already described the origins of the export tax. The imposition of an additional $4 in tax by OPEC countries on January 1, 1974 led quickly to the major decision not to pursue international prices as the pricing norm for Canada. This in turn led to the recognition that, if eastern Canada were to be cushioned from these international prices, then a cost compensation program would be necessary. Finally, the combination of an independent Canadian price and a willingness to pay cost compensation demanded the establishment of a one-price policy country-wide and the eventual elimination of the price differentials that had come to exist between eastern and western Canada.

The most essential element in the establishment of these policies was to settle upon a rational crude oil pricing policy for Canada that would be equitable to both producing and consuming interests and, in the longer term, in the best interest of Canadians. The federal government's central position has been that this price must be such as to ensure the development of Canada's further potential resources, whether in tar sands or frontier areas. We have recognized that the notion of a price which would continue to encourage these developments was conceptually clear but that such a price was and is in fact determined by a host of interdependent factors, many and perhaps most of which are difficult to assess with precision.

We recognized from the outset that reasonable men would differ in their estimate of this price and that a consensus about it would only emerge from an intensive process of analysis and discussion. We recognized, of course, also that the level of this price had major implications for producing provinces and their right to a return from this depleting resource to ensure their continuing development and prosperity. At the same time a very substantive upward movement in price would represent a very major transfer of income from consumers of Canadian oil. We have always been mindful as well of the consequences for the Canadian economy of a sharp advance in the price of crude oil and the structural readjustments and inflationary problems it would pose.

In retrospect, while the differences that have emerged in this consultative process have occasionally seemed sharp and irreconcilable, I would like to join with the Prime Minister in asserting that federalism triumphed in reaching a solution to a problem which was at its heart a matter of relative equities and sharing within our country.

An hon. Member: Thank God for Alberta.

Mr. Macdonald (Rosedale): Thank God for Alberta, sir, and for the other nine provinces. My presentation to the first ministers' conference in January and the table of a possible distribution of costs and benefits which I presented at that time have in fact set the pattern within which this solution was reached. That pattern assures a restrained price to consumers, an increase in return to producing provinces, a limitation on increase in general equalization payments which would otherwise have fallen on the general taxpayer, and a specialized kind of equalization; that is, the oil-cost cushion for the benefit of eastern Ontario, Quebec and the Atlantic provinces.

● (1520)

Let me now move to the agreements which were reached among the first ministers on March 27 and, in the process, I hope, clear up any misunderstandings which may yet remain in respect of the policy which will be followed in this country over the next 12 to 15-month period.

In a matter as technically complex as oil which flows from many origins and in many qualities it is always risky to speak of averages. Averages may be struck at various times and various places and produce very different results. In continuously speaking of the frozen price of

western crude as having an average value of $4 we have always tried to be clear that this average was struck with regard to oil at Edmonton. Embraced within this definition of oil is conventional crude, synthetic crude oil and two naptha-like liquids called condensate and pentanes plus which are most frequently blended in the crude stream which flows from Edmonton.

We have always tried also to be clear that this average if struck at the well-head broadly defined and not at Edmonton would approximate $3.85. The difference between these two figures represents the average gathering charges to move oil from its source to its major gathering points.

The Prime Minister (Mr. Trudeau) in his statement to the press on the evening of March 27, and in his statement to this House on March 28, made it quite clear that the agreement specified a $6.50 average well-head price. A further explanation of the details to the House generally was interrupted by hon. members, but the Prime Minister explained these to the Leader of the Opposition (Mr. Stanfield).

On March 28 Premier Lougheed announced his understanding of a $6.50 well-head price as involving an increase of $2.70, apparently basing his calculations on conventional crude prices alone. I regret that there was no consultation with us because quite frankly our own estimate of the amount needed to be added on to achieve a $6.50 average well-head price was $2.65. We recognize that a precise measure of this average is difficult to arrive at for the reasons I have already mentioned, though we would have liked an opportunity to consult further with Alberta officials in order to remove all misunderstanding. We have, however, acknowledged in this House that the difference between $2.70 and $2.65 arises from a misunderstanding, but it is not a point fundamental to the major policy understanding accepted by the premiers on March 27 last and, therefore, not an issue which we wish to press further at this time.

In summary then, all western crude and equivalent prices rose by $2.70 on April 1, leading to an average price of $6.70 based on Edmonton and $7.20 delivered in Toronto. Given our intention to zone the major markets in Toronto and Montreal for crude pricing purposes when the Sarnia-Montreal pipeline is in place, we are also employing $7.20 as the basic price in Montreal on which cost compensation will be paid. As the House is aware, I have asked the industry to refrain from passing on these higher crude costs in higher product prices until a substantial proportion of their lower cost inventories have been worked off. In 45 days, however, product prices may be expected to rise by approximately eight cents west of the old Ottawa Valley line and three cents east of that line to establish approximate product price equality in Montreal and Toronto on that date.

First ministers also agreed that the federal government should receive all of the proceeds from export charges on oil in order to permit it to provide the substantial amount of cost compensation which will be required in eastern Canada to maintain the one-price concept. In committee, I shall provide this House with estimates of the sums involved.

I would note at this time that the petroleum export charge section of the legislation before us today proposes

[Mr. Macdonald (Rosedale).]

the levy of an export charge on both the broad definition of crude oil as defined under the Export Tax Act and on oil products to be specified by regulation. The absence of a charge on products has meant that exports in that form have not borne their share of taxation. Now that an agreement has been reached for 12 to 15 months and the major principles of a national oil policy have been laid in place it is important to move to close this possible loophole of tax avoidance.

Finally, I should like to give the House notice that I shall be moving in committee to amend the $4.20 export charge for April to read $4. The $4.20 recorded in the legislation was arrived at when we were basing our calculations on the averaged price for oil at Edmonton. These calculations will now be made on an averaged well-head price which does not include transportation charges for delivery to Edmonton.

Part II of this act entitled "Domestic Oil Price Restraint" legislates a federal authority over crude oil pricing in interprovincial and export trade and provides the mechanism by which the agreement reached with the provinces can be ratified by the federal government.

Part III of the act, which we do not intend to proclaim at this time, provides a solely federal mechanism for maintaining control of crude prices in interprovincial and export trade should it at some time be required. This could happen if challenges to provincial legislation by private litigants, like those now in the courts, are successful or in other ways such as the failure of agreement on prices in the future. In these or similar eventualities it will be essential to have a federal mechanism which can take the place of provisions under Part II.

Parts IV and V set forth the terms, conditions and measures by which the Energy Supplies Allocation Board will act as the government's agent in administering the import cost compensation program. As the House is aware, shipments of crude oil eligible for compensation into early March have been covered by supplementary vote in the fiscal year 1973-74 and the program is being administered by my department. The legislation before the House today provides a transitional mechanism to permit the Energy Supplies Allocation Board to assume obligations arising out of the first quarter but not covered by the supplementary vote.

The governor in council will this week approve regulations with regard to the earlier period which will limit the amount of compensation that will be paid for identifiable increases in post-government taxes, increased bunker costs of transport and a provision for retroactive increases in cost which may occur as a result of increasing host government ownership of the producing companies.

It is the government's intention, as will be clear from the legislation, to embody this same set of principles in providing compensation after April 1. I would remind the House that at the present time the federal government has no power, nor does it intend to seek power, to control product prices down to the retail level. Several provinces have already acted to cushion the effect on consumers at the retail level. Nonetheless, extensive monitoring and auditing provisions are provided under this legislation to ensure that refiners who receive compensation are follow-

ing wholesale pricing practices which are consistent with this compensation.

I would only conclude by saying that this is a very important piece of legislation in the evolution of national oil policy. It provides the legislative support which will be required to maintain these national policies, national policies which as I have said have received the concurrence of all the provinces and, I believe, of the Canadian people generally.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I join with the minister at the outset of my remarks in saying how glad we were to see the first ministers arrive at some form of consensus. That does not mean necessarily that we approve of everything in that consensus. I believe this is one of the few occasions when the first ministers did get together and work out a form of agreement, but what bludgeons, what blackmail, what advantages, what favours or what anaesthetics were administered during that meeting I do not know. At least it was a meeting which resulted in some decisions being arrived at, and I am glad for that reason.

I want to say through you, Mr. Speaker, to members of this House that it is our view, and certainly it is mine, that merely because the provincial and federal governments arrived at a decision is no reason that this House, this parliament and certainly not this party should rubber-stamp and accept without challenge, without examination and without the closest possible legal study, the results which were arrived at. We must ensure that the results which were in fact arrived at at that meeting are implemented in this legislation.

● (1530)

The minister quite glibly told us that everything in this bill is the result of the federal-provincial conference. We are not so sure about that. My friend, the hon. member for Calgary North (Mr. Woolliams) asked a very searching question today. As I think was his duty, not knowing what the answer would be, he asked the minister whether there had been discussions with the provinces following the first ministers' conference and whether this bill in fact represents the views they have considering what should be in the bill as a result of their discussions. The minister did not answer that question. He could not answer it. In fact he said that they decided in cabinet what would be done, implemented it in legislative form, brought it down and gave it first reading. Now, it is up to the provinces to look at it and decide. As a result, it will be our intention to make very certain during the committee meetings before this bill receives final approval, and certainly before it receives third reading, that there is ample opportunity for the provincial representatives and others to examine the legislation to make certain it in fact contains the arrangement arrived at at this first minister's conference.

Mr. Macdonald (Rosedale): Mr. Speaker, I wonder whether I could ask the hon. member a question? Is he suggesting, as the hon. member for Calgary North suggested, that we ought to have departed from the long standing practice in this House and shown the bill to the governments outside the House before we gave it first reading.

Mr. Baldwin: My hon. friend has been around here long enough to know that I, and the members of this party, have too great a regard for the rules and traditions of this House to do anything like that, although it might appeal to him and his friends.

I am suggesting that before this bill was brought in for second reading and debate it was the minister's duty to have been in touch with the provincial representatives to ascertain their opinion. He could have told them that this is the bill and before it was brought in for debate he wished to know whether or not they were satisfied that this, in fact, represents in its context the terms of the agreement made. The minister already has indicated that he intends to bring in one amendment at the committee stage. It would have been quite simple for him to have said that he had been in touch with representatives of the provinces of Manitoba, Ontario, Quebec and Prince Edward Island and so on and they had given him their opinions about the bill. Perhaps he might have been told that in respect of certain aspects of the legislation there was a variance between what the bill says and what the agreement was, so he might have said it was his intention, having studied it and discussed it with his colleagues, to move certain amendments. That is, I suggest, what the minister should have done.

This is the situation and the minister can drag all the red herrings he wants to into it.

Mr. Macdonald (Rosedale): Will you answer the question now, please.

Mr. Baldwin: I have answered the question. The minister knows the answer as well as I do. He has been afraid to submit the bill to the provinces to secure their reaction to it before he brought it in for second reading. I want to serve notice on the minister now that it will be a different ball game than it was last winter when he piloted through the House the bill dealing with energy allocation. At that time the minister introduced at the committee stage a very pernicious document which we did not accept then but which, having expressed our disapproval, we did not challenge as we should have to the point of not letting the bill go through the committee. What was employed at that time was the doctrine I call the Macdonald doctrine in respect of committee hearings. Witnesses who appear before any committee who are related to the department and who are, in any sense, advisory to the minister can give only such evidence as may be approved by the minister. They must be under the minister's control while giving evidence.

Mr. Macdonald (Rosedale): What about ministerial responsibility?

Mr. Baldwin: In the case of this minister, it is ministerial irresponsibility. He is the most irresponsible minister in this government and that is saying a good deal. I say through you, Mr. Speaker, that this minister will not get away with that. It is our intention, because of the nuances contained in this bill and the measures proposed in it, to make sure at the committee stage that it receives a most thorough and searching scrutiny. This is our duty. This is the reason we are here. All the thumping and screaming by the minister will not deter us one iota from responding

to our duty. We will ensure that this bill receives this kind of scrutiny. It will be our intention to make sure that witnesses are called who are essential and that when the departmental witnesses are called for the purpose of finding out facts about the bill they will not hide behind the apron of the minister.

Now, I should like to come back to the point I was making when I was so rudely interrupted by the minister. I was dealing with the question of the federal-provincial conference. I think such conferences are good. They are a vital part of our life. However, I think this House, this Parliament, has a responsibility not to be a rubber-stamp for the decisions of 11 heads of state who gather together like sultans and emperors to decide the destiny of Canada. I appreciate their coming together. I think this is an essential part of the process of government in this country. We must remember, however, that some of these 11 leaders have either just come out of elections or are headed into elections. Since this federal provincial first minister's conference was held there has been one election.

Mr. Macdonald (Rosedale): A successful one.

Mr. Baldwin: Yes. It was a successful election for Mr. Regan and I congratulate him. He was a very distinguished member of this House. Unlike some of the rubber stamps sitting opposite, he was not afraid to get up and challenge the Liberal government when he believed it was wrong. I am sorry that some of the backbenchers of the Liberal Party do not take the lead of the Premier of Nova Scotia, since they know that the government is often wrong.

The point is that one government has had an election and another government plans to hold an election on the 29th of this month. The federal government stands across the way shivering, shaking and trembling in the fear that it will be forced into an election before too long by some unnamed parties in this House which I will not mention at this time. There is nothing wrong with this, but we must remember that when the leaders or the 11 heads of government get together to consider what they propose to do they take into consideration in their calculations what the benefits are to their governments in the prosecution of an election. I think for that and other reasons it is incumbent upon this House, despite the fact that there has been the seal of approval placed upon the agreement, not necessarily upon this bill, to ascertain that the bill does in fact conform with what was agreed upon and then even if it does to consider whether it is good for all parts of Canada. That is our duty and I do not intend to be intimidated by the minister from the exercise of that duty and responsibility.

● (1540)

Let us make a quick analysis of the bill, because I do not think I need to take too long to deal with it. Unlike other bills, it is divided into five parts instead of three. The first part, as the minister told us, deals with the question of the tax or charge. He calls it a petroleum export charge. I do not think the name matters a great deal; it smells just as sweet by any name. Then, parts II and III complement each other and deal with price fixing mechanisms for petroleum and petroleum products in Canada. Part IV deals with the compensation to importers to provide some cushion for consumers in eastern Canada as a result of the high prices which they have had to pay for oil coming in from overseas. Part V, of course, is a procedural section.

I want to say that when you look at all the clauses in the bill you find that some very far-reaching powers and authorities are granted in it to the federal government, powers which I do not think have ever been granted in peacetime to a federal government. I went through the bill and I found that it contains 66 clauses of which two or three are purely functional but 22 give complete discretion to either the government, the governor in council, boards or the minister. In other words, more than one third of the clauses vest in the government substantial uncontrolled discretionary powers. In addition to that, there are four regulation granting clauses which in 24 instances grant the power to the governor in council to act by regulation and order in council. This indicates the very substantial extent to which we are being asked in the bill to trust this government with its sorry and chequered history of starts and stops, reverses, mistakes and errors with regard to the whole problem of petroleum products going years back from the time when this government was asked by members of this party and members of the NDP to look to the future and build a pipeline from western Canada to Montreal. This plea was rejected with laughter and scorn by the Liberal government right up to the most recent mess, the great mystery about the Roumanian oil which has yet to be solved in the House in which the Minister of Supply and Services (Mr. Goyer)—otherwise known as the minister of everything else—and the Minister of Energy, Mines and Resources (Mr. Macdonald) got this country into a pretty sorry pickle as a result of which we will lose some $30 million, $40 million or $50 million dollars.

This is the government which is asking us to calmly and confidently vest in it all these extraordinary powers which are contained and itemized in this bill. This is the government which, in the words of the minister a few minutes ago, had such great prescience in anticipating all the problems with regard to the oil and petroleum industry. What a farce, what a sham for this minister to have the unmitigated gall to rise in the House and say that he and the government have been able to anticipate the twistings, turnings and problems with regard to the petroleum industry in Canada. I think it is shameful for the minister to take that position. As a matter of fact, although I do not have much time, I will go through some of the items because I suspect that the minister would appropriate to himself this degree of perfection in connection with his dealings with petroleum products.

I find the following item in the Toronto *Star* of May 7 of 1973: "Prime Minister says Ottawa should not control our energy prices". Only a year ago this great Prime Minister (Mr. Trudeau) of this great government had the supernatural powers to anticipate what will happen!

I find here another interesting item in the *Globe and Mail* of November 5, 1973 which reads: "Macdonald denies urging cabinet to buy oil firm". We know all of the comings, goings and leakings which went on at that time about the government wanting to buy one of the great multinational oil firms, taking it over and operating it.

First it was so, then it was not so, and then a statement was issued on Saturday which read as follows:

In a statement issued on Saturday, Mr. Macdonald described as "entirely erroneous" a *Globe and Mail* report that the cabinet had rejected his proposal to buy either Shell Canada Limited or Gulf Oil Canada Limited. He said no such proposal was placed before cabinet.

There is a different story behind that, I believe.

Then, we have the following item: "Secret cabinet order waters down plans for energy policy". That was the leaked cabinet order by which we learned the Minister of Energy, Mines and Resources ascertained that his proposals had been watered down by the federal cabinet and that what he had proposed was not going to be brought about at all.

Then, he was over in Venezuela, and here I have the March 9, 1974 issue of the Winnipeg *Free Press* in which the following item appears: "Is Ottawa about to copy the Corporacion Venezolana de Petroleo . . ." Perhaps the minister will correct my Spanish. I hope he is better in Spanish than he is on petroleum. It goes on to read:

Energy Minister Donald S. Macdonald, here last October on a whirlwind visit, says definitely no.

They are not going to have a petroleum corporation, he said.

The cabinet discussed the idea before the energy crisis took hold, says our energy minister, and before the Canadian government started to worry about supplies of Venezuelan crude oil going to eastern Canada.

Then we had the great Kafuffle. When the minister comes to the committee, we will let him give evidence. In the light of his record, we will ask him to take an oath before he gives evidence so we will have him tied to the oath in any event.

Mr. Macdonald (Rosedale): More falsehoods from Baldwin.

Mr. Baldwin: I do not know what newspaper the following item is from. I believe it is from the *Gazette*, and it reads: "Macdonald may be exaggerating to get government projects across".

Mr. Macdonald (Rosedale): You wrote it out yourself.

Mr. Baldwin: This must be more than his usual type of exaggeration. The item reads:

Energy Minister Donald Macdonald's sudden focus on Arab threats to eastern Canada's oil supplies may constitute an exaggeration aimed at promoting some of the federal government's favourite petroleum plans.

Perhaps, we should call him the Minister of Energy, Mines, Resources and Exaggeration. The article goes on to read:

The speech, filled with references to "potential crisis" and "possible dangers", had the effect of suggesting two federal government proposals—the removal of the Borden Energy line and formation of a national petroleum corporation may be necessary to avert threats to and preserve Canadian oil imports.

● (1550)

The minister has been the busiest little talking minister except for the Minister of Agriculture (Mr. Whelan).

Then, we had the great situation about a crisis in eastern Canada, about the short fall in oil coming into the country. The minister pounced on the *force majeur* clause. He blamed the multinational corporations, and said they were using *force majeur*. Mr. Speaker, what was it we were looking at then—a 200,000 barrels a day short fall or a 300,000 barrels a day short fall? Of course the minister had not taken the Shaheen refinery into consideration. He was simply interested in generating a head of steam, in making exaggerations and providing distortions so that he could get away with his legislation. That is what he was saying on November 23, 1973, but suddenly he was faced with a telegram sent by J. A. Armstrong, President of Imperial Oil, as follows:

We are disturbed by the implications of your statements in the House of Commons on force majeur as reported in the news media.

Imperial has had no cut-back in its deliveries of crude oil from Venezuelan suppliers nor have we been advised of any cut-back.

Force majeur is a standard clause in supply contracts within Canada and abroad.

In the case of our supply contracts for Venezuelan crude oil we are not aware of any occurrences which would justify a cut-back or re-allocation of our supplies.

Of course, Mr. Armstrong was a witness who appeared before the committee. He praised the bill which the government introduced. He was the government's white haired boy because he and the government got on well at that time—I may say he and some other members—with regard to the deletion of the combines investigation clauses which were then an issue. But then Mr. Armstrong completely cut the feet from under the minister with regard to his statements on *force majeur*.

I have dozens and dozens of these little billet-doux, Mr. Speaker, but I am not going to take up the time of the House reading them. The fact remains that we in this party on this side of the House are justified, by the track record of the government, in saying that the government is not entitled to be trusted. It must make out a very strong case in order to receive the powers which it is seeking. Its track record of indiscretion, distortion and deception is so substantial that we have come to the stage where we cannot take for granted any statements made by this minister with regard to petroleum problems.

All that will enter into our calculations when we consider what our actions will be with regard to this bill. Now, having disposed of the minister—

Some hon. Members: Oh, oh!

Mr. Baldwin: —I would now like to deal with some aspects of the legislation. Members on the other side may applaud, but I consider those factors to be a vital and integral part of this legislation. Whenever I look at this legislation and see that the minister will have the power to do this and the discretion to do that, and I see the minister in effect sitting in the centre of the bill, with his record for false dealing, his incapacity and inability to deal with what happened, the deceptions he has practiced, albeit quite involuntary, more from ignorance than anything else, I say that we cannot separate this minister from this bill in our approach to it, nor do we intend to do so.

An hon. Member: He should resign.

Mr. Baldwin: I do not think the minister should resign. I think he should be compelled to live with the mess he is creating. I think that would serve him right.

Mr. Macdonald (Rosedale): And your colleagues are compelled to live with you.

Mr. Baldwin: Mr. Speaker, I may have to ask you to protect me from the minister's remarks.

Mr. Macdonald (Rosedale): Tell us why you were fired from your job.

Mr. Baldwin: I would have preferred if the minister had introduced Parts I and IV of the bill dealing with the imposition of the charge and compensation payments. So far as we are concerned they could be passed fairly rapidly, submitted to committee of the whole, and completed. They have been the subject of practice and precedent. If my recollection is correct the minister and the government have engaged in the imposition of the charge for four months without benefit of legislation, and for several months the government has paid the subsidy without benefit of legislation. With some scrutiny, some changes and some recommendations, Parts I and IV might have gone through rapidly if they had been separated from the rest of the legislation. However, the government has not seen fit to do so. That is its practice, and of course it has that right. But the other parts of the bill warrant far more detailed study in the House and, so far as we in this party are concerned, we will see they get that.

Now, dealing with Part I, this export tax or charge is a comparatively recent phenomenon, at least to the large extent to which it is being engaged in presently by this country and other countries. We are not going to challenge it. We are not going to vote against it. However, I think I would be wrong if I did not call attention to some of the potential dangers regarding a charge of this kind, and if I did not speak about the entire philosophy of the export tax, its morality, and its being a double edged sword. Where does it stop?

All over the world we hear talk of other countries, producing commodities which are in short supply, feeling free to engage in a form of international arrangement, such as the OPEC countries have, denying the world a full, assured supply of those commodities. The Arab OPEC countries were the first to raise this question. Maybe they had a point. I could understand them when they said that all the civilized countries of the world were gripped in inflation, and they would meet that inflation by imposing higher charges for petroleum products from their countries, petroleum which was in decreasing supply and which cannot be self-perpetuating. The Arab countries said to the western world, "Search yourselves. Find ways and means of dealing with inflation. Then, we will give some thought to reducing the cost of our petroleum products." I think that needed to be said, but we have to be aware of the effect on international inflation.

The Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner) shrug their shoulders and say, "We cannot deal with inflation in Canada. It is worldwide in scope." That may be true enough in part, but there are substantial elements of it within Canadian control, just as there are substantial elements within the control of OPEC countries and within the control of other countries.

If all the countries of the world took the same position as the Prime Minister and the Minister of Finance and said, "This is worldwide. We cannot touch it," that would constitute a very serious admission that inflation lies entirely outside the control of mankind. I do not think that is right. I think man has the capacity and ability on a co-operative basis, both nationally and internationally, to deal with the problem of inflation. I am not going to take exception to what is being done here, but I do say that at the time of passage of this particular part of the bill we should give serious concern to what could happen to the world with a series of export charges levied by producing countries, the combined effect of which could be felt not only in Canada directly but in an indirect way through the cost of the products which ultimately come to this country.

● (1600)

Mr. Speaker, I like to think that neither I nor my party have any quarrel with the principle that sudden, unexpected and unusual, windfall profits which accrue to companies should be shared by society. However, that statement has to be taken in conjunction with our belief in free, private initiative and enterprise as the best way to develop this country. We believe that such charges must take into calculation the need to provide for continuation of these companies in business and to provide them with adequate funds to carry on exploration, development, refining and marketing of their product. It then becomes a question of sharing those windfall profits but to the extent that they constitute an unearned increment, then I think the state is entitled to share in them. For that reason this party will not challenge this aspect of the legislation. The whole question of unearned income has not been given enough thought in this regard or in regard to a number of other things.

We are in a desperate position in this country with regard to the sale of land because we have allowed such sales without taking into account that there are substantial unearned increments involved which should belong to the state. But certainly you must give, and in doing so it must be contemporaneous with giving to the private sector, the tools and weapons to do the work that they can do better than the public or government. I refer to the things which attract them and, in this particular aspect context, I refer to the exploration, the development, refining and marketing of petroleum products. We have no objection to that. We are concerned to some extent with the way the clauses are drawn which give effect to that proposal.

Part of the clauses I refer to give very wide and vast powers of discretion to the government in dealing with exemption from this charge. For example, clause 11 in Part I provides that the Governor in Council can, on being advised by the board that it is in the public interest to do so, either generally or in respect of a single transaction, exempt any exportation of oil from the charge imposed thereon in respect of any month. Now, by Part I, after the month of April has elapsed, we are giving to the government the power to impose a charge of up to $8 per barrel, solely within the discretion of the government flowing

from rudimentary and wide terms of reference. At the same time we are giving the government the power to exempt imposition of that export charge.

I recognize that it is neither possible, feasible nor wise, to bring back legislation of this kind and have it dealt with two or three times per year, but I am going to suggest that when we are forced to give that kind of discretionary power to a government, including the right to give exemptions, there should be an accounting to this House. It is not good enough that once a year the minister brings in a report which may come 1½ years after the event. I would like to think that during the committee hearing our party would propose an amendment whereby the boards involved in this legislation, and the minister, will be required to account to a committee of this House charged with a special responsibility with regard to legislation of this kind. This would permit the people of Canada, acting through members of this House, by a committee, to examine, for example, why charges have been fixed at a certain rate; and, if the government sees fit to give exemption of one company or one type of petroleum product for a substantial sum, why this was done. I am not saying that the government would act illegally or unwisely but I suggest that it is a far, far better thing for a government to know that it will be subject to close and searching examination by a committee of this House from time to time as to the use of the uncontrolled, discretionary powers of this House.

The same generally applies to Part IV of this bill, the import cost compensation. This is a discretionary amount and is covered in clauses 51, 52 and 53. Clause 51 says that the import cost compensation may be paid to an eligible importer. He is defined as a person who at a certain stage has voluntarily maintained a level of prices for petroleum products obtained from imported petroleum at the level suggested in prescribed manner, and so on. Clause 54 goes on to say that there may be special cases where in the discretion of the board which has been indicated to the government of Canada that:

> . . . the board may, if it is of the opinion, that it is in the public interest to do so, recommend to the government of Canada that an additional amount of compensation be authorized for the importer in respect of that petroleum.

There may be some cases where that is justified, but I would think that where you give to any government the power to impose a tax at a fixed rate, but a flexible tax, at its discretion, a tax which may vary from month to month and at the same time give to that government the right to exempt certain people from the effect of that tax, then the House should retain some form of supervision over what is done.

Let me deal briefly with Parts II and III of the bill, Mr. Speaker. Those are the parts which constitute the price fixing mechanism. The government and the minister may call it what they want, but there is no doubt that this is a mechanism for fixing prices in Canada with regard to petroleum products. It is set out quite clearly in clause 20 as follows:

> The purpose of this part is to provide legislative authority for measures that will, so far as may be practicable, enable the government of Canada
>
> (a) to achieve a uniform price,—

That is a laudable objective. I am not quarrelling with it and I am not going to challenge it on a constitutional ground but I point out to the minister, to the government and to members of this House that there are very grave doubts about how far a federal government may go in establishing, through these means, a price fixing mechanism in this country. This House is not the forum for dealing with constitutional cases and I do not want to do so, but it is possible that those aspects of the bill may be challenged at some time. It seems to me, however, and this is purely a private opinion, that there were other mechanisms which might have been adopted.

Price fixing lies exclusively within provincial jurisdiction. Just thinking out loud, for the life of me I cannot see why the consuming provinces do not take upon themselves the responsibility of establishing a price which they consider to be, in effect, the price fixed by the agreement. The agreement was made; they arrived at a price. Say the $6.70 which the minister referred to was a reasonable price, now the minister and the government have seen fit to introduce federal legislation of some doubtful constitutional character. I think there were other means by which it could have been done. Certainly, the province could have done it and it could not have been challenged. It is certainly in the interests of the consuming provinces to implement the federal-provincial agreement in a legislative form or, if they desire, in another form. There are suggestions in this bill. Clauses 21 and 22 state an agreement can be arrived at between the federal and provincial governments. It goes on to state that agreement will be implemented.

● (1610)

It is well-known constitutional law that one government cannot delegate authority to another government. That was held in one case in particular dealing with a marketing board in Prince Edward Island. Dickens said the law is an ass. Probably it is at times. However, the Supreme Court went on to say you can delegate to a Crown corporation or an emanation of the government. If the federal government and the provincial governments arrived at a reasonable arrangement which they found acceptable, if they arrived at a mechanism whereby they did not see fit to consider the establishment of a Crown corporation, an emanation or a board, it would have the right to receive from both federal and provincial authorities the jurisdiction it requires to exercise this price fixing mechanism. I point that out as I go through and look at these sections.

There is someone else complaining about the government.

An hon. Member: They are complaining about your speech.

Mr. Baldwin: Even the young ones know enough to cry about this minister.

Mr. Lefebvre: You either put them to sleep or make them cry.

Mr. Baldwin: Unless the Prime Minister acquires enough courage overseas to send us about other business when he comes back, I suggest that during the Easter

recess hon. members look at clauses 22, 23, 36, 37, 39, 40, 41 and 42.

In interpreting legislation, you take the whole context of the bill to see exactly what it is designed to do. If I were asked to argue this in a constitutional court, it would be my opinion that there would be grave reasons to believe that the act would fall short of being what it ought to be constitutionally. However, we are not going to challenge it on that ground. This is not the place or the time. We will look at it in committee. We will ask that witnesses be brought before the committee. We hope there will be witnesses from the Department of Justice. We hope there will be representatives from the provinces as well as other people who are involved in this. The consumers are vitally interested and the taxpayers are interested.

This bill deserves the most searching and closest scrutiny before being passed. It is our intention to ensure that before the legislation gets through the committee, it will have that kind of study. We feel we will not have discharged our duty if we do not make sure we take the lead in that regard.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this measure, Bill C-18, is very complex. As hon. members have stated, it consists of five parts. Part I deals with the imposition of the export charge. Part II gives statutory expression to the agreement which was reached at the first ministers conference on Wednesday, March 27.

Part III is to be the sword of Damocles which will hang over the heads of the oil-producing provinces. If they do not reach a voluntary agreement by June 30, 1975, Part III can be proclaimed and the federal government will have the power to set the price for oil. I think that ultimately the federal government must have such power. Whether passing such a provision now is going to create the most friendly atmosphere in which negotiations can be carried on, I very much doubt.

Part IV provides for compensation to the companies for oil imported into eastern Canada. Part V is merely a general section dealing with inspection and penalties for non-compliance. Actually, Part I of this bill is a tax act. The other parts have to do with price fixing and a basis for payments of compensation.

I hope that the minister and the House will give some thought whether or not the whole bill should be treated as a tax bill. If I understood the speaker correctly when he was proposing the bill, he said it would go to committee of the whole. This will preclude the calling of witnesses. It will preclude a detailed examination by a committee which will have more time than the committee of the whole. Therefore, I hope the government and the House will give consideration to sending this bill to the Standing Committee on National Resources and Public Works.

One can only examine this bill if one does so within the framework of a national oil policy. We have been waiting for a long time for a statement from the government on a national oil policy. We have been promised it for a long time. Last June we finally got the first volume of a national policy. It was an analysis, not containing recommendations with respect to an oil policy. We have had great difficulty knowing what is the government's oil policy.

I want to make clear that as far as the New Democratic Party is concerned, we have stated in this House and have presented resolutions to the House setting forth what we think ought to be the major planks in a national oil policy.

As early as January 9, 1973, we were pressing the government for export controls on crude oil. On Monday, May 28, I introduced a motion on behalf of the New Democratic Party. In that motion and the debate that followed, we asked the government to place export controls on crude oil and petroleum products. We asked for the establishment of a two-price system for crude oil and petroleum products. We asked for an export tax which would take into the public treasury of the federal and provincial governments the difference between the domestic price and the export price. We called for the removal of the Borden Line through the Ottawa Valley.

On October 25, another allotted day, I moved on behalf of this party a resolution calling for a national petroleum company that would be the sole purchaser of both domestically produced oil and imported oil. We pressed for the extension of the oil pipeline to eastern Canada and the bringing of the Interprovincial Pipeline under federal ownership. We also pressed the federal government to enter into negotiations with the government of oil producing provinces with a view to developing, if agreeable, the oil sands under a joint federal-provincial Crown corporation.

● (1620)

The first thing I want to say about this bill is that it is a very firm commitment to a two-price system for oil. While one may disagree with some of the methods proposed—and I certainly disagree with some of the means by which the government proposes to implement this agreement—I think the government is to be commended for taking these steps, which began on November 4, 1973 to implement a two-price system in Canada.

This raises the whole question as to why a two-price system is not to be applied to other Canadian resource materials whose prices are also being escalated by world demand. I think most people in western Canada support the principle of a two-price system. But surely they have some justification when they complain that the only two commodities which are subject to a two-price system are oil and wheat, the two commodities upon which they depend for a very large part of their income.

Mr. Macdonald (Rosedale): Copper.

Mr. Douglas: The minister says, copper. Yes, I think there is some restriction applied to copper but as I recollect there is no export tax to take up the price differential, so it does not help very much.

We have talked a great deal in this House about inflation. Inflation is undoubtedly a major problem affecting every country in the world. No nation has been able to develop an antibiotic which will cure this contagious infection but some nations have been able to cushion the shock of rising prices better than others. We all recognize

we cannot control the prices of goods imported into this country, goods we do not produce here—citrus fruits, bauxite, coffee, natural rubber and so on. But we can protect Canadian consumers against the escalating prices of materials produced in this country, particularly those goods in respect of which world demand is pushing prices far beyond a reasonable return to those who produce them.

One of the reasons I differ from hon. members of the Progressive Conservative Party when they talk about a price freeze across the board, is this: if you freeze the price of lumber the main result will be that Canadians will not get any lumber, because if the world price is higher than the price you have fixed the lumber will go out of the country. If we intend to grapple with inflation in this country we should be prepared to treat a number of other commodities in the same way as we propose to treat oil under the legislation before us, that is to impose export controls, fix a domestic price, sell at the world price and pick up for the public treasury the differential between the two prices.

The second matter I wish to discuss arising from this legislation is the pricing policy established in parts of II and III of the bill. The position of the New Democratic Party has been that there is absolutely no justification for giving the oil companies returns higher than those they are now receiving. Prior to the price freeze on September 4 last, the oil companies had already increased their price by approximately one dollar a barrel. This brought them additional revenue amounting to more than $700 million a year. That they are not suffering is shown by the fact that in 1973 they increased their profits by approximately 46 per cent as compared with 1972. One company, for instance, Shell Oil, increased its profits by 58 per cent. Throughout this discussion the NDP has emphasized that the only justification for increasing oil prices is the need to provide funds to federal and provincial governments to enable them to develop new sources of oil so as to ensure adequate supplies when our present proven reserves are exhausted. We believe consumers would not mind being called upon to pay a little more for gasoline and home heating oil if by doing so they could be assured of future supplies at reasonable prices, and knowing they would not be left at the tender mercies of the oil exporting countries and the multinational corporations. But there is nothing in the legislation before us to ensure that the additional funds being received from Canadians will be used for the development of our resources by Canadians, for Canadians.

Reading some newspaper editorials one gathers the impression that the increase of $2.50 a barrel proposed as a result of the first ministers conference constitutes a rip-off on the part of the oil producing provinces. Let me point out that the oil producing provinces will be no better off under the pricing system proposed in this bill than they were under the voluntary agreement which expired on March 31. For instance, Saskatchewan was getting $5 a barrel. In addition, the province was receiving 50 per cent of the export tax, which worked out at approximately $1.60 averaged over their entire production. This gave the province $6.60 a barrel. Now, they are to get $6.50 a barrel. The government of Saskatchewan has set up a petroleum company which purchases the oil from the producers. It is going to pay the oil companies $3.38 a barrel. The difference between that amount and the $6.50 will go into the treasury to give the government the necessary capital for the development of oil supplies which have not yet been fully exploited, and for exploration to discover new sources.

The Province of Alberta was getting $4 a barrel for its oil. It received $1.60 as its share of the export tax, which brought the price up to $5.60. It would now get $6.50. But the Province of Alberta is sharing the $2.50 increase with the oil companies, the government taking 65 per cent and the oil companies 35 per cent. In other words, the oil companies will get 88 cents and the government of Alberta will get $1.62. This will mean an increase in revenue for the oil companies in Alberta of approximately $525 million a year, not counting some of the additional concessions which the minister now appears to be giving them.

On March 27, announcing that this agreement had been reached, the Prime Minister (Mr. Trudeau) said: "This is a great day for Canadian federalism". I suggest it was a great day for the multinational oil companies. They are going to do very well out of this agreement.

● (1630)

Today the Minister of Energy, Mines and Resources said that there has been a good deal of confusion as to what the price would be under this agreement. I do not know anybody who has been more confused than the minister. When the minister and the Prime Minister (Mr. Trudeau) met the press at a press conference on March 27, the following question by the press, which I take from the transcript, was asked:

—what does this mean in terms of domestic price increases for home heating oil and also for gasoline at the gas station?

The minister replied:

—basically in terms of feedstock, we're talking 7 cents west of the Ottawa Valley line and I would think the price should probably remain flat in Montreal and in the east.

It did not remain flat for very long, Mr. Speaker. The next day the minister announced that the price increase would be seven cents per gallon west of the Ottawa Valley and three cents a gallon east of the Ottawa Valley. At the same time the minister sent out a Telex to the oil industry in which he told them that the government was prepared to allow them to raise their retail prices to cover any increased cost of refining, etc.

Mr. Macdonald (Rosedale): Wholesale prices.

Mr. Douglas: I am sorry, wholesale prices, which of course would be reflected in the retail prices. The oil companies then began talking about increasing their price by two cents a gallon for gasoline and home heating oil, despite the fact that the minister said that the estimate of his department was that all the increase that would be warranted would be one-half cent per gallon.

On being questioned in the House the minister went on to say that the government did not propose to scrutinize these price increases in advance but would require the oil companies to justify them. I ask you, Mr. Speaker, what that means. If the oil companies decide that their increased costs warrant an increase of two cents per gallon for gasoline and home heating oil and the minister asks

them to justify it, they are very good at justifying increases. They can confuse the minister and the National Energy Board, and they have done so many times. But even if it is found that the increase was not justified, and if after long examination they are told that that two cents per gallon was too much, what good does this do the consumer who has already paid the increase in the price of gasoline and home heating oil?

To make the picture even more confused, the Department of Energy, Mines and Resources admits that it omitted in its calculations to include non-conventional oil and the gathering charges that must be added. Already Alberta is selling its oil at $6.70 basis Edmonton. This means that the price in Vancouver, in Toronto and Montreal will be approximately $7.20, not the $7 that the minister was talking about on March 28. In other words, when the present feedstocks are exhausted, the consumers of this country are going to experience an increase in the price of gasoline and home heating fuel of anywhere from 10 cents to 12 cents a gallon west of the Ottawa Valley and five cents to seven cents a gallon east of the Ottawa Valley.

One of the strange things about this pricing mechanism is that we are being asked to approve it although there is no written agreement. Clause 21 of the bill makes reference to an agreement, but goes on to provide that the agreement need not be expressed in any formal document, that the agreement can be contained in reciprocal orders in council. We can discuss this matter later, but I want to point out now that neither this House nor any committee of this House should be asked to pass legislation giving authority to the government to impose a price mechanism on the basis of an agreement that we have not seen and of reciprocal orders in council that have not been tabled. This I hope the minister will do before this bill is dealt with any further.

The fact is that the oil provinces have not gained by this increase of $2.50 per barrel. As I have said, the province of Saskatchewan will be getting slightly less than it was getting before. I believe the government could have kept the price of gasoline and home heating fuels down for the consumers of Canada by giving to the producing provinces a lower price and part of the revenue received from the export charge. The government could quite easily set the price at $5 per barrel, which would have meant an increase of only three cents a gallon for gasoline and home heating fuel, and given the provinces a share of the export tax. Of course, had the government done this it would have meant less revenue for the federal government and a good deal less revenue for the multinational oil companies that control over 90 per cent of the oil business in this country.

The third matter I want to turn to is Part IV of the bill which provides for payments to the oil industry to compensate them for the cost of oil imported into eastern Canada. The New Democratic Party has all along favoured an equalized price across Canada, plus transportation costs, but I must say I have very serious reservations about the manner in which the government is seeking to do this. I do not believe that the burden for equalizing prices should be placed entirely upon the oil consumers, especially where the price of oil enters into the cost of production of farmers, fishermen, the trucking industry and many other groups.

[Mr. Douglas.]

This tax to compensate the oil companies bears no relationship whatsoever to ability to pay. The mere fact that farmers consume per capita more petroleum products than any other group in the country, that fishermen have to buy large quantities of oil, that men in my constituency have to drive 50 to 60 miles to logging camps and sawmills every day, that dock workers have to buy gasoline to enable them to move from port to port, has no relationship to the ability of these workers to pay. The burden of financing compensation in order to have an equalized price across Canada should not fall on any single class of person or on any specific region of Canada but ought to be spread across all of Canada and based upon the ability to pay. The purpose of this provision is to enable the government to pay the oil companies for imported oil which, of course, will be much more expensive than the $6.50 price being fixed by this legislation. The minister says it will cost $1.4 billion.

● (1640)

It is interesting to see how the oil companies are to be compensated. They are to be compensated first of all for increased costs attributable to increased taxes or royalties imposed by producing oil countries. Secondly, they are to be compensated for increased costs attributable to increased participation costs imposed by producing countries and, finally, they are to be compensated for increased tanker costs.

What this parliament is being asked to do is undertake to pay the oil industry for increased costs that are completely beyond Canadian control and, even more seriously, completely beyond our ability to inspect, the books of the foreign companies, to find out whether these costs are genuine or fictitious. This legislation could be an open invitation to oil producing countries to raise their royalties and impose participation costs. Many of the oil companies own their own tankers, and this could be an invitation to raise, on their books at least, the transportation costs. In my opinion this provision could prove to be the greatest rip-off since the CPR went on government welfare. When I consider the business acumen which has been displayed by the Gold Dust twins in negotiating the purchase of home heating oil I shudder to think of the fleecing which the Canadian taxpayer could receive from an industry that is already bloated with the profits it has made out of this so-called oil crisis.

The NDP has constantly advocated the setting up of a national petroleum company to be the sole purchaser of both domestic and imported oil. We have urged the government to enter into bilateral agreements with oil producing countries so as to avoid the kind of rip-off which all too apparently could be possible under this legislation.

The government is being compelled to raise the price of oil for all Canadian consumers so as to compensate the oil companies for standardizing prices in eastern Canada. The consumers of this country are being asked to pay for the mistakes of succeeding governments in following a policy for years of exporting half of our oil to the United States and leaving eastern Canada without an assured supply of oil, completely at the tender mercies of the oil producing countries and the multinational oil corporations. The chickens have come home to roost and it is the Canadian consumer who is now going to be asked to feed them.

In conclusion, let me say that there is nothing in this legislation which will prepare Canada for the real oil crisis that we will face within the next decade. We are dealing with a diminishing asset whose life index is only 10 or 12 years. We want to know in this setup as envisaged in Bill C-18 what role there is for the national petroleum company the Prime Minister (Mr. Trudeau) announced on December 6 last. Will it have any role in marketing? Will it have any role in developing south of the 60th parallel, or is it to be restricted to birddogging for the multi-national oil companies by using tax dollars for research and for exploration, turning its findings over to the oil industry? From the minister's explanation so far one gathers that the national petroleum company, if it sees the light of day, will be largely peripheral and will have no really effective role to play in the oil policy this government is evolving on a hit-and-miss basis.

What is the government's policy for developing the oil sands and heavy oil in western Canada? The amount of money being made available to the oil producing provinces under this legislation will not enable those provinces to develop those oil sands. How do we propose to develop them? Is it proposed that we develop them in the same way we developed the conventional oil fields, allowing the multi-national companies to come in and take the oil so that we lose control of it, or has the government some other plan in mind? I am told that last fall Mr. Herman Kahn of the Hudson Institute had at least one or two meetings with government to sell his idea of borrowing $20 billion in foreign capital to build 10 plants in the Athabasca oil sands, and to pay back that $20 billion, plus interest, I assume, in oil. This means that we are proposing out of the Athabasca oil sands to earmark between $20 billion and $30 billion worth of oil to foreign countries without any regard to our own needs or the future needs of our children.

Mr. Caouette (Témiscamingue): Right on.

Mr. Douglas: At first, of course, we did not take this very seriously because one is used to the Minister of Supply and Services (Mr. Goyer) having more enthusiasm than he can properly manage, but when the Prime Minister stands up and says he has authorized the minister of odds and ends to investigate and look into this proposal, then I become very much concerned. In the meantime, the Minister of Energy, Mines and Resources (Mr. Macdonald), who knows more about the subject than either the Prime Minister or the Minister of Supply and Services, sits back in embarrassed silence.

Mr. Knowles (Winnipeg North Centre): Take a bow.

Mr. Douglas: I want to express my concern and the concern of this party for the future oil development of this country. At the same time the government is being inexplicably silent about the development of the oil sands, who is going to develop them, under whose auspices and under what control, it is speaking out most forthrightly about building the Mackenzie gas pipeline.

The minister says we have not made up their minds and it will depend on the report of the National Energy Board, but the fact remains that two emanations of the Crown, the Canadian National Railway system and the Canada Development Corporation are financially involved. Are they financially involved unless there is already some commitment within the government, and what is this commitment; to build a pipeline that will cost $5.7 billion, and probably more, in order to take Alaskan and Canadian gas to the United States, not because we need gas at the present time. If that is not a continental energy policy, then it is suspiciously like one, and I think this House and this country should be warned that we are the trustees of the vast petroleum and gas resources of this country which have been entrusted to our care. The average citizen has no power to control what can be done with their resources. Parliament can give them away. Parliament and legislatures have given them away in the past. If we serve posterity by following the kind of policies now being proposed, in respect of oil and gas, then we will deserve the condemnation of generations yet to come.

● (1650)

[*Translation*]

Mr. René Matte (Champlain): When dealing with this bill, Mr. Speaker, we must take into account a number of factors and make a number of reserves. Actually, this bill must be seen from a definite point of view, for without the so-called energy crisis, repeat, the so-called energy crisis, this bill would not be before us today.

As it has been demonstrated that this energy crisis was no crisis at all, we are justified in asking whether the government is not rushing us a little into drafting control acts, for this is a factor which must be taken into account. It is always dangerous to increase government control over the activities of a country, whether these activities are being carried out on the economic, financial, industrial or merely human level, and we must always proceed with care.

We understand that the government has a role to play and that it should play it. We understand quite well the good intentions of the government and the minister in particular with respect to this bill. However, the goal to reach for is a single price across Canada. Various pieces of legislation are brought in to do that. One should wonder if that equality in prices is nothing more than a pretence to do something else.

In all that business of the energy crisis, the oil crisis in particular, it seems we can now conclude that the great benefiters, if not the only ones, are multinational oil companies that managed to increase their prices in an entirely artificial way—and I stress, Mr. Speaker, in an entirely artificial way. It is a well known fact that the situation created by Arab countries in particular was entirely fabricated. That could only be temporary because sooner or later those countries would be interested in selling their oil. For some of those countries that natural resource is their single and only source of income.

In view of the situation a bill of this kind must be considered in a critical, and also positive, way. Mr. Speaker, I would like the minister to know exactly where we stand so that if he has any amendments to bring in he can do it himself so as to make things easier. I have learned since I have been a member of this House of Commons that it is very difficult to introduce amendments to a bill

and that it would seem that it should come from the minister himself.

So I hope those remarks will help improve this bill so there can be no adverse effects for Canada as a whole.

Mr. Speaker, the division of this bill in four parts calls for a lot of consideration, of course, and it is warranted.

However, before examining each part of Bill C-18 and before drawing my own conclusions, Mr. Speaker, I would like to call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—Air Transport—Strike by firefighters at Vancouver airport—Request that minister intervene; the hon. member for Selkirk (Mr. Rowland)—Finance—Result of court action against person discounting government cheques—Possible amendment of Small Loans Act; the hon. member for Calgary Centre (Mr. Andre)—Energy—Heating oil purchased by government from Roumania—Reason for purchase.

It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, Notices of Motions and Public Bills. Is there agreement concerning the notice of motion to be dealt with?

Mr. Lefebvre: Notice of Motion No. 4, Mr. Speaker.

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

SUGGESTED REDUCTION IN FARE STRUCTURE OF NEWFOUNDLAND FERRY SERVICE

Mr. Walter C. Carter (St. John's West) moved:

That, in the opinion of this House, the government should consider the advisability of reducing the present passenger-car fare and freight rate structure of the North Sydney, Nova Scotia, to Port-aux-Basques and Argentia, Newfoundland ferry service to better conform with the cost of travelling a comparable distance on the Trans-Canada highway system as a more economic link between the province and the mainland of Canada.

He said: Mr. Speaker, I am very happy to be given the opportunity to present this motion. Indeed, I might say that the subject matter of the motion is by no means new to this chamber nor was it new to the last Parliament. On November 1, 1968 during my maiden speech in the House of Commons, I requested that the government consider the advisability of reducing the present passenger car fare and freight rate structure of the North Sydney-Port-aux-Basques-Argentia ferry service to better conform with the cost of travelling a comparable distance on the trans-Canada highway system.

Today, almost six years later, I am still doing the same thing. Needless to say, Sir, it becomes extremely frustrating to speak about the same problem time and time again, make the same request year after year and have governments treat the problem with their usual complete lack of interest and total indifference. The province of Newfoundland, with the exception of Labrador, is an island province. The ferry service to which I have referred is the only link it has with the mainland of Canada except, of course, by two airline services operating in and out of the province. I think Your Honour will appreciate the importance of my motion in that it stands to reason the 90 miles of water separating this province from the rest of Canada is to us what the trans-Canada highway system is to people living in the other nine provinces. I contend that, for purposes of a passenger-car and freight rate structure, we should not be treated any differently from the other provinces.

● (1700)

In 1949, Newfoundland elected to become a province of Canada. In so doing we brought to this country a wealth of people and a wealth of resources. As a result of our union, Canada became one of the largest land masses in the world joined from sea to sea. Ironically enough, our geographic position, the fact that we enabled Canada to round out confederation and to become a nation stretching from one sea to another, has been the greatest contributing factor in our ability, or perhaps I should say in our inability, to achieve our full potential and to make confederation really meaningful to a large segment of our population.

As part of the terms of union between our two countries, it was agreed that Canada would take over certain services and from that date relieve the province of Newfoundland of the cost incurred in respect of these services, including the then Newfoundland railway which of course included the coastal fleet and other marine services in the province. Twenty years later, in 1969 or 1970, we saw the Canadian government abolish our rail passenger service and commence its deliberate plan to downgrade and, I suspect, eventually phase out altogether certain other marine services, including the coastal fleet. Of course, this was done by the Canadian National Railways with the concurrence of the Canadian Transport Commission and that of the federal government. Having said that, the question arises: How long can we expect to have a ferry service? That question is not as far fetched as it might sound, because who would have thought, back in 1949—including the people who negotiated our terms of union—that 20 years from that date the Canadian government and CNR would abandon our rail passenger service? Could any of us in those days have imagined that one day our coastal fleet would be reduced to a mere fraction of what it was at the time of union?

I will not repeat the story of the rail passenger service in our province, which has been abandoned. We have men-

tioned this on numerous occasions. My colleagues from Newfoundland and I have brought this matter to the attention of the House and of the government, but unfortunately our pleas have fallen on deaf ears. Suffice it to say that the service was abandoned with the full knowledge of the CNR and the concurrence of the federal government and its agency the Canadian Transport Commission. We might ask ourselves what changes are contemplated by the new organization which was recently established to administer the ferry service in eastern Canada. Will they follow the example of Canadian National Railways and be more concerned with balance-sheets, profit, losses and subsidies than they will with providing this essential service to our people?

I know that we will hear from members on the other side about the substantial subsidies that are granted by the Canadian government for the operation of the ferry service. We will be told by some hon. members opposite that services costing "X" numbers of dollars have been subsidized every year to the tune of so many millions of dollars. Surely that cannot be the criterion used by this government for the provision of an essential and fundamental public service to our province. I do not think that the government should be any more concerned with the cost of subsidizing that service than with the cost of constructing or maintaining a comparable stretch of the Trans-Canada Highway in the determination of the value of that highway to any of the other nine provinces.

It is my contention—and I am sure it is shared by most reasonable Canadians—that the government of Canada has a serious moral and legal obligation to provide the people of Newfoundland with a modern and equitable transportation service. It has an obligation to ensure that the people in our province are not unduly penalized because we happen to be an island, as indeed we are at present. In 1949, when Canada and Newfoundland agreed to the terms of union, Newfoundland was separated by 90 miles of water from the mainland of Canada. Today we are still separated by the same 90 miles, and surely the Fathers of Confederation, the people who negotiated our terms, must have accepted at the time the proposition that by virtue of the fact that we were joining Canada and becoming a province of Canada, we should be treated equitably and equally with respect to transportation having regard to the 90 miles of water separating our province from the mainland.

I refuse to accept the proposition that it should cost a family of five or six travelling from Newfoundland to the Canadian mainland, or from the Canadian mainland to Newfoundland, any more than it would cost a family of the same size to travel the same distance between any other two provinces by way of surface transportation. If confederation is to be meaningful to our people and to, for example, the people of Prince Edward Island, I do not see why it should cost people travelling between the island provinces and the mainland any more than it would cost an upper Canadian to travel from Ottawa to Montreal by way of surface transportation.

The intent of my motion is to ask the government to consider the advisability of reducing the passenger car fare and freight rate structure to bring it in line with the cost of travelling to any other resident of any province of Canada over a stretch of 90 miles between his province and any other in this country. The Minister of Transport (Mr. Marchand) has already admitted to the country that our transportation system is in a deplorable situation. Our only hope is that it does not become more chaotic and that the minister and his officials face up to the fact that CNR cannot be expected to become a profit-making, self-sustaining operation having regard to its present policy and the service that it is presently offering the travelling public of this country.

It is rather significant and timely that this motion should be debated in the House at this particular time, it being the twenty-fifth anniversary, the silver anniversary, of our becoming a part of Canada. Of course, as part of this celebration thousands of exNewfoundlanders and fellow Canadians will travel from cities in Canada to visit that newest province in the present year.

● (1710)

I think it is important that something be done as quickly as possible to bring in a rate structure for passenger cars and freight on these ferry services that will be comparable to the cost of travelling on any 90 miles of the Trans-Canada Highway. It is also important in that the economy of our province relies to a large extent on the tourist industry and its potential development. As a province that in many respects is unique and has managed to maintain its uniqueness, we have a tremendous tourist potential. By maintaining our individuality we can offer to the Canadian and American tourist something that cannot be found anywhere else on this continent.

Newfoundland can boast of being one of the oldest territories to be settled on the North American continent, and fragments of the early settlements are still in existence. We continue to enjoy a quality of life that has long been forgotten on this continent. We have managed to maintain the advantages of a quiet life, yet not primitive; of a happy people, yet not pretentious; of a scenery that is beautiful and natural, and not marred by industrial development.

In Newfoundland we recognize one very important point, and I have no hesitation in putting it forward here. It is that one day tourism will be our biggest and most profitable industry, provided of course the government recognizes that fact and is willing to co-operate with our province by formulating a more equitable policy with respect to our transportation needs. The progress we can achieve with respect to tourism will be determined to a large extent by the consideration and by the justice that we receive from the government of Canada.

I could go on for hours to talk about the high cost of living in the province, the high cost of shelter and the high cost of many other things attributed to a large extent to the high cost of transportation. But I am afraid there is nothing I could say that has not already been said in this chamber by colleagues over the past few years. In closing, Mr. Speaker, through you I suggest to the government that one of the most tangible efforts it could make, in its acknowledgement and appreciation of our twenty-fifth anniversary in confederation, would be to come up with a more equitable and more just transportation policy with respect to our province, and indeed with respect to the

other Atlantic provinces as well. I am sure that one of my colleagues from P.E.I. will want to comment on ferry service with respect to his island province, so I will not encroach more on the time of the House except to request again, respectfully, that my motion be given serious and sympathetic consideration.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, now that I have been categorized in the press as an old war-horse I can admit that I have heard many private member's motions and bills but I have never heard one that strikes me more as being possessed of sincerity, conciseness and thorough going reasonableness as that which has been presented by my colleague from St. John's West (Mr. Carter). He has been, since I have known him, a most diligent, thoughtful, persistent and persuasive representative of his people, and in my opinion he has spoken eloquently for them on a most, if not the most, important problem facing them on this very timely occasion of their silver jubilee as a part of this great dominion. It is a timely, thoughtful and most appealing subject and one which the authorities, at the moment vested with the governance of this country will neglect at their peril.

The hon. member was also correct when he said, about this province, as could have been said about mine a century ago, that in the days of our greater prosperity it was to our comparative advantage to be on and by the sea. In those days the Atlantic was a corridor of commerce. But now, as decade has followed decade, it has become disadvantageous for us to be in that once favoured location. We have seen the fulcrum of economic power move ever westward and, to use a polite word, we find ourselves on the unfortunate end of too many things such as transportation, price, the market, and so on. My hon. friend from Norfolk wants me to bring in a cow analogy; I would rather not do that because I want to retain the pristine purity of my remarks. But I have a fellow feeling for what the hon. gentleman has said. He has put his finger on the issue.

Why should the people of the two island provinces pay an exorbitant price to move to the other eight provinces of the dominion? Mr. Speaker, do you pay $9 to go from Manitoba to Saskatchewan? Is there a toll of $5 to cross a bridge here in Ottawa and go from Ontario to Quebec? Why, because God made us islands—and beautiful islands at that—should we have to pay every time we move to or from our island homes that are a part of confederation? It is a notorious injustice, and because we have had it so long is no reason why we should be expected to grow accustomed to it.

We live in an age when we talk about separatism in one part of the country and alienation in another, but because we in the Atlantic region have had our grievances for a century should not suggest that their very longevity detracts from their appeal, because certainly it does not. I think before any government of Canada can even conceive that it has made any kind of step to bringing about equality in this country it must make a major assault on the transportation inequities which face eastern Canada. For too long we have been out on the end. For too long we have paid dearly, partly not only in terms of remoteness from the major markets but also because of the very

[Mr. Carter.]

matters which the hon. member for St. John's West has mentioned.

It was interesting that the hon. member mentioned the railway. The railway has diminished its function in his province and in mine, certainly, more than in any of the other provinces in the dominion. But when there is a rail strike, which two provinces suffer most because other means of road transportation cannot function? That is the irony we went through last summer in both our provinces. It caused cruel and shameful harm.

Newfoundland and Prince Edward Island have much in common. I was once intrigued by the suggestion of former premier Smallwood that he was not interested in maritime union at all, but he might think of union between P.E.I. and Newfoundland. I never was an advocate of maritime union because I have not been convinced of its advantages, but a union of Newfoundland and the Turks and Caicos Islands and other islands down in the Caribbean would give us a country that stretched from the Bahamas up to the top of Labrador, and that would appeal to me. It might give us some new dimensions, new visions, new perspectives and a new province too, but that is the kind of province I would like to see.

● (1720)

I notice that in the council of maritime premiers we have one of the fastest growing bureaucracies. I have been in Ottawa for 17 years so I know something about bureaucracies, but I think the council of maritime premiers is the largest empire without territory which the world has even seen, with the possible exception of the dying days of the Holy Roman Empire. Rather than considering questions of what we do organizationally and administratively to regroup and reconsolidate, we should apply ourselves in the way that my colleague has applied himself this afternoon, to a practical problem. I want to join him by supporting his contention that we must abolish this hardship upon the people of the island provinces. We must move away from the infliction upon them of a grievous toll as they move about this country. What was confederation all about, if it was not to provide a domain in which all citizens might move freely from one part to another?

The injustices outlined by the hon. member seem to me to indicate an infraction, an infringement and indeed a mockery of confederation. I will join him in not resting content until injustice is abolished and inequity corrected. I commend him for the vigour of his presentation and the authenticity of the argument he brought for a great province and a great cause, one which I support 100 per cent.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is my responsibility to participate in debate on the motion of the hon. member for St. John's West (Mr. Carter). I believe, in all sincerity, that the spirit of festivity and joy that is characteristic of Newfoundlanders as they celebrate their twenty-fifth anniversary as members of confederation may very well account for the over-exuberance which gave rise to the motion before us. Certainly, were it not for the good will and amity that is prevailing between Newfoundland and the other nine provinces on this happy occasion, I would be tempted to term this motion as going a bit too far.

I am glad, and prepared, to address myself to the motion seeking reduced passenger car fares and freight rates on the North Sydney to Port aux Basques and Argentia route. On April 1, 1949, Canada undertook to provide a freight and passenger steamship service between North Sydney and Port aux Basques, and Argentia was added in 1964. Since 1949 there have been only two marginal increases affecting passenger fares and freight rates, while revenue has dipped to less than 20 per cent of operating costs.

I believe that this motion would benefit from a closer examination of the facts. Mention was made of the Trans-Canada Highway. Annual operating costs in the order of $35 million, as opposed to freight and passenger revenue totalling little more than $7 million, do not to me constitute an exactly inequitable arrangement. And these figures, Mr. Speaker, do not reflect the sizeable capital investments made during the last quarter century. They total close to $220 million and are projected to rise even further over the next decade. With deficits far outstripping revenue and capital costs burgeoning, I find it difficult to comprehend the rationale behind the hon. member's motion.

I am one who, along with the federal government, strongly supports the concept of stronger ties and communications between Newfoundland and the mainland. Newfoundlanders have had to apply more careful planning and economic utilization of their resources in order to strive for a quality of life that compares favourably with the rest of Canada. It is much to their credit that—I am pleased to note—Newfoundlanders have succeeded to a stunning degree, in bending their environment and resources to their will. After all, who has not heard of the gigantic Churchill Falls hydro-electric project? Who is not aware of the massive iron ore operations at Wabush and elsewhere? Who does not know that the tremendous timber stands at eastern Labrador have enabled Corner Brook to produce newsprint that is sold on six continents? And, finally, what could be a more strategically apt and economically vital achievement than the development of an oil refinery at Come-By-Chance?

But, I must now return to the specific matter at hand. One has only to examine the Ministry of Transport's user-cost or beneficiary pay concept for it to become readily apparent that the ferry services from Nova Scotia to Newfoundland are run at great cost to the federal taxpayer and to the great benefit of its users. Newfoundland is the unquestioned beneficiary of this service. The user-pay concept of the Ministry of Transport does not apply nearly as severely as it does, for example, to air operators and travellers using ministry-owned facilities. The federal government does not intend to introduce a user-pay system which will finance all of its services in full. On the contrary, even now this concept is not applied universally across Canada. However, I do not think the federal government is being in the slightest bit unreasonable or insensitive to the needs of its people when it expects users to pay a reasonable share for the use of the extensive and valuable facilities and services provided. And in the case of the ferry services to Newfoundland, I do not think one can reach any other conclusion but that the user-pay concept is applied with kid gloves and tender loving care.

I am not aware that the present passenger fare and freight rate structures pertaining to the Nova Scotia-Newfoundland runs are acting as any sort of deterrent to the flow of goods and people along this route. On the contrary, my information indicates that the addition of vessels during peak periods coupled with plans for further supplements in the near future reflect the steadily growing use of this ferry service. Newfoundland, much to its credit, is increasing substantially in popularity with tourists who are spending more money and longer vacations there. This year, with the commemoration of its 25th birthday, promises to activate a tourist invasion of truly awesome proportions.

A 15 per cent annual growth in passenger-related vehicle movement should, to my mind, Mr. Speaker, raise the question of whether the ferry service capacity is sufficient rather than whether the time has arrived for the service to reduce fares and freight rates. I am sure the hon. member who proposed this motion is aware of the difficulties encountered in deploying vessels on a ferry service that carries 55 per cent of its passenger traffic during July and August. There is great expense involved in operating vessels at capacity levels of 10 per cent during the off season.

It would appear, once again, that the problems to be addressed by this House and my hon. friend would include the rationalization of vessel deployment to obtain maximum utility and maximum economy without sacrificing the quality of service for passengers. In addition, terminal capacity at North Sydney and Port aux Basques will shortly require expansion and, as I already mentioned, additional vessels are being planned for introduction to meet future passenger needs. All such improvements will involve large capital expenditures and I, for one, am in favour of upgrading this ferry service as the need arises. Such steps will further consolidate, both symbolically and tangibly, the historic links which have bound Newfoundland and the rest of Canada together on a steadily strengthening basis since 1949.

Turning to the movement of Gulf freight, this has been so heavy that rail car ferry charters have had to be extended and, if present growth rates continue, further ferry acquisitions and major shore facility extensions will have to take place for this service alone. In 1972, freight movement accounted for 78 per cent of the Gulf deficit at an average cost of $27 per ton to the federal taxpayer. This freight movement is, barring an upset in economic growth prognostications, likely to incur an even higher subsidization of goods by the taxpayer.

● (1730)

This situation does not strike me as being one calling for a reduction in freight rates. On the contrary. I would think that shippers are being provided with an economical conveyer of goods the like of which they would not have even if presented with the choice of competitive, free enterprise services. Private enterprise, the impetus that has made Canada forge ahead economically in such impressive fashion over the years, still forms the basis by which we stimulate growth and progress in this area. However, in the case of the ferry services in question, were it not for government intervention in providing a cheap, yet efficient, transportation service from Newfoundland to the mainland, the economic fortunes of our tenth province

would not seem nearly as bright. Nevertheless, it would be foolhardy for me to suggest that all is well with our ferry services. Like all other operations, they suffer from inadequacies and imperfections.

The major problem, to which I alluded a few moments ago, lies in the allocation of ferry vessels where they will serve most effectively. Study and research with respect to improving the performance and seaworthiness of ferry vessels under all conditions is being conducted on a continuing basis. Service reliability under all conditions is another major consideration when planning the construction of new vessels, and the ultimate goal is to find a happy mean between an extravagant service and a hopelessly inadequate one.

With respect to the ferry service in Newfoundland, I do not imply it is an extravagant one. Far from it. It is the very lifeline which nurtures her relationship with the mainland and I would be rigidly opposed to any attempt to undermine or erode this vital connection. However, the question at issue today involves the reduction of passenger fares and freight rates. I do not believe such a move would benefit Newfoundland or its inhabitants to any significant degree.

With accelerating fuel, labour and maintenance costs, coupled with the need for heavy capital expenditures, it has been eminently generous of the federal government not to have passed on these added expenses to the users of the ferry service. Any proposed reduction simply does not make economic sense and belittles the appreciable contribution already made by the federal government in promoting economic expansion and tourist traffic to Newfoundland. This is another aspect we do not often talk about although it is related to the problem in question.

While disagreeing with the motion before this House today, I am equally in concord with Newfoundland's goals as a province. As I salute her past achievements, I wish her well in her future endeavours.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I will only be a few minutes. I wish to support my colleague's motion. I might say that all wise men think alike. My motion, No. 5, will be called in the very near future. It relates to considering the advisability of introducing legislation implementing the government's constitutional responsibility in providing a link between Nova Scotia and Newfoundland.

I was interested in the comments of the hon. member for St. Boniface (Mr. Guay). I was surprised he did not go overboard for this motion. I remember a transport committee visit that he and I made to my district. Everyone treated him so well that I felt he would come back and run in my district.

Mr. Guay (St. Boniface): I helped you out, just the same.

Mr. Marshall: I am disappointed he is not supporting the motion, particularly for the reasons he gave. No motion is more worthy of recognition and being passed by the House than the one of the hon. member for St. John's West (Mr. Carter). In describing user service the hon. member for St. Boniface used the words "tender loving care". This is analogous to the manner in which the Department of Transport treats our province. The only thing tender loving care reminds me of is a hairspray. That is probably the way they are going to overcome our transportation difficulties.

The main problem in Newfoundland is isolation. This dictates that we must have special status in the consideration of our over-all transportation policy. One need only be reminded of the difficulties that we experienced last summer. This problem was alluded to by the hon. member for Hillsborough (Mr. Macquarrie). Because of the CN strike, hundreds of thousands of tourists from the United States, indeed from all over North America, were stranded in Newfoundland for days, and sometimes weeks. This caused great incovenience to these people as well as to Newfoundlanders stranded on the Nova Scotia side because they could not get back to their families and their work. The situation reached almost emergency proportions. Fortunately, the strike was settled when it was, because it had reached the point where it was becoming an emergency from a medical and survival standpoint. This in itself should make the government realize that some form of communication must be ensured between these two provinces. I hope the government will soon realize this and begin to act. The government must support some kind of communication which would solidify both provinces.

Mention was made of the relationship between Nova Scotia and Newfoundland and their relationship to the Trans-Canada Highway. The Trans-Canada Highway, which was built with such great fanfare by the federal government, was built on a deal to take away rail passenger service. However, even at this moment the Trans-Canada Highway is not up to standard. The government should realize its responsibility and take a look at the Trans-Canada Highway in Newfoundland. Millions of dollars need to be spent to provide proper passageway; there should be a proper road for the buses. The Trans-Canada Highway must be brought up to standard. As the hon. member for St. John's West stated, the Trans-Canada Highway must be considered a link between Nova Scotia and Newfoundland and should be completed in our province. On April 22, hopefully my motion will be called. At that time I will elaborate on many other points of interest and concern to Newfoundlanders. We need a decent transportation policy and base in order to develop our many resources.

● (1740)

The hon. member for St. Boniface mentioned the cost to the government. I should like to remind him that the passenger rail service cost the federal government some $900,000. But immediately after that decision was taken, an order was issued by the Canadian Transport Commission to the effect that should the CN decide to abandon any other railway passenger services, it could be required to continue to operate them, in which case it would receive an 80 per cent subsidy. A few days ago I happened to come across the latest report issued by the CTC. It showed that subsidies amounting to $126 million were paid last year in respect of such passenger operations. And the figure will probably be higher in the years to come.

I should also like to remind hon. members that there is another isolated region only 10 or 11 miles from the north-

ern part of Newfoundland. Only that distance separates the island from the great mass of Labrador, whose inhabitants are completely isolated during the winter months and who have become familiar with living in conditions where they are shut off from goods and services. I hope the parliamentary secretary will remind the Minister of Transport (Mr. Marchand) of my bill to establish a crossing between northern Newfoundland and Labrador. This would do wonders to encourage the development of the vast resources in that wonderful region.

In order that the motion may proceed to a vote, I end my remarks by expressing once again my support for the proposition advanced by my hon. friend from St. John's West.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, it might appear out of place for a Toronto member to take part in a debate on the motion put forward by the hon. member for St. John's West (Mr. Carter). However, there are in Toronto a large number of fine people from Newfoundland who have settled in the city and contributed to the lifestyle of our metropolis. They are highly respected there and well known for their fine wit and sense of humour. Over the years they have established a high reputation not only for themselves but also for Newfoundland as a province.

Then again, we also have a ferry boat service. It connects, on a year-round basis, one island, which is constantly populated, with the mainland and it serves a second island, or set of islands during the summertime when extensive use is made of them for recreational purposes. We are therefore familiar with the question of ferry boat routes and the cost of transporting people by water, though I admit the circumstances are totally different from those in respect of which the hon. member for St. John's West spoke this afternoon with great sincerity.

What I find surprising is this. Only two weeks ago the hon. member for Mississauga (Mr. Blenkarn), also a member of the Conservative Party, condemned the CN on a number of grounds. He said, as reported in *Hansard* at page 753:

> One of the major problems the country faces is this: we are stuck with a national railroad which is improperly and ineptly managed. It is not managed as a business; it is managed in a political fashion, and therein lies the problem.

So we find a member from a wealthy urban community condemning the CN for not doing things in a businesslike manner. Now, two weeks later, we find an hon. member from the same party asking the government to behave in the directly opposite manner. The hon. member for Mississauga favours a businesslike approach; the hon. member for St. John's West is in favour of an approach which does not consider the balance-sheet. I must say my heart is with the hon. member for St. John's West for a number of reasons, though I doubt whether the time allotted is sufficient for me to explain them.

But here we are up against one of the typical contradictions which arise within the Conservative Party, not only on the issue of transportation but on oil policy, bilingualism, consumer affairs, agricultural policy, and so on. One member of the party says one thing, but a few days or weeks later another member proposes exactly the opposite. We suspect that they speak to each other in caucus once a week in an attempt to resolve these differences in outlook. Nevertheless, they find they cannot stick together. So much for the consistency of the Progressive Conservative Party—more conservative than progressive, perhaps.

I see the hon. member for Trinity (Mr. Hellyer) leaving the chamber. Perhaps the situation has become intolerable for him even though it is only a short time since he crossed the floor.

Mr. Knowles (Winnipeg North Centre): You have made him lose his balance.

Mr. Hellyer: At least we are not a bunch of sheep like you are over there. We think for ourselves.

Mr. Caccia: I am glad the hon. member has changed his mind and decided to stay with us.

Mr. Hellyer: I am overwhelmed, Mr. Speaker.

Mr. Caccia: The hon. member for St. John's West has made a good point. It is one which raises the question of the kind of policy we should follow in Canada in the field of public transportation. It is easy to make speeches about running a transportation company in a businesslike manner, but how is this to be done in a vast, thinly populated country such as ours without raising freight rates to a point at which only a limited section of the population could afford to pay them? Freight rates would need to be subsidized until the population was large enough to allow the subsidy to be discontinued. In the meantime, we need to consider something broader than the balance-sheet alone.

● (1750)

At the same time, the hon. member for St. John's West would be the first to press the Minister of Transport (Mr. Marchand) to see that the facilities and equipment of the vessels used on this type of service are not only modernized and kept up to date but are adequate to meet the needs of the public. This cannot be done by reducing tariffs and rates. A balance must be struck whereby some financial reserves are accumulated to improve facilities and equipment. Also, decent wages and salaries must be paid to the captains and crews of the vessels as well as the technicians employed in this kind of service, and must be similar to other salary levels in the country.

Reduced transportation rates will not bring this about. The only way to reduce rates without reducing revenue is through higher taxes, and then the question remains as to who is to pay these higher taxes. Perhaps the wish to keep the country together and to facilitate movement of people from one province to another is so strong that no one would object to this, but it sees to me it would at least be reasonable for any member requesting a reduction in rates to put the whole picture before the House and to discuss the consequences of such a measure. Then we would discuss the total scene, rather than just discuss the question of reducing rates in terms of accusing the government of total indifference.

However, I think the hon. member for St. John's West has made a good case in the sense that there is merit in providing a transportation service for all Canadians regardless of income, therefore permitting the exchange of

individuals from one province to another. People living on an island are at a certain disadvantage as a result of geography. On the other hand, there are advantages to living on an island and they are not to be underestimated. The fact that a body of water has to be crossed usually tends to screen the island from visitors, and in this sense the island is not swamped by waves of thousands of tourists. I would not be at all surprised if the reason that Newfoundland has been able to retain its character and quality about which we hear and read so much these days is that it has been isolated from the mainland because it is an island. Probably the same concept applies to the beauty of P.E.I. Islands seem to be immune from industrial development and the pollution that arises therefrom because of the fact that they are removed from the mainstream of economic life.

I have tried, Mr. Speaker, in the very short time available to put forward a few thoughts. The motion of the hon. member for St. John's West raises a much broader question, one which was the subject of debate only ten days or two weeks ago on a motion introduced by the New Democratic Party. Much was said by others more competent than I about this subject on the occasion of that debate, and I encourage members interested in the subject to examine what was said as reported in *Hansard*.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I had a few things I wanted to say in the course of this debate, but I am afraid I shall have to disappoint the House because I should like to see the motion come to a vote. Therefore, I rise simply to say that I support it.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the Parliamentary Secretary to the Minister of Transport (Mr. Guay) has assured us that the federal government is paying close attention to the Newfoundland ferry service to ensure that an uninterrupted and efficient service is maintained year round. As part of its ongoing program to upgrade and expand all ferry facilities on this service, Newfoundlanders in particular will be pleased to learn that a new rail car ferry costing about $14 million is scheduled for completion in late 1975. The vessel, a 7,000-plus ton twin-screw rail carrier capable of doing 17 knots, is designed to accommodate 34 rail cars on five tracks with stern loading.

Its secondary function is the carriage of highway trucks and trailers on containers between the terminals of Sydney and Port aux Basques. The vessel is, however, also suitable for certain other docks and sundry highway slips. The vessel, which will be capable of carrying rail cars weighing a total of 2,200 tons, is intended for year-round operation in the service across Cabot Strait and will be suitable in all respects for operation in the sea, wind, temperature and ice conditions encountered in that area.

A reliable and speedy gulf freight service is essential for the day-to-day exchange of vital commodities between Newfoundland and the mainland. The provision of yet another rail car ferry on this run is an example of the federal government's long-range planning and foresight in anticipating Newfoundland's present and future needs. I feel confident that with the addition of a new rail car ferry, coupled with the expansion of terminal facilities, Newfoundlanders will be satisfied with the calibre of service and fairness of freight rates that characterize the transportation mode bearing the brunt of commerce between the island and Nova Scotia. I think we cannot help but be impressed by the manner in which this operation is managed by the federal government and by the dedication of the crews and shore personnel who labour year-round under harsh weather conditions to maintain this vital link that keeps Canada united and whole.

[Mr. Caccia.]

Mr. Speaker: Order, please. The hour appointed for the consideration of private members' business has now expired. It being six o'clock, I do now leave the chair. The House will resume at 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

PETROLEUM ADMINISTRATION ACT

PROVISION OF EXPORT CHARGE, COMPENSATION FOR OIL IMPORT COSTS AND REGULATION OF PRICE OF CANADIAN CRUDE IN INTERPROVINCIAL AND EXPORT TRADE

The House resumed consideration of the motion of Mr. Macdonald (Rosedale): That Bill C-18, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain oil import costs and to regulate the price of Canadian crude oil in interprovincial and export trade be read the second time and referred to the Committee of the Whole.

Mr. Matte: Mr. Speaker, I had come to my remarks on each part of this bill. Part I, dealing with exportation, would call for the return to the principle that it is always rather odd to speak of exporting natural resources such as petroleum when our country is forced to import it.

It would undoubtedly had been more logical and appropriate to adopt measures avoiding such a nonsensical situation where an oil exporting country finds itself at the mercy of foreign producers and has to suffer the repercussions of particular political events happening far from here, while we are oil producers ourselves.

However, this situation is the result of various circumstances and it should be corrected without delay.

Subject to the requirement that we should satisfy our particular needs inasmuch as it is physically possible, which should be done, it follows that when we are required to export, it is normal that we levy charges on our exports and at maximum prices. I think it is perfectly appropriate for our country to obtain the highest possible return on its natural resources when they are exported.

We agree on this principle of charges on each exported oil barrel, at the highest level.

With regards to Canadian oil prices restraint, we should ideally aim for price uniformity throughout Canada. But, as I already pointed out, the restriction imposed on transportation could result in quite tremendous cost differentials which could perhaps nullify that nice effort to ensure equality in prices across the country. If for each barrel of oil moved from one area of Canada to another the price turns out to be exorbitant that will result in people in some areas of this country having to pay an equally exorbitant price.

● (2010)

I think the minister and the government have not been specific enough on the line of action they would follow and it is only once we get that information that we will be able to judge whether oil is sold at an equal price in Canada. Price fixing based on foreign oil is as far as domestic consumption in Canada is concerned, somewhat arbitrary. Mr. Speaker, if we are fortunate enough to have natural resources as important as oil it seems to me that Canadians should really benefit from it, that is to say that for consumer needs the cost to the consumer should be in relation to how easy it is to obtain that product.

If in an entirely arbitrary way a price is fixed in relation to overseas I find that some details are missing in that respect and the line of reasoning followed lacks basis. I understand that that must have been related to the fact that we are also at the mercy of oil imports which would explain the price based on foreign oil but in principle if we get down to the root of the problem the fact still remains that we are faced with a situation where we can obtain a product at a given price but we are selling it back to the Canadian consumer at a much higher price simply because it also costs more abroad. I think that principle is wrong and I feel that that policy should have been based on an even lower price for the consumer of this country even if, as a consequence of that, we must increase the price of foreign-sold oil either through charges or otherwise, particularly since, Mr. Speaker, we are not sure whether the situation will always remain the same and that it will not be possible at a given time, for example, for eastern Canada, to buy oil at a lower price. How can one foresee that this bill might not handicap the commerce the Canadian consumer might benefit from, and the eastern consumer in particular?

So, to my mind, we should aim for the minimum price for Canadian consumers and the maximum price for foreign consumers at which to sell our oil according to international schedules. Mr. Speaker, when we come to Part III of this bill, which deals with additional domestic oil price restraint, we feel even more apprehensive because, through this additional control, federal authority in this regard could become absolute, and control in as important a field as that of oil could, at some point or other, deprive the provinces of the autonomy they have always cherished.

We therefore have reservations about an additional control at the hands of the federal government in this field. Moreover, in view of the extra controls this bill is designed to implement, wholesome competition is threatened. We wonder at times to what extent this control, these set prices will be depended upon, and to what extent profits will be neglected, as well as consideration of the fact that prices must be proportionate to production costs, to what extent due consideration will be given the fact that fixed prices are not much higher than production costs. Those dangers warrant mentioning.

Part IV, which deals with petroleum import cost compensation, is the one, Mr. Speaker, which to my mind contains the most contentious elements, for the simple reason that controlling the cost of foreign oil is most difficult to begin with. Just ask the Minister of Supply and Services (Mr. Goyer) when he had to buy heating oil what results he obtained and why he had to pay black market prices to avoid possible shortages.

It is therefore extremely difficult to achieve reasonable control over foreign oil prices, all the more so as a Canadian importer is faced with the fact that he is simply refunded the differential between the foreign oil price and the price set in Canada. We might be in a situation where the importer is not in the least interested in obtaining better prices or where at a given moment, he might be able to make profits.

In my opinion, this compensation for offshore oil price is not clear enough and may be dangerous, especially since certain details are not clear. For instance, subclause 51 (c) on page 21 states that will be considered as importers and entitled to compensation those importing petroleum into Canada to be purchased by other persons for the purpose of having it processed in Canada. If you read carefully this clause you may conclude that someday we will only have oil transiting through Canada to be processed here and exported abroad.

Controlling this will be an extremely difficult task and we wonder to what extent this control will be adequate. In brief, we would have preferred that the government did not have to introduce such a legislation. However, we understand the situation which existed and which is likely to exist again in the future and which could lead to many problems.

Therefore we understand the intentions, but we are afraid that the situation might get worse if we rely on those good intentions, since such pricing would not enable us anymore to think that we will be able at a given time to have a supply of heating oil at a very low price. We can no longer hope that the consumer will be able to get gasoline or other by-products of oil at a real low price.

That is why we are wondering whether this bill does not merely confirm the final victory of multinational oil companies, that will have won all along the line by causing prices to rise to the level they wished, in the case of a product that only comes from the soil after all and the real cost of production of which we are not so sure.

Considering the skyrocketing price paid by oil consumers during the last few months and the fact that on the other hand, the Quebec Minister of Finance says that seven oil companies have not paid a single cent in tax, we are asking ourselves questions. And in such circumstances, our fears are justified. That is why we suggest that the minister and the government should take into serious consideration every clause of this legislation so

that this measure will not be the ratification of the inflationary price rise of a Canadian product that the consumer could get at a much lower price and that we accept to sell at an exorbitant price.

Mr. Speaker, I believe that if our foremost concern consisted in providing for the needs of the Canadian citizens instead of making profits, I am sure we would not be discussing now price rise and inflation in this regard but that we would think about something like this: We have oil, we are going to do everything in order that the Canadian consumer may at least buy it at the lowest price possible. I think this bill does not take that into account. On the contrary, it confirms a fact that results from world events that have nothing to do with us. With a good administration, Canada would never have known any oil crisis. Hence, it is arbitrary to determine prices; if there is a price increase, it is because of a lack of foresight and of adequate organization.

I am still deeply convinced that a country having ressources like oil can make it available to all citizens. So, if we decide arbitrarily on prices just to please oil companies, it is unfair to the Canadian consumer, and I think we should first consider essentially human factors in order to provide an adequate legislation.

● (2020)

[*English*]

Mr. Jim Balfour (Regina East): Mr. Speaker, in rising to offer a few remarks on the bill before the House today I wish to make clear that the principle of the bill as expressed by the minister earlier is not in dispute. However, I feel bound to say that a clause by clause examination of the bill before us raises some questions with respect to the implementation process of the March 27 agreement, questions which I have no doubt will also be raised in the minds of provincial political leaders of the various provinces, and particularly the provinces of Alberta and Saskatchewan.

In preparing for this debate I reread the Prime Minister's statement delivered in the House of Commons last March 28, and I must state that the contrast between the tone of the remarks of the Prime Minister (Mr. Trudeau) on that occasion and the tone and contents of Bill C-18 are startling, to say the least. I refer specifically to clause 36(1) of the bill before us which reads as follows:

> Where no agreement is entered into pursuant to section 21 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the governor in council, is not effective or is not capable of being effective, the governor in council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this part applies that are produced, extracted or recovered in that province (hereinafter in this part called the "exporting province").

Clause 36 of this bill is offensive in that it confronts our producing provinces of Alberta and Saskatchewan once again with an ultimatum: either fall in line or we will legislate an agreement.

This bill goes far beyond the agreement and understanding reached between the first ministers on March 27 as explained by the Prime Minister. Under this legislation, the government seeks powers to establish oil prices within provinces under certain conditions. The March 27 agreement is to terminate in 15 months, yet this bill is open-

ended with respect to the term of its powers and provisions. Its penal provisions can only be described as draconian in their nature, and I refer you specifically to clauses 27 to 40 inclusive.

> 27. A person who
>
> (a) knowingly makes any false entry or statement in any record, book of account or other document required by this part or any regulations thereunder . . .
>
> is guilty of an offence and is liable on summary conviction to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding one year or both.
>
> 28. (1) Every person who contravenes any of the provisions of sections 23 to 26 is guilty of an offence and is liable
>
> (a) on summary conviction, to a fine not exceeding twenty thousand dollars or to imprisonment for a term not exceeding six months or both; or
>
> (d) on conviction upon indictment, to imprisonment for a term not exceeding two years.

It is language of the sort contained in the clauses referred to which raises legitimate concerns in Canada's energy industry, concerns of the kind that could create for Canada energy shortages in the future where none now exist. Unless the government sheds its conspiracy theories and punitive mood it will damage not only the companies but the country. The whole federal government's performance dating back to last September in connection with energy matters raises substantial questions of competence, questions which can only give rise to profound uneasiness in the minds of all Canadians at the sweeping, far-reaching powers of control over the energy industry and the reduction in the provincial governments' ability to control the development and sales on a long-term basis of their natural resources.

Our Canadian energy industry which formerly exhibited strength and confidence is now wracked by uncertainties as to future government policy, uncertainty with respect to future prices, with respect to land leasing regulations, additional forms of taxation, and the formation of a national petroleum company and its possible role. These uncertainties and others constitute a major disincentive to Canada's petroleum industry and, if allowed to continue, will result in further loss of investor confidence which has already been badly shaken by recent events.

Under these circumstances, the ability of the industry to attract new venture capital to sustain Canadian resource exploration and development will be severely impaired and could even result in a flight of capital from Canada to areas offering a more stable economic environment, notably the United States.

Ultimately, of course, a long-term energy supply crisis could unnecessarily develop in Canada. Currently, Canada is in the very enviable position of producing more oil than it consumes. As a result of the national oil policy established in 1961, markets west of the Ottawa Valley have been reserved for western Canada crude, and western Canadian production in excess of domestic needs found an originally reluctant but now ready market in the United States. These markets, both domestic and in the United States, were a major factor in the development of the petroleum industry of western Canada and the level of domestic proven reserves we enjoy today.

However, Canada will become a net importer of oil at the end of this decade if new Canadian reserves are not

discovered and developed. Simplistically stated, Canada is at the stage in which the United States was in the mid 1960s in that we are already eating into the lead time required to discover, develop and bring new supplies to market.

In western Canada it probably takes five to seven years to do the necessary geological, geophysical and drilling work required to develop a specific producing area and start selling oil and gas. In the frontier areas the lead time is even longer. Gas was discovered at Sable Island in 1967 and some millions of dollars, 66 wells and six years later, the first gas is still a considerable period away from being produced and sold. Gas was found at Drake Point in the Arctic in July, 1969, and it is unlikely that any gas will be marketed from that area until the 1980s.

The long-term nature of such investment requires a careful evaluation of the political climate, favourable or unfavourable. The industry needs relatively stable political conditions and cannot operate satisfactorily on a stop and start basis. It is important to remember that it is only within the past 20 years that Canada has become a significant producer of crude oil. At the time of the Leduc discovery in 1947, Canadian production was no more than eight million barrels per year—about what we now consume in a week. It tends to be forgotten, in the light of recent events, that until very recently there was considered to be in North America an overabundance of natural gas.

Under these circumstances, natural gas prices in both Canada and the United States were kept distressingly low when compared with the cost of alternative, less attractive fuels. The direct result of this mistaken policy is the serious shortage of natural gas, particularly in the United States, prevalent today. For the balance of the 1970s it is estimated that the Canadian energy industry will require $30 billion of development capital. This new capital will have to be raised in competition with worldwide industry requirements, estimated at $500 billion during the same period.

The task of developing new energy resources deserves, and should be granted, the highest priority by the federal government and appropriate policies and regulations put in place to ensure that the necessary capital will be available and the necessary exploration and development work is carried on as expeditiously and rationally as possible. Piecemeal policies have no place in this context, and co-operation rather than confrontation is required. Other areas of the world are already competing for development dollars at this time and there is evidence that Canadian technical expertise and personnel are being lured away by more attractive offers in the United States and elsewhere.

● (2030)

The petroleum industry in Canada must be encouraged to press forward with the task of finding, developing, processing and bringing petroleum products to consumers. Policy-makers must provide a suitable operating environment within which the industry can perform its function. Parts of the bill before us are counterproductive in this respect and deserve review and revision by the minister proposing their passage.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Bill C-18 puts into effect the agreement reached, after many weeks and months of negotiation, between the federal government and the provinces and establishes many important precedents in Canada. It establishes one oil price right across the country. It establishes a two-price system for Canadian oil, namely, a domestic price that is much lower than the international price and it also maintains the export tax on Canadian oil sold to the United States. It further recognizes the fact that oil and the other natural resources of this country come under provincial jurisdiction and law. That is a most important fact which all of us must recognize in a debate of this sort.

There are a couple of things that concern me as a member who comes from one of the oil producing provinces, Saskatchewan, as I look at this bill and rise to participate in debate on it. The first thing I notice is that the agreement reached between the consuming and producing provinces will give the people of Saskatchewan actually less per barrel of oil than they were receiving under the voluntary agreement which expired in March. They will now receive $6.50 per barrel under this agreement which we are now legislating, but under the voluntary arrangement they were receiving $6.60 per barrel, made up of an outright sum of $5 per barrel for oil sold in the province, plus 50 per cent of the export tax, which on the production of oil in Saskatchewan worked out at about $1.60 per barrel, making a total of $6.60. So as a result of the agreement reached in Ottawa, the actual direct revenue to the people of Saskatchewan will be a lesser sum of money than they were receiving before those negotiations concluded.

Secondly, Mr. Speaker, as a member from a producing province I am also concerned that the producing provinces are not getting a share of the export tax. Our party made it clear right from the outset, through the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and through our leader, that the producing provinces deserved a share of the export tax. It seems to me particularly unfair that the export tax should be used to subsidize the consumers in eastern Ontario, the four Atlantic provinces and Quebec, because when this is done it is using funds that should at least in part go to the producing provinces.

What I am really saying is that I agree with the fact that we are subsidizing the eastern market because of the international situation, but I am arguing that the subsidy should be paid on the basis of equality and equity right across the country, without being taken solely from the revenues due the two producing provinces. An appropriate analogy might be if we were to lower the price of automobiles in Canada and if we were to accomplish this by subsidizing buyers with money taken from Ontario because that is where the automobiles are produced, or if we were to do the same kind of thing with farm machinery and take the subsidy from Ontario provincial resources because that is where it is produced.

It seems to me that this is all part of the built-in tradition that goes against equity in this country in terms of distribution of wealth and income. And if it were not for certain other developments I would have a difficult time being convinced that this is the right direction in which to proceed. However, it is my understanding that in

the case of Saskatchewan the federal government is willing to look at some significant trade-offs, or what might be called *quid pro quo*, with respect to things that would lead to greater industrialization of our province, such as a major steel industry.

The Minister of Transport (Mr. Marchand) has suggested that we should take a look at the freight rate system and correct some of the inequities in it. The Minister of Agriculture (Mr. Whelan) is talking about stabilizing the income of farmers in Saskatchewan, and indeed of farmers all over Canada. If some of these things are coming, then perhaps the deal that is before us from the point of view of my province will be good, that is, if we have these particular trade-offs. If our oil is sold across the country at lower than world prices, that will be all right with us if we can purchase other commodities coming into our province at lower than the world price, and if our oil is used to help build an industrial base in Saskatchewan giving us equality with other parts of Canada. That is a very important factor in this debate and one that should be recognized by all members regardless of the regions they represent.

I suggest that the province of Saskatchewan is a totally different case from the province of Alberta. In effect, here we are dealing with apples and oranges, with two radically different situations. Saskatchewan is basically a have-not province and Alberta is a have province. Alberta has vast quantities of oil, not only in conventional sources but in the tar sands. Saskatchewan has only about 80 million to 85 million barrels trapped under its land and will run out of oil in nine to ten years. That is something that must be clearly understood when we are talking about this bill. Saskatchewan is essentially an agricultural province, and if we do not expand our industrial base, after the oil has gone what will we have left?

At present we have 4 per cent of the nation's population, and our provincial population has been falling for a number of years. In 1968, Saskatchewan had 962,000 people; in 1973, it had only 906,000—a drastic drop. If the same proportionate drop took place in Ontario over the same period, it now would have a population of six million instead of eight million. In effect, it would eliminate the city of Toronto. Just imagine the effect that would have on Ontario. The same thing applies to provincial income. We depend so much on the agricultural industry and on funds derived from natural resources. In Saskatchewan the fluctuation of income can be as great as 40 per cent from one year to another. Compare that with Ontario, or with the nation as a whole, where income fluctuation has never been over 10 per cent from one year to another.

Why does this happen in Saskatchewan? There is a very obvious reason. The rural parts of the country, and Saskatchewan is perhaps the most rural of all, do not have an integrated economy. They do not have an industrialized, developed economy. This is because of the old national policies which we have pursued for so many years, directed developing the industrial parts of the country, particularly the golden horseshoe in southern Ontario.

These have been policies that have been based on tariffs and on a railway system designed to take raw materials from the hinterland to the industrial heartland. As a result, we find an area like Saskatchewan is supplying new materials and foodstuffs in an unprocessed state to factories in eastern Ontario, or indeed to places like Vancouver, where the raw materials are processed and manufactured and where, of course, there are the jobs that go with the processing and manufacturing.

● (2040)

Commodities and items such as livestock, rapeseed and natural mineral resources are shipped from the prairies at a rate lower than the equivalent weight of finished goods. There is therefore an incentive to ship goods from the prairies, and thus an incentive to export jobs as well, which means that the people leave the rural areas. All this will have to change, and a start could be made with the oil policy in this country which could expand into a new national policy, one that would treat all commodities the same and remove inequities in the freight rates system and develop the economy in a rational way. There should be equity of conditions. That could be done if we set our minds to it.

This bill concerns me on other grounds as well, and I hope this House will look at them. One concern is that under the bill, multinational oil companies will have another windfall or another rip-off in terms of profits. We all know the figures for the last year and we all know that the oil companies are going to be big winners. In Alberta the provincial government has decided to split the extra revenue 65 per cent for the province and 35 per cent for the oil companies. This means that the $2.50 will be split 88 cents for the oil companies and $1.62 for the people of Alberta, giving the oil companies in the province additional revenue of some $528 million per year. Actually, it will probably be higher because of some additional things that have developed during the last few days. This is of great concern to me and I think we should look at this part of the bill.

Another thing that concerns me is the way the government is going to subsidize the oil companies in eastern Ontario, Quebec and the four Atlantic provinces. They will subsidize them, trusting their accounting system and their judgment on how much the oil is going to cost when they purchase it offshore. I suggest we are going about this the wrong way. We should, instead, establish a national petroleum corporation or marketing board that would purchase all offshore oil and sell it to the people in the east. That would be easier and less bureaucratic than the system we are getting into.

How do we know how much Exxon is going to pay for oil in Abu Dhabi, Saudi Arabia or some other states in the Middle East? How do we know how much of the price paid for oil in Canada is real and how much artificial? How much of it will be theirs, because they are handling it with other subsidiaries? How much can they obtain, because it is in the hands of parent companies in the United States? How much information can we really get? Mr. Speaker, these are questions that I ask and that our party wants answered before the bill passes.

I also wonder about the fact that the bill is to be administered by an allocation board. Why is that? When the allocation act passed it was my understanding that the only time this board would be operational, except for a small staff, would be if the government or parliament declared an energy emergency. Why will this legislation

not be administered by the National Energy Board or the Department of Energy, Mines and Resources, instead of building another bureaucracy to do it? These are a few of the questions that I ask, Mr. Speaker, a few of the questions that I want answered and which I believe that the people of Canada want answered before we pass this legislation.

Clause 54 of the bill, on page 24, deals with special cases. An importer may ask for more funds than are provided under the bill if he meets irregular or abnormal circumstances. I wonder how that provision will be interpreted and whether it might not open the door to companies to make higher profits. I have serious questions about that part of the legislation.

As we debate this bill I think we should see it as a step toward a new national policy in this country. I do not know why we do not have two-price systems in other commodities. As a Saskatchewanite, I sometimes wonder why it is that two of the three commodities for which we have a two-price system are produced in Saskatchewan—oil and wheat. We do not have a two-price system for commodities such as iron, lumber and nickel. It seems to me that we should have a two-price system for them and charge a lower domestic price than the world price. We should have an export tax, for example, on commodities and channel the funds back to the provinces and Ottawa for further development of the resources and basic commodities of the country. We should be pursuing such a policy. This would help fight inflation and help the economy. I do not know why we are not doing it. I suggest we should be moving in this direction.

Mr. Speaker, when we discuss gas and oil we should be considering public ownership. We should be treating these as public utilities, owned and controlled by the people as hydroelectricity is in most parts of the country. We should examine the example of Saskatchewan where all the money gained from oil is going back for exploration and development of the gas and oil industry in the province, under public ownership and control. That should be done at the national level, with agreements between the provinces and the federal government.

When I hear the Minister of Supply and Services (Mr. Goyer) speak about the development of the tar sands, I am terrified. He has been going around the country talking about bringing in billions of dollars of capital from Japan, Europe and the United States, developing the tar sands and using the revenue from the sale of oil to repay the debts accumulated in building tar sands plants. Who is calling the shots here, Mr. Speaker? That plan was devised by Herman Kahn at the Hudson Institute. It strikes me as strange that the Minister of Supply and Services would be peddling Herman Kahn's ideas. It strikes me as strange that he should have made representations to cabinet on two occasions last fall about the development of the tar sands.

It strikes me as strange, Mr. Speaker, because I suggest there are certain connections between the Hudson Institute and the Liberal Party. The Hudson Institute has opened an office in Montreal, Hudson Institute (Canada), which is headed by one, Claude Frenette. He is no stranger to the Liberal Party. He is very close to certain cabinet ministers, such as the Minister of Supply and Services. He was also a vice-president of Power Corporation. I wonder about his connection with Power Corporation and the talk about Power Corporation going into the oil business.

These are questions that I throw out. Who is calling the shots? Who is advising on a national oil policy for Canada and a national resources policy? Is it actually the government of this country, or is it the multinational corporations or some of the big business concerns in this country and abroad? Mr. Speaker, these are a few of the questions that I raise about the bill before us, and I think they should be answered before the legislation passes this House.

● (2050)

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I rise to participate in this debate almost with a sigh of relief, relief that the question of crude oil pricing in Canada is finally approaching the point of solution. We in the House of Commons, and indeed all Canadians, will be able to get back to what are more important questions over the long run, namely, taking advantage of the tremendous opportunity Canada has with regard to energy. I say "almost a sigh of relief" because it would have been a genuine sigh of relief had the minister and this government restricted themselves to bringing in a bill which had the purpose of implementing and giving legislative back-up to the agreement reached between the first ministers at the long lunch at 24 Sussex Drive.

It is a relief for me, this House of Commons and, I am sure, all Canadians to hopefully be seeing the end of an incredible history of vacillating policy commitments, contradictions and inconsistencies. Commitments were made one day and broken the next. This goes back over a considerable length of time. Indeed, two years ago the minister first promised he would be generating an energy policy that would be coming out that winter.

The question of pricing in particular became an issue on September 4 last. We left for the summer recess in July, only to be called back in August because of a railway strike. While we were on recess, the leader of the New Democratic Party was travelling around the country saying that he had just about had it with this government and he did not know how much longer he could support them. I notice he has been saying the same thing during the past couple of days.

We came back to this House and legislated the railroaders back to work. The government felt compelled to make some statement on inflation. The cost of living was going up at that time at what we thought was an astronomical rate of 8 per cent. We know now that was almost low compared to what the government managed to achieve this year. In any event, the government felt compelled to make a statement. The cabinet met through Labour Day weekend. On September 4, at 2 p.m., we came into the House to hear a statement by the Prime Minister (Mr. Trudeau). We had to adjourn for two hours because the statement had not yet been typed.

We came back to the House two hours later and were informed there was a freeze on the price of western Canadian crude oil. As a sop, if you like, to western Canada, the province of Alberta in particular, the government also said it was going to build a pipeline to Montreal

in accordance with the wishes that had been expressed over the previous eight or nine years. It was nine days later that the government realized it could not make this freeze work, as a result of section 83 of the National Energy Board Act which required the National Energy Board to restrict any exports of Canadian crude oil at less than market value.

The government then quickly invented an export tax and put it in place. At that time it was 40 cents. That was on September 13. This gave rise to all of the history with which we are now only too familiar, the understandable cries of concern from the producing provinces and a great deal of concern by those on this side of the House about the direction the government was taking. There was then the Middle East war, the Arab embargo, all the resulting moves by OPEC nations, and so on. No one could have foreseen this. Whether the OPEC nations took advantage of a situation, or only obtained their just due, I think there can be arguments on both sides.

What is appalling, totally unacceptable and disgusting is the claim by the Prime Minister, the Minister of Energy, Mines and Resources (Mr. Macdonald) and this government that this price freeze and the export tax was a demonstration of their tremendous foresight and, indeed, without this export tax and price freeze they would have been unable to implement the pricing policy that appears in this bill. That is a bunch of nonsense. That move on their part caused nothing but ill-will. It will take a great number of years before that is cleansed from our society. Regrettably I make that statement.

I have no interest in maintaining the animosity which might exist between certain people in western Canada and eastern Canada. It is very unfortunate for this nation that it exists, but if there is fault it should not be placed with the manufacturers or the displayers of bumper stickers. It should be placed where it belongs, with the Minister of Energy, Mines and Resources.

I will cite a further example, if any further proof is needed of this government's deceitfulness. Although the government claims it had a tremendous amount of foresight in its moves of September 4 and 13, we need only look at the Toronto *Star* which was quoted this afternoon by the hon. member for Peace River (Mr. Baldwin). The Prime Minister is quoted as saying he did not feel the federal government had any right to interfere in the energy pricing policy. In terms of an oil pipeline to Montreal, we need not look any further than page 14 of the energy analysis which the government tabled at the end of June last, in which it is stated:

> To date, the security threat has not appeared serious enough to justify the very costly arrangements of supplying the region east of the Ottawa Valley with western Canadian crude oil.

It is a sad history of inconsistencies, broken promises, vacillations and incompetence. I could think of a few other words but they might not be parliamentary. As the Middle East war produced its supposed embargo and actions by the OPEC nations, we saw really incredible behaviour by this government. They behaved very much like the character in a children's story about the sky falling in. I think the name of the character is Chicken-licken who said, "The sky is falling in, the sky is falling in." The government were literally running around in circles saying, "The sky is falling in." They said, "We won't have any oil this year. We will be short of oil. People will freeze in the dark." The Turkey-lurkeys said, "Yes, indeed the sky is falling in. We had better do something." In the case of the children's story, it was Chicken-licken, Foxy-loxy and Turkey-lurkey. Indeed, it was Foxy-loxy who convinced them the sky was falling in in the first place.

Foxy-loxy in this case is the Minister of Energy, Mines and Resources who, for his own purposes, convinced some people that indeed we were in a terribly perilous situation with regard to energy, we would have terrible shortfalls and we must act to implement everything he suggested. Unfortunately, Chicken-licken and Turkey-lurkey were not eaten, as they were in the story. I suggest that is only right, because poor Foxy-loxy would have had indigestion.

It cost the people of Canada at least $15 million because of some asinine heating oil purchases by the Minister of Supply and Services (Mr. Goyer). The story unfolded as the result of persistent questioning from this side of the House. In terms of the government's purchase of heating oil last winter, it is absolutely unbelievable. They paid an average of 79 cents per gallon for heating oil which is now being offered for sale at 25 cents a gallon in Montreal, and there are no takers. It is incredible. Indeed, the amount of money that that oil deal cost was far in excess of the cost of the *Bonaventure*. In terms of the *Bonaventure*, we at least had the Auditor General look into it. It is about time the President of the Treasury Board (Mr. Drury) asked the Auditor General to look into this heating purchase, because there are still many unanswered questions. Another incredible aspect of this story was illustrated on December 6 when the Prime Minister (Mr. Trudeau) was making his statement indicating that the freeze would not end on January 31. Incidentally, the Minister of Energy, Mines and Resources had promised just the night before that it would. Nevertheless, the Prime Minister used this opportunity to expound upon all of the new national oil policy initiatives the government was taking, among which was a decision to establish a national petroleum company. The Prime Minister said, and I quote from *Hansard*:

● (2100)

> Finally, the company will assist in assuring reliable and adequate imports of oil to meet present and foreseeable new needs for foreign oil.
>
> The government has found in recent weeks that it can play an important role in purchasing petroleum and petroleum products. It proposes to exercise this role through the company.

Well, if it is the wish, and if it is the will, and if the Chicken-lickens and the Turkey-lurkeys Liberals and NDPs force a national petroleum company on this unfortunate country, at least let us hope that those individuals who were working for Supply and Services in connection with this heating oil purchase are not hired by the company to act as its agents. Because if we lose $15 million every time the company makes a purchase in the market we will soon find it is costing us a very substantial percentage of the federal tax revenue.

During this period, during this frantic "the sky is falling in period," when everybody, or at least everybody on the Liberal side and in the NDP corner of the House, was convinced that disaster had struck, the Minister of

Energy, Mines and Resources used the crisis atmosphere first to get cabinet approval of his national petroleum company, second to expand the responsibilities of his department and agencies accountable to his department, and third to introduce the energy supplies emergency bill and get it through the House.

In that situation this party made every possible effort to determine the facts in terms of Canada's shortfall in energy reserves this winter. We made every possible effort to see that expert witnesses were brought before the committee in order truly to determine Canada's position. At every step our moves were obstructed by the government and by the NDP. They said, "How could you be so irresponsible? Don't you know there is going to be a tremendous oil shortage this winter? If you are going to be responsible, pass this act immediately so that the government can set up its emergency energy allocation board and allocate the available supplies."

Well, Mr. Speaker, I am sorry to say that indeed we did back down from some of these demands and we did give approval to the bill, with some important changes. We did manage to get a degree of parliamentary control, but with the passage of that bill one of its provisions was the creation of another empire for the Minister of Energy, Mines and Ressources to administer, namely, the energy allocation board. This energy allocation board was supposed, according to that bill, to be responsible for implementing and allocating energy supplies within the country should we be faced with a situation of shortage. Indeed, we were faced with a shortage, and its most knowledgeable people stated there was no reason for us ever to be faced with a shortage since we were self-sufficient and all that was needed was a reasonable amount of good planning. This board really did not have a job. I see that as a result of part III of this bill the energy allocation board now has a job. I suppose I am happy to see it; I hate to see underemployed civil servants.

Mr. Speaker, I have omitted a considerable amount of detail in this sad story of the government's performance in the energy sector over this last year and a half, actually since the last election. It truly is a sad story and I sincerely hope, for the benefit of all Canadians, that the bill marks the end of that sort of behaviour; that from now on we shall see responsible, consistent behaviour from whoever is minister of energy, mines and resources and it will be in accordance with the type of advice which is offered in this book. It is incredible to me that the government would offer this energy analysis for consideration at the end of June last year, a booklet which contained so much excellent advice, and then proceed totally to ignore it and to confuse, distort and disrupt the situation to an unbelievable extent.

In particular, I wonder why the minister will not, in spite of our representations, follow his own advice, namely, that given on page 9 of this energy analysis that no national policy can be contemplated without the fullest intergovernmental consultation and consensus. That is excellent advice, yet we have an admission from the minister that this bill, implementing a very important agreement in terms of price, has never been submitted to the provinces; that the provinces have never been asked to respond. The minister told us this is an important part of national energy policy. He stated today that there has to be the fullest consultation between governments before a national oil policy can be implemented, and it puzzles me that the minister will not take his own advice.

Parts I and IV of the bill implement the agreement reached between the first ministers at their luncheon recently and we have no general disagreement with this aspect of the bill. Part I provides for the export tax, legalizing the tax which has been in existence since September 13. We think it is about time it was legalized. Part IV provides a subsidy so that Canadians east of the Ottawa Valley will pay the same price for petroleum products as those in the area west of the Ottawa Valley. This has been the policy of the Conservative Party, one price across Canada, since well before the government even thought of it, so we can hardly object to that provision.

However, we do object to some of the aspects of part IV because it seems as though the government has looked at four or five different ways of doing things and has chosen the most difficult and the most complicated to administer. As to parts II and III, let me say that if we seek a uniform price less than the world market price, all that is required is an export tax. A uniform price existed in Canada prior to any export tax at all. It was based roughly on the Chicago price as being the main market area, and that was pretty well uniform all over Canada served by western Canadian crude. It is clear that if you put an export tax on crude destined for the Chicago market, it will lower the price of western Canadian crude. The same conditions which resulted in uniformity of price before will still apply and we would have a uniform price system. That is all that is necessary.

● (2110)

In part II of the bill the government has gone far beyond this. It is proposing a complicated set of regulations in clauses 22 and 23. Why it has taken this route and imposed this unnecessary complication raises very serious questions in my mind. Quite frankly, I can be forgiven if I suggest that perhaps this provision is directed at the provincial marketing boards. It may be there is another motive behind this move by the Minister of Energy, Mines and Resources. Rather than seeking to achieve uniform price as he claims, perhaps he is seeking to outlaw or to disqualify the operations of any provincial marketing boards that exist in Saskatchewan and Alberta. If that is the case, I think this is a very devious way of going about it. It may be a valid thing to do, but surely if the government is going to stick to its commitment to consult, this step should be taken after consultation and with the consent of the provinces, not as a result of a unilateral proposal that is snuck into a bill in which it does not belong.

These kind of ad hoc addenda to legislation to achieve some other purpose are becoming a habit with this government, not a habit which we should condone. Certainly this party will want to have a good look at this particular aspect. We are not going to be bullied into passing these parts of the bill in the same way as we were bullied into passing the energy supplies emergency bill last Christmas. The fact of the matter is that the sky is not falling in and we do have time to consider, to consult, to call witnesses

and to make sure that we pass good legislation. This is our responsibility to the people of Canada.

As for part III, this section of the bill raises very great concerns. It appears to be, to all intents and purposes, a club to hold over the producing provinces so the federal government can say, "Unless you reach agreement with us, we shall impose our agreement. Furthermore, we shall impose it without consultation and without the approval of parliament; we will do it on the word of the minister alone". As my colleague for Peace River stated this afternoon, this is a part of the bill that we cannot swallow. As my colleague also indicated, before we can take the word of the minister as to a commitment, we want to make sure it is given under oath.

Clause 34, which provides that part III shall come into force on a day to be fixed by proclamation, should be amended. The act should come into force only after approval by the House of Commons. Then we will have had an opportunity to be sure that the proper consultation between the federal government and the provinces has occurred. We would then know that if an agreement had been reached it was not because the minister or the federal government in general had used this club to which I have referred.

Part III is very similar to the other parts in that it contains a great deal of detail and unnecessary law in terms of implementing a uniform price across Canada. We do not feel that this is the desirable way of approaching the matter. It is quite unnecessary to be so complicated. We suspect the minister has other motives in mind.

Part IV of the bill implements the program to subsidize imported oil coming into eastern Canada, so that the price Canadians in that part of Canada pay for their oil is the same as the price Canadians in other parts of Canada pay. As I have indicated, it is obvious that the government has selected the most complicated subsidy program imaginable. The government is going to subsidize on a separate basis literally every single boatload of oil imported into Canada. The government must have chosen to do things in this way because the energy allocation board has built up such a staff that it needs a complicated method like this to keep the staff busy; I can think of no other reason.

Surely if we can have one uniform export tax we can have one uniform import subsidy; the same basic principles apply and it would be much easier to implement. Customs and excise officials could keep track of the amount of oil imported, and companies could apply for their subsidy in the same way as they pay their import duties. Administration would be dramatically simplified and the powers that the government asks for in part V would not be necessary. Therefore, I seriously question why the government has taken this unnecessarily complicated way of subsidizing the importation of crude oil into the region east of the Ottawa Valley.

There is also no provision in the bill to cover the situation we witnessed this winter where Canadian crude was shipped from the port of Vancouver through the Panama Canal to the eastern part of the country, thus decreasing our reliance on Middle Eastern crude which was under embargo, and possibly helping us avoid a shortfall this winter. Under the proposed subsidy program it would be impossible for a company to do this again, because clearly it would have to pay all the transportation costs out of its own pocket. The company would be better off bidding for some of the high-priced Middle East oil at $30 or $40 a barrel. It would not matter how much it bid for it, because it would get a subsidy from the Canadian government.

This brings me finally to why I contend the subsidization program is wrong in principle. It gives companies no incentive to shop around. As I say, it does not matter what they pay for oil, because they are going to get a subsidy. If a company has an option on some oil, then regardless whether the oil is $40 a barrel or $50 a barrel, the government will pay a subsidy which will bring the price down to $6.50 a barrel. Therefore, I contend the program is wrong and should be thoroughly examined.

To me, part V is the most incredible part of the bill. The powers granted to enter premises and seize records and information go beyond the bounds of common decency. I know we tend to worry about the privacy of the individual and not about the privacy of corporations, agencies and so on, but I think it is about time we did give them a little consideration. Yet under this legislation the federal government could walk into the premises of the Energy Resources Conservation Board of Alberta and seize all their records. They could walk into the premises of the Department of Energy, Mines and Resources in the province of Saskatchewan and seize all their records. I contend it is absurd to give the federal government this sort of power.

Mr. Baldwin: Perhaps they think that is the only way the minister can get intelligent information.

Mr. Andre: As my colleague from Peace River says, it is probably the only way the minister can get information about what is going on. It is regrettable that we have a continuation of this ad hockery by this government in its approach to things such as energy policy. Had they stuck to part I and part IV we might have passed this bill by Wednesday. I am sure we could have had it passed by Wednesday—but no, they had to put in this other nonsense.

● (2120)

Some hon. Members: Oh, oh!

Mr. Andre: You guys haven't even read the bill; what are you talking about?

Mr. Baldwin: Ask Goyer what it all means.

Mr. Andre: Yes, ask Goyer. This is indeed regrettable, because it is about time the energies of this House, of this government and of this country were directed to the more positive aspects of the Canadian energy situation. Canada should be in an enviable position compared to the rest of the world, and I suggest that after the next election it will be in that position.

Some hon. Members: Hear, hear!

Mr. Andre: We have the potential. We have a great racehorse under us, but unfortunately we have a 250-pound minister on top. We have a tremendous opportunity in Canada, being the only nation that is self-sufficient in

energy. Our crude is selling for $4 less than anywhere else in the world. This should give our industry a competitive advantage vis-à-vis the rest of the world, an advantage we have never had. It is a source of sorrow to me that we continue to have fumbling and incompetence on the part of this government when in fact we should be charging ahead and taking advantage of the opportunities available to us.

There are many other aspects of this pricing agreement which I might have gone into, including some of the points referred to by the hon. member for Yorkton-Melville (Mr. Nystrom) regarding the so-called *quid pro quo* promised both producing provinces at current production rates if we exhaust this resource in 12 or 13 years. Clearly, that means a responsible government has to look at two things, diversification of our economy during this period of time in order that we will not fall into serious economic straits when that time comes and, secondly, at ways to ensure that an aggressive and active exploration program is maintained.

In both these provinces the potential exists for further discovery. If we as a nation are to remain self-sufficient, we must discover these extra supplies of oil. The government would be irresponsible not to progressively pursue a policy that will result in such exploration and, hopefully, discovery. By a responsible government I mean a government that will ensure that those knowledgeable in the area have the opportunity. It is totally irresponsible to suggest on the one hand that Mr. Macdonald's national petroleum company is to discover all the conventional crude oil available, and on the other that Mr. Goyer's tar sands plan will discover the unconventional supplies. I see you getting ready to rise, Mr. Speaker, so I will close on that point.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in dealing with this bill we are being asked to give parliamentary approval to a major decision, I think one of the most major decisions that has been taken in the life of this country and one that could well set a pattern for the future of the nation. I think the best that can be said is that it is a solution, but it certainly poses the significant question: Is it the best solution at the moment, and what will it lead us to?

It is significant, it seems to me, in that it confiscates the natural resources of some provinces for a time, to be used in the so-called national interest. This is something that rarely has been done in our country, but there have been occasions in the past. There have been occasions during which prices paid to producers for very valuable commodities have been deliberately made significantly lower than the market value. One such occasion was in respect of the price of wheat during the Second World War when Canada sold wheat to our allies at prices far below world prices. Memories of this action in respect of wheat are particularly vivid among the western agricultural community, and there is no doubt that considerable western alienation or skepticism about central Canada arose as a result of the pricing of that wheat so low on the markets of the world.

By adopting a mechanism for pricing crude oil in Canada at prices much below the world level, which might seem like a very good idea for the moment, we may well be opening a Pandora's box of trouble in the long run by exposing our trade in the markets of the world to considerable retaliatory action. No one will dispute the fact that a sudden rise in the price of crude oil could create great hardships to home owners and other users of our oil, and this is of particular importance in view of the cold Canadian winters. A cushioning mechanism is needed to avoid undue exploitation and hardship, and fortunately we are able to do this because of the situation. It is no secret that other forms of energy, even those controlled by government agencies, are to increase in cost rapidly within the next few years. Mr. Schreyer, Premier of Manitoba, has announced that Manitoba Hydro will experience a 14 per cent increase over the next three years, bringing the increase to well over 50 per cent. At the present time Manitoba enjoys one of the lowest hydro rates in Canada, indeed on this continent.

Just a year ago, at the time of the Manitoba election compaign, the premier accused some members of the opposition of misrepresenting the cost of hydro development in that province when they suggested it would require $171 million in respect of the so-called Winnipeg control, yet now the chairman of Manitoba Hydro has said the same thing will be worth $233 million. The same thing is true in respect of the Nelson River project. The cost of installation was said to be $1 billion, but the latest estimates are in the neighbourhood of $4 billion. Just as with private corporations, government corporations are finding it impossible to hold the price line.

By reaching in and setting the price of products, the federal government has effectively taken away from the provinces the control of their own natural resources. By setting a two-price system we are inviting the same thing to occur in respect of other commodities as that which occurred in respect of wheat; and this has already occurred to some extent with lumber, pulpwoood, plywood, paper, products of the auto industry and many other products controlled by government.

I suggest that we have been perhaps unduly concerned about oil because it has been so cheap that we have come to rely on it in the western world perhaps to an abnormal extent. I suggest that control of oil prices would not have come about except that the producing provinces happen to be in western Canada. Had oil producers been in Ontario and Quebec it is obvious that a much different approach would have been taken to the problem. Oil prices would in all likelihood have been allowed to increase, with perhaps a subsidy to help those unduly affected.

● (2130)

So far as confederation is concerned, the westerner believes that to a certain extent his resources are being used for the good of Canada generally without any equivalent care being taken to compensate him for this. We can expect to see increasing disregard for provincial rights by this government as time goes on. Enormous bureaucratic control will have to be employed in order to exercise jurisdiction over this commodity. This will certainly decrease private initiative and investment in respect of oil activity in the oilfields.

The way the so-called $6.50 a barrel was arrived at is interesting. The ten provincial premiers and the Prime

Minister (Mr. Trudeau) sat down and decided what a barrel of oil should cost. Why is the same thing not done in respect of the price of eggs, beef or other commodities? It is obvious that not much thought was given to the continuation of supplies of oil, oil exploration and the oil industry. It is difficult to see how exploration can continue with the price of oil at $4 a barrel while it is necessary to compete for exploration money with other parts of the world where the price of oil is much greater.

Even if we say the government can enter the exploration field, this requires dollars which then would not be available for other purposes. This method of dealing with the problem leaves much to be desired. It seems logical that if the price at the wellhead is to be increased, the money could go to the oil companies directly and that the tax structure, including an excess profits tax if necessary, should be employed to make sure that undue profiteering will not take place. In this way legitimate exploration and development would be rewarded.

What has happened is that the three provinces, British Columbia, Alberta and Saskatchewan can add an extra $1.7 billion revenue from their producing wells. Some of this money may be allocated to the oil companies to encourage them to increase their exploration and developmental activity. However, there is no compulsion on them to do so. Saskatchewan apparently intends to give nothing, and presumably intends to carry on its own exploration. It seems at this time that the plans of the provinces are hazy. It is almost certain that most of the revenue accruing to these two provinces will have to be used in the service industries to service the people in the normal way.

At the same time, Quebec and the Atlantic provinces will receive large sums of money and tax equalization grants from Ottawa while being insulated against realistic prices of oil. It has been calculated that over $100 million of additional equalization payments will be forthcoming from Ottawa and that most of it will go to Quebec and the Atlantic provinces. In respect of the provinces which list their new-found wells in their capital accounts, this will mean that they will not be calculated as part of Ottawa's national tax equalization formula.

The end result is that Manitoba and Ontario will pay extra for oil but will receive no offsetting compensation from Ottawa. Alberta, British Columbia and Saskatchewan will receive tremendous windfalls, although their motorists will have to pay extra for gasoline. Quebec and the Alberta region, although having to pay extra for gasoline, will receive handsome equalization payments from Ottawa. So Ontario and Manitoba will not benefit to the same extent. Some people might ask why Ontario needs this benefit since it is so rich in any event.

In relation to the export tax and our trading stance with the rest of the world, there are some very interesting developments. We can almost certainly expect retaliation for our actions. I would think this export tax would be considered by the rest of our trading partners as a non-tariff barrier. We will not be able to protest if extra tariffs should be placed on bauxite, orange juice and many other tropical items we are unable to produce in our country.

This whole bill, although relatively simple, brings forward some interesting discussion about Canada's role, particularly as a trading nation. We are a trading nation.

[Mr. Ritchie.]

We have always relied to a great extent on the export of energy to help our foreign exchange position. We have imported low-cost oil in eastern Canada and we have imported coal into Ontario. At the same time, we have exported surplus energy to the United States midwest. We have exported electricity at a variety of border locations in Manitoba. For instance, Manitoba has a very good arrangement with its United States counterpart. It exports electricity during the summer in order to keep the Americans cool during their hot weather period, while during the winter the electricity is retained for the heating of homes. I think this is a very good arrangement.

One might ask what would happen if the United States decided not to export coal to Canada? In certain circumstances they would certainly be justified in doing so, and this would create many problems for our country. The world's low-cost energy has been held in the hands of a few nations. We must decide whether we want to concentrate on our own security or maintain our position as a trading area. It seems that for many years we pressured the United States to allow us to export oil, yet now many Canadians are saying we should not do this. One could hardly blame the United States for attaching little validity to what we said many years ago.

We should not disrupt international trade agreements so long as we do not endanger our current security. It has been recognized that trade in energy is only part of our total trading pattern but that any withdrawal from this area would create many problems for us. Another important area about which we must think is the way in which we use our energy resources and whether or not we develop them for our own purposes. There are conservationists who say that we should not develop any energy sources because this leads to pollution, and so on. Unfortunately, however, no matter how good this philosophy might sound, we cannot follow it. It is generally considered that we must maximize our wealth in order to give our people a better standard of living.

There are those who say we should import no energy into Canada and should not export energy in any form. The example I gave in respect of electricity and the arrangement between Manitoba and its counterpart in the United States is not very compatible with such a view. We must recognize that there are some problems involved in adopting such a stance. There is the matter of the scale of economics involved in bringing into supply the energy we shall need for our own use. This may well be too large a problem for our relatively small domestic market to sustain. We could incur substantial economic penalties. One example might be the Mackenzie Valley. It is obvious that the Mackenzie Valley gas pipeline can only be tapped in the immediate future if the Americans are involved. Then, again, we wish at present to export both resources and technology in many areas. We want to export uranium, Uranium, Candu technology and nuclear-generated electricity all fall into this category.

● (2140)

It seems to me that we also must realize that national interest must be put above regional interests, and this poses a real problem. It is obviously very difficult to reconcile the national interest with regional interests. The province of Saskatchewan, which for many years was a

have-not province, having suddenly become the owner of a scarce resource found that it could not capitalize from it as it should in a purely economic way. There must be recognition of the fact that provincial rights regarding the ownership of resources should not be changed unilaterally by the federal government. If this bill is to change the right of the provinces to their resources, the provinces will find that they will lose in importance to their own people, that they will be diminished and eventually will become not much more than city governments.

We must also accept the fact that our economic growth must be maintained. The important question that this bill tackles is who should exercise control over the development of resources and how the benefits flowing from them should be distributed. In other words, how should our energy resources be used to maximize our financial potential: should they be used to subsidize the manufacturing industry in its various forms? I think this is the central question and one that is causing those who live in the remote parts of the country serious thought with regard to the government's thrust.

There are those who suggest that manufacturing activity has been hampered in Canada for many years, that it has been insignificant and inefficient. I think it is fair to say that without the great wealth which our energy and natural resources have brought us, the manufacturing industry could not have provided Canada with the high level of income that it enjoys. Wealth distribution is necessary. Also, it must be remembered that the province of Saskatchewan has been prevented from reaping the benefits of its resources. Finally, we must ask ourselves whether we want to have a market economy in control of our petroleum resources. I think this is probably the key to the problem. Traditionally, Canada has had a market economy in the oil industry. Personally, I have had to make the decision whether to use electricity, gas or oil. I chose heating oil because it afforded greater flexibility and was the best choice for my purpose. But will the price of $6.50 set by the government be enough?

We must remember that when the economics of oil are considered, $200 or $300 spent in the Middle East will produce one barrel of oil a day. In the North Sea, $25 spent will produce a barrel of oil a day, whereas we require $10,000 to produce a barrel of oil if the tar sands are exploited. In the United States, new oil brings upward of $10 a day. It attracts Canadian companies and Canadian money, mainly the independents which are considered to be our particular contribution to the oil industry, Will the price of $6.50 for oil bring them back? The fact that oil reserves are being reduced by half a billion barrels a year—that is, the traditional, conventional oil wells—and that we have not had a strike in many years must not be forgotten.

Oil drilling statistics indicate that Saskatchewan, Alberta and British Columbia have reduced their oil drilling activities so far this year. Obviously, this will pose a significant problem. There is no point in saying that we have found a solution in setting the price of oil at $6.50 a barrel. So long as the Americans will pay $4 for it, or so long as the Arabs hold it up, the fact is that this will be a continuing problem. Will the entry of the government into the market enhance activity within the oil producing sector of our economy and provide us with the required amounts of oil for the future?

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, it is not long ago that I rose to speak on an oil bill. At that time it was the oil allocation bill and I rose to speak on it because the government was asking for extraordinary powers to deal with a so-called crisis which I felt was a transportation crisis rather than one of supply.

Today we look at Bill C-18 which is to impose an export tax on crude oil and provide subsidy funds to the non-producing areas. Again I see that the government is asking for extraordinary powers which I do not think we should grant them. Already the government possesses many of these powers under the National Energy Board Act and other existing legislation. However, as the hon. member for Calgary Centre (Mr. Andre) said, the government is like a fox in the crowd, trying to sneak in some powers which perhaps were not considered at the provincial-federal conference which was held recently.

As we have said before, we would not have too much objection to passing parts I and IV of the bill, as the hon. member explained when speaking about the history of the export tax and its necessity after the price freeze on oil. But why do we need to grant the government powers under parts II and III?

I would like to take this opportunity to congratulate the Prime Minister (Mr. Trudeau) for being able to get the ten provinces together and come up with some agreement. Before I go on to a close scrutiny of the clauses in the bill, I would like to speak about a group of people who are caught in the middle. They do not have much to do with the producing provinces or with the federal government so far as the export tax or the subsidy is concerned. These are our Indian or native people.

● (2150)

On numerous occasions I have spoken to the Minister of Energy, Mines and Resources (Mr. Macdonald) and to the Minister of Indian Affairs and Northern development (Mr. Chrétien) respecting the return of the export tax to the Indian people. But before continuing, Mr. Speaker, may I say that I was quite concerned just a few weeks ago when it came to my attention that even if the price of oil were to increase to $6.50 a barrel, the royalty rate to Indian people on their reserves was set at $4 a barrel, and there would have to be substantial changes made in the schedules to the legislation so that they could collect increased royalties and so that the oil companies would not receive the additonal $2.50 per barrel. I commend both ministers for having regulations changed whereby the Indian people could increase their royalty rates above those established under the schedules to take advantage of the increase in price from $4 to $6.50.

So far as the export tax is concerned, I find that although the federal government has been collecting this money it has not allowed the Indian people to take any advantage from it. From October, 1973, until April 1, 1974, a large amount of this money has accumulated in the federal treasury and has not been redistributed to the Indian bands. Perhaps there are some reasons for this. There may be problems involved in giving the total of this

amount of money back to the Indian bands, or even half, according to the precedent set under the previous arrangement whereby Saskatchewan and Alberta got half.

It is something the federal government should look into because future development of oil reserves in the tar sands will not do the Indian people as much good as such development will do for all the rest of Canada. Perhaps we should look at this money as an investment in the ability of these people to look after their own affairs, and in turn to invest it in opportunities for their future. Perhaps they would be able to set up certain industries with it, buy machinery, set up agricultural feed lots, or invest in the lumber and mineral industries. I call on the minister to make an announcement respecting the return of the export tax to the native people as soon as possible, because they could take better advantage of it in late spring and during the summer to build houses or to make investments in their own industries.

Part I of the bill deals with the export tax. I must echo the words of some other hon. members who have said they feel this export tax is setting a dangerous precedent. I have some concern that we may face reciprocal action by other nations in the future, particularly the United States. We have already seen that the example of the OPEC nations in setting the price of international oil is being followed in other areas. Take the case of fishmeal in South America. Some of the nations there have taken a good look at the OPEC pricing of oil and have set higher prices for their fishmeal, even though the price at which this product was previously being sold to Canada gave everybody a reasonable profit. We also find that bauxite from Trinidad and South America is demanding a much higher price in recent days.

What will happen to the world situation if countries start hoarding resources which are not in plentiful supply? How will the third world nations afford those resources and meet the wishes of their peoples to reach the standards of living enjoyed by Canada, the United States, Europe and, more recently, by Japan and a number of other countries? As I say, I am quite concerned about the precedent we are setting in taking advantage of other countries.

Premier Lougheed is a good Canadian who, with his government, has done everything possible during the past year to get oil from Alberta to eastern Canada, shipping it across the mountains and through the Panama Canal. In a recent speech immediately after the conference in Ottawa he said he was pleased with the negotiated price. Perhaps I might outline some of the things he said. I quote:

> I would now like to outline the reasons why we concluded that an average price of $6.50 per barrel is in the public interest of Alberta at this time:
>
> The price is approximately the same as the average United States domestic crude oil price which is a matter of significance in terms of continued exploratory drilling for conventional crude oil in Alberta and Canada.

The point has been made many times that we have perhaps only ten to 15 years' supply of conventional oil in Canada, and the industry will require at least ten years' lead time to enable the tar sands to make up the difference in future demand, or perhaps to find more conventional oil in Alberta and Saskatchewan, offshore or perhaps in the Arctic. Adequate incentives must be available to the oil companies so that they will continue to explore for oil here rather than going to other countries such as the United States or to the North Sea oil fields. Premier Lougheed also said:

> Such a price at this time in our view provides adequate encouragement for continued interest in future oil sands projects and should permit the Great Canadian Oil Sands plant to start to make up for previous losses. Syncrude did not anticipate last August that such a price would be realized until 1984.
>
> The instability of the OPEC pricing structure is well known, and a higher price until the world pricing situation has stabilized is considered ill-advised for now. United States energy chief, William Simon, predicted earlier this week that world market pressures would force down the price of oil.

I have heard the question asked by eastern Canadians: What is Alberta going to do with all the money it will receive from increased royalties on the oil it is producing? I think Albertans should make it clear that they are not going to stand forever for the export of their raw materials and resources to other parts of Canada, or to other parts of the world, to be manufactured there and then shipped back to Alberta, with Albertans having to pay the transportation for their return. In Alberta we want to provide industry for the people who are coming there. I see you looking at the clock, Mr. Speaker, so perhaps I might continue another day.

Mr. Speaker: I apologize profusely to the hon. member, but I have to remind him that it is ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR TRANSPORT—STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—REQUEST THAT MINISTER INTERVENE

Mr. John Reynolds (Burnaby-Richmond-Delta): Tonight, Mr. Speaker, I want to talk a little about the situation in British Columbia where we have a strike not only at Vancouver international airport but at all the airports in the province, a strike that I think could have been avoided if the Minister of Transport (Mr. Marchand) and the President of the Treasury Board (Mr. Drury) had taken a little more care in dealing with people in that area. I would like to read a telegram sent to these ministers a number of days before the strike took place. It reads:

> Owing to the deterioration of labour morale in the federal civil service of western Canada and possibly all of Canada, and after eight years of fruitless bargaining, we find ourselves in a position where we, the airport firefighters of western Canada, must withdraw our services for an indefinite period to study our worsening plight. At present we are over $4,000 per year behind our local counterparts. There have been abnormally large staff resignations in western Canada. One airport in British Columbia plans mass resignation if immediate action by Treasury Board is not taken to guarantee federal government fire-fighters parity with outside counterparts. If the trickle of resignations of the present is not sandbagged, the floods of tomorrow will destory the very foundations of all the civil service. Treasury Board must be made

aware of the dangerous trend. There must be an immediate reversal of their inhuman, indifferent, and unfair bargaining philosophy.

Fire Fighter Action Committee
658 Miller Road
Richmond, B.C.

• (2200)

I am happy to see the President of the Treasury Board here tonight, Mr. Speaker. Five days before the strike took place, his office was called and asked if he would go out and talk to these men because they were concerned about what was happening; the regional bargainers had not been able to settle the problems. That phone call from the firefighting committee has not been answered yet. I should like to refer to page 852 of *Hansard* of March 25, 1974, and quote the President of the Treasury Board on the subject of regional pay policy which the firefighters are seeking. He said:

In the case of regional pay policy, the government for years has taken the position that it will not be a leader in matters of pay and salary but will follow the pattern set by what is generally known in this country as the private sector. Given the choice of trying to equate the pay of the public service to that of the private sector on a national level or on a regional level, the government must, for common sense reasons, use a regional basis.

I would say to the President of the Treasury Board that that is exactly what the firefighters at Vancouver are looking for. I have been talking to them on a regular basis since before the strike began, and I know they have tried very hard to contact the President of the Treasury Board and the Minister of Transport to ask them to come to British Columbia so they can explain their problems. This morning I telephoned the office of the Minister of Transport to say that I had a proposal from the firefighters on strike that I thought could end it tomorrow. The strikers were asking that the bargaining be done in Vancouver, not with the union in Ottawa which they do not think is doing a good job for them. They were asking for reassurance that the government is willing to talk wage parity with the municipalities in British Columbia and that the talks be based on settling the problems on a regional basis.

I told the minister's executive assistant that these people would be available to discuss this proposal before the House sat today. The members of the union had asked me to attend the meeting because I am the member of parliament for the area which has the largest airport in British Columbia, Vancouver international airport. I have yet to receive a call from the minister's office. In the House this afternoon the minister rose and said, "I was told a couple of minutes ago that my people have landed in Vancouver—"

Mr. Guay (St. Boniface): Which minister?

Mr. Reynolds: The Minister of Transport. I can just about quote him verbatim. He said, "A couple of minutes ago my people landed in Vancouver to talk to the strikers". At a quarter to ten tonight, Ottawa time, I spoke to the strikers and they told me they have yet to hear from the people who landed there this afternoon. The conduct of the minister and of the government in ignoring these people in Vancouver leaves a lot to be desired. If they do not get this problem settled we could have strikes all across the country, which will mean a lot of difficulty for many people. I had a telephone call from a man who came back from Mexico last night. He complained that he went through four Customs' stops. First they were checked in Mexico, then in Seattle, which passed them to Blaine, then the Canadian Customs checked them, and again at Vancouver international airport. This creates great inconvenience for the people of British Columbia.

Mr. Speaker, I do not think this government or the minister concerned are making a sincere effort. It is time the ministers went out there to talk to the people, because it is obvious that this dispute cannot be settled at the regional level. The Minister of Transport and the President of the Treasury Board are the gentlemen who have to settle the strike; it is part of their job. They must find out what the real problems are in British Columbia. We hear of western alienation, and this is one of the reasons. Ministers send other people out instead of going themselves to settle the problem. What else can one say but that the ministers should get out there and settle the strike? I know we will now hear from the government about all the work they have done. They have not done a damn thing, because airplanes still are not landing in Vancouver.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the last few words of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) are normal for members of the opposition. They draw conclusions before they even hear an answer. The hon. member made reference to a parliamentary secretary. I want to make it clear that he did not speak to me today. He might have spoken to another parliamentary secretary, but certainly not to me.

With regard to the hon. member's question, the Ministry of Transport firefighters in Vancouver and at other airports in British Columbia walked off the job at 8 a.m. on Friday, April 5. Prior to this walk-out we had engaged in numerous discussions with the leaders of the firefighters in Vancouver in an effort to dissuade them from this course of action. These employees are represented by the Public Service Alliance of Canada which was certified under the Public Service Staff Relations Act on August 2, 1967 as their bargaining agent.

The collective agreement governing their terms and conditions of employment, including rates of pay, expired March 31, 1974. Bargaining for a new collective agreement with Treasury Board began February 20 and several negotiating sessions have taken place since then. The members of this group have selected compulsory arbitration as the method to settle the dispute if they are unable to reach agreement in direct negotiations.

The heart of the current problem is that the employees in B.C., especially in Vancouver, are seeking what is known as regional rates of pay and the bargaining agent, through its convention, has a policy of national rates of pay. Therefore, as you can appreciate, it is not a dispute with the Ministry of Transport but, rather, a difference of opinion between some members of the bargaining unit and the organization that represents them. The Ministry of Transport is caught in the middle.

In collective bargaining for most parts of the public service, Treasury Board acts as the employer, and negotiations for the firefighters in the public service are between

Treasury Board and the Public Service Alliance of Canada. Those who are familiar with labour legislation will realize that an employer must deal with the certified bargaining agent and he cannot make separate arrangements with parts of the bargaining unit. In fact, most labour legislation contains specific prohibitions in respect of such action. In the Public Service Staff Relations Act, section 8, subsection (1) reads as follows:

> No person who is employed in a managerial or confidential capacity, whether or not he is acting on behalf of the employer, shall participate in or interfere with the formation or administration of an employee organization or the representation of employees by such an organization.

We have attempted to convince the employees concerned that the only lawful course of action must be through their bargaining agent and we are prohibited by law passed by this parliament from pursuing any other course in this regard. We have attempted, and are continuing efforts to persuade employees that this is the proper way to deal with their problems and are doing everything within our power to facilitate such action.

FINANCE—RESULT OF COURT ACTION AGAINST PERSON DISCOUNTING GOVERNMENT CHEQUES—POSSIBLE AMENDMENT OF SMALL LOANS ACT

Mr. Doug Rowland (Selkirk): Mr. Speaker, for three years now I have been raising in this House the question of government action to control the practice of discounting operations on government cheques. On March 19 I asked the following question of the Minister of Consumer and Corporate Affairs (Mr. Gray):

> Is the government contemplating amendments to the Small Loans Act which would bring within its ambit this kind of transaction which is essentially a lending operation?

The minister replied:

> Yes, Mr. Speaker, this is being examined.

After three years, the government is still studying the question. At least when I raised the question initially with the minister responsible for the Unemployment Insurance Commission, three years ago, the hon. member for Verdun (Mr. Mackasey), I got some action. There were some changes in UIC regulations which prevented the assignment of unemployment insurance cheques to discounters which diminished, if it did not eliminate, the practice of discounting unemployment insurance cheques. Beyond that, the Superintendent of Insurance carried out an investigation to see if the practice of discounting government cheques was in violation of federal statutes, and a discounter was taken to court. The discounter won the case, as I was informed on March 19 by the Minister of Justice (Mr. Lang), a fact which suggests to me that legislation is required. If the government was serious about dealing with the problem, it would have had legislation prepared to handle the problem in the eventuality that the court ruled against the Crown's case.

Discounting is the practice of providing someone with a sum of money on the basis of their having proof that they are entitled to receive a like or greater sum, and assigning that entitlement to the person providing the immediate cash. Thus, a correctly completed income tax form indicating a rebate due can, if the right to the receipt of the rebate cheque is assigned, provide the means of obtaining immediate cash. In the types of operation I wish to stop, the amount of cash received is usually 30 to 40 per cent less than the actual amount of the rebate. If computed as interest on an annual basis, that 30 to 40 per cent discount represents usurious interest rates amounting to 1,000 per cent or more when one considers that the lender of the money has only to wait a few days, or up to a couple of months at most, to be reimbursed.

● (2210)

The difficulty in controlling the situation is evident when one attempts to define what this practice of discounting actually involves. If it is, in effect, a lending operation then the powers the federal government possesses under section 91 of the BNA Act to control banking, bills of exchange and interest rates would come into play. Thus, the logical step would seem to be that of amending the Small Loans Act to bring the practice of discounting government cheques of less than a certain amount under its provisions, thereby restricting the effective interest rate charged to a maximum of 2 per cent per month. This is what my bill, C-257, now on the order paper for the second parliament and the third straight session attempts to do.

If, on the other hand, the evidence of entitlement to receive money in the future from the government can be considered to be a piece of personal property liable to sale, then regulation of the amount of discount to be allowed might well fall under section 92 of the British North America Act which lays down the right of a province to deal with contract law.

The area may be regarded as an obscure one and thus best dealt with by means of federal and provincial action. I fail to see why the federal government should fear to take the lead. There is a problem, as the figures show. In 1972, the number of rebates discounted in British Columbia amounted 5,273; in Alberta, 6,391; in Saskatchewan, 2,406; in Manitoba, 1,269; in Ontario, 543; in Quebec, 477; and in Nova Scotia, 93. Thus, more than 14,000 income tax refunds were discounted by sharp operators posing as tax preparers. The total value of the refunds claimed amounted to some $3.2 million. How much will it be in 1973 and in 1974?

The effect of federal inertia has been to force British Columbia to take unilateral action to deal with the situation by using its licensing power to force loan sharks out of business. Persons seeking a licence to prepare income tax returns who also engage in discounting might not get a licence. Manitoba, I understand, is contemplating similar steps. No one, I believe, would consider such legislation to be good legislation. It is arbitrary, it sets no standards and thus it is open to abuse. But it sets no standards and thus it is open to abuse. But in the absence of federal action, indeed, in the light of federal recommendations that this is the action which provinces concerned about the problem should take, there is little else a province can do.

It would seem to me that the federal government should immediately introduce legislation bringing the practice in this country under the Small Loans Act and that it should immediately seek concurrent legislation from the provinces validating the right of the federal government to

take such action in this specific case. Only in this way can we finally rid this country of a despicable practice in a manner which is completely in accordance with the concepts of due process and equality under the law.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, in my view the hon. member greatly underestimates the legal problems and constitutional complexities underlying the very real problem to which be referred.

I completely agree with him on the fact that there are some absolutely unforgivable abuses, and he gave us a few cases, but I must tell him that so far, in view of the few cases of jurisprudence, the courts have considered that discounting of a government cheque was not a loan but essentially a transfer of credit and, in that respect, I think the hon. member will agree with me that provincial jurisdiction is much more real than federal jurisdiction. In my view, the government of the province that he represents so well in the House could do more since transfer of debt comes first under provincial jurisdiction.

In any event, I want to assure him, even if he is listening with some skepticism, that all federal government departments involved in this matter—National Revenue, Consumer and Corporate Affairs, Justice and Finance—are now working on a solution to this problem without infringing the Canadian constitution. Then, how can this cheque discounting problem which he is referring to and which has lead to absolutely regrettable abuses, not to mention usurious rates, be brought under federal jurisdiction? I want the hon. member to know that it is not a very simple matter, but I agree with him that we absolutely must put a stop to such abuses.

Another related problem must be taken into consideration; we should not tend to restrict unduly the freedom of the Canadian people.

In certain cases, some of them may discount their cheque for reasons which are their own, and I do not think the philosophy of our government system allows the administration to decide for its citizens what is good for them; this, of course, is true within certain limits, which presumes equality between lendee and lender, an equality which is often lacking, I must agree with the hon. member.

I should, however, like to thank him for having raised this problem and to assure him that the Departments of Justice, Finance, Consumer and Corporate Affairs and National Revenue are working towards finding a solution within the framework of the Canadian constitution.

[*English*]

ENERGY—HEATING OIL PURCHASED BY GOVERNMENT FROM ROUMANIA—REASON FOR PURCHASE

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the gradual unfolding of the story of the government's handling of the heating oil purchased last winter has produced an incredibly sorry picture of incompetence, bungling, and indeed suspicions of serious conflict of interest.

Last winter after the Middle East war and the Arab oil embargo came into effect there was, naturally, quite a bit of concern about the security of supply of oil to the eastern part of Canada which relies on imported oil. The government was obviously confused and uncertain, to put it mildly. It appointed a group called the technical advisory committee on petroleum supplies, consisting of representatives from industry and several government departments. Based supposedly on the recommendation of this committee, the government decided that there would be a shortfall in supply this winter of between 75,000 and 200,000 barrels of oil a day. Although questioned extensively, the government steadfastly refused to provide proof, or even knowledgeable evidence, that this was a reasonable estimate of the shortfall.

To my knowledge, only one company, namely Imperial Oil, which incidentally does not rely on Middle East crude, publicly suggested that this estimate was valid. Many other companies indicated they would look after their own customers and would do so without government assistance. Of course, we later learned that the government had not taken into account the supplies that would be available from the Newfoundland refinery at Come-By-Chance, sometimes known as the Shaheen refinery, supplies from which would have been available by the end of December last.

We now know that on November 9, 1973, the Department of Supply and Services contracted with Canadian Fuel Marketers—incidentally, a member of this technical advisory committee—to purchase 20,000 metric tons of oil from Roumania and 40,000 metric tons from Shell International Curacao refinery in the Caribbean at a price to be arranged. It is interesting to note that on November 15, 1973, my colleague, the hon. member for Calgary South (Mr. Bawden), asked the Minister of Supply and Services (Mr. Goyer) with what company he had arranged this contract. His exact words were, as reported at page 7819 of *Hansard*:

> Mr. Speaker, may I ask if the minister is in a position to say to whom he has given this blank cheque?

I doubt that my friend the hon. member for Calgary South realized just how prophetic that question was, because last week in the miscellaneous estimates committee the minister finally acknowledged that the average delivered price paid for 26 million gallons of oil purchased was an astronomical 79 cents per gallon. The price paid for the Roumanian portion was an unbelievable 99½ cents per gallon. Asked why he had made such a terrible deal for the Roumanian oil, the Minister of Supply and Services said it was part of the deal which enabled the government to purchase cheaper, but still tremendously overpriced, Caribbean oil. Yet in committee officials of the Department of Energy, Mines and Resources, upon whose advice the Minister of Supply and Services claimed he relied, stated that the Roumanian deal was quite separate and was undertaken on its merits.

● (2220)

Which story is true, Mr. Speaker? If the true story is that of the Minister of Supply and Services, then why would Canadian Fuel Marketers, a company owned by Shell International, insist that Canada buy oil from the Roumanian State Oil Company with no apparent profit motive on their part? If officials of the Energy, Mines and Resources Department are right, then why did the govern-

ment buy such incredibly expensive oil, evidently the highest priced heating oil sold this winter or sold ever, for that matter?

These questions need answering, Mr. Speaker. This oil cost the Canadian taxpayers $20.5 million and has a current commercial value of less than one-third that amount. In other words, this deal has cost us more than did the outfitting of the *Bonaventure*, that other example of government bungling and incompetence. The time has come for the President of the Treasury Board (Mr. Drury) to have the Auditor General conduct a full-scale investigation into this blatant misuse of public funds.

There are a number of questions that need answering, including the question of possible conflict of interest, the question of proper or improper business practices of the Department of Supply and Services, and the question of the competence of the Department of Energy, Mines and Resources which evidently supplied the background information.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as a result of the hon. member for Calgary Centre (Mr. Andre) ranting away in his rather ugly manner about this question for the last ten days or so there are several conclusions to be drawn. The first is that while members of this House, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), were saying on November 5 that they were concerned about the situation in respect of oil in eastern Canada, and that this government should go out and purchase oil on the market to cover the shortfall that was evidently going to occur, the hon. member for Calgary Centre would have opposed that at the time.

At the same time, he would have said we should not have exercised the contracts on behalf of the eastern Canadian consumer of heating oil and would oppose that as well. That kind of improvidence, that kind of heartlessness and that kind of narrow parochialism which has always distinguished the hon. member for Calgary Centre in this House is the kind of attitude that I suppose more than any other will damage the relations between one group of Canadians and another. I regret that this kind of ugly attitude is represented in this House. We have to put up with that member with patience, but I must say with regret.

What is the fact of the matter? The fact of the matter is that a substantial portion of the heating oil used in eastern Canada for many years has come from imported products. With international markets tightening up, it was important that the Canadian consumer should be protected in this way. Because of the dramatic increase in the international price due to the shortfall on the international market and the embargo, importers were not in a position to import this oil; therefore the government moved in to protect the eastern Canadian consumer by taking an assignment of the contract so as to open up, in the first place, the Roumanian market for the purpose of access and also to pick up existing contracts from the Caribbean.

The hon. member says the government was uncertain as to the amount of this shortfall. Of course the government was uncertain, as was every intelligent person. Could any intelligent person predict that we would have a cold or an average winter this year, or a milder winter as it turned out to be? Could any intelligent person at that time predict whether the Arab embargo would continue in the way it did, or that production would be reduced progressively by 5 per cent a month? Of course not.

It is all very well to have such magnificent hindsight and talk as the hon. member has, now that we have come successfully through the winter and that eastern Canada did not suffer from the shortfall. Now we have a series of false allegations being made by the hon. member for Calgary Centre and by the hon. member for Regina East (Mr. Balfour). We have had allegations that the oil was not up to snuff, that there was a conflict of interest and that it cost too much because it was paid for at market price on the international market.

I would have to say that the important thing from the standpoint of the government is not to take chances with the people as the hon. member for Calgary South and the hon. member for Calgary Centre are prepared to do. A responsible government will protect the Canadian people against the very worst possible anticipated risks. It is in that framework that we acted to protect the people. I would far sooner have prepared for the worst, and have the best, than to have acted as the hon. member for Calgary Centre suggests, to have hoped for the best and wound up with the worst.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Tuesday, April 9, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

First and second reports of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Fairweather.

HEALTH, WELFARE AND SOCIAL AFFAIRS

Second report of Standing Committee on Health, Welfare and Social Affairs—Mr. Railton.

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

* * *

INCOME TAX

TABLING OF LIST OF COMPANIES TO WHICH QUESTIONNAIRES SENT AS PART OF CORPORATE TAX MEASURES REVIEW

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in response to a request from the hon. member for York South (Mr. Lewis) I should like to table a complete list of the companies to which questionnaires were sent as part of the tax measures review. This list includes, as requested by him, an indication of which firms did or did not respond to that survey.

* * *

FOREIGN INVESTMENT

TABLING OF REPORT ON FOREIGN-OWNED SUBSIDIARIES IN CANADA AND TERMS AND CONDITIONS FOR VENTURE CAPITAL EXEMPTION

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in both official languages a report on foreign-owned subsidiaries in Canada, 1964-1971, and the terms and conditions for the venture capital exemption under the Foreign Investment Review Act, Part I of which was proclaimed at one second after midnight today.

URBAN AFFAIRS

DEVELOPMENT PLAN FOR CENTRETOWN OTTAWA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Gilbert (Broadview): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the commitment expressed by the government on a number of occasions to ensure and in fact to encourage public participation in the production of urban development plans, and in view of the reluctance of the National Capital Commission to provide the information concerning its development plans which is required for the proper production of an official development plan for the centretown area of Ottawa, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House directs the Minister of State for Urban Affairs forthwith to table all studies and plans produced by the National Capital Commission concerning future developments in the centretown area of Ottawa and further directs the minister to ensure that in future the National Capital Commission co-operate with the Centretown Citizens' Planning Committee in the preparation of the official development plan for centretown.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put to the House.

Mr. Gleave: Mr. Speaker, in view of the absence of the Minister of Agriculture (Mr. Whelan) may I ask the Prime Minister (Mr. Trudeau) whether, in light of the statement that imports of beef from the United States containing DES are going to be banned—

● (1410)

Mr. Speaker: Order, please. The hon. member will appreciate that we are on motions, not on questions. There is no provision under the Standing Orders for a question period during motions.

Mr. Gleave: I rise on a point of order, Mr. Speaker. In view of the very great importance of such a decision to the total industry in Canada, I would ask the Prime Minister (Mr. Trudeau) whether a statement will be made on motions to outline—

Mr. Speaker: Order, please. That is not in order. The hon. member can ask during the question period whether the Prime Minister (Mr. Trudeau) wishes to return to

motions for the purpose of making such a statement, but he cannot ask that at this time.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-3, an act respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or imported from Canada or sent or conveyed from one province to another, to which the concurrence of this House is desired.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM HURON TO HURON-MIDDLESEX

Mr. R. E. McKinley (Huron) moved for leave to introduce Bill C-277, respecting the Electoral Boundaries Readjustment Act.

Some hon. Members: Explain.

Mr. McKinley: Mr. Speaker, the purpose of this bill is to change the name of the riding I represent from Huron to Huron-Middlesex in order that it will more adequately represent in name the area that the constituency encompasses. I trust that with the co-operation of the House leaders it can receive passage at an early date in private members' hour as have other such bills.

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

Mr. Rodriguez: I rise on a point of order, Mr. Speaker. I presume it is because I sit so far back that you did not see me standing during motions, but I have a motion to present to the House.

Mr. Speaker: I apologize to the hon. member. He is right; I did not see him. I am sure hon. members would have no objection if we returned to motions for the purpose of allowing the hon. member to propose a motion under the terms of Standing Order 43.

* * *

HEALTH

PROPOSED TOTAL BAN ON USE OF DES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise to seek the approval of the House under Standing Order 43 to propose a motion in respect of an urgent and pressing issue. In view of medical evidence implicating DES as a possible cause of cancer, in view of the fact no legislation exists to prevent the prescription of DES to women for various medical uses such as "morning after" pills, and in view of the government's rapid banning of imported meats treated with DES, I move, seconded by the hon. member for Broadview (Mr. Gilbert):

That this House instruct the Minister of National Health and Welfare to impose forthwith a total ban on any and all uses of DES in Canada.

Mr. Speaker: The motion proposed by the hon. member requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT BRITISH COLUMBIA AIRPORTS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I ask leave to move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle), the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and urgent matter, namely, the illegal strike of firefighters in the province of British Columbia.

Mr. Speaker: The hon. member for Vancouver South has given due notice in the usual and proper manner to move the adjournment of the House under Standing Order 26 for the purpose of debating what he refers to as "the illegal strike of firefighters in the province of British Columbia". The hon. member has been helpful in providing background information which the Chair has found to be very useful. There are several facets to this problem which have given deep concern to the Chair.

The first consideration is whether the appropriate labour legislation should be allowed to operate without the intervention of the House at this time. Another difficulty relates to the status and effect of the injunction issued by the Federal Court in the dispute. These factors, in my view, cast some doubt on the advisability of allowing an emergency debate at this time.

On the other hand, the Chair is required by the Standing Order to consider whether there will be another suitable or early opportunity to debate this important and urgent matter. I must take note of the notice of motion which would provide an adjournment of the House until April 22. That being so, it may be the sense of the House that a debate of some kind should take place before we adjourn. This suggestion has to be reconciled with the necessity to debate and dispose in due course of the important legislation before the House to be called for consideration later this day under government orders. In the hope that this difficulty can be resolved, the Chair would like to reserve its decision until after consultation on whether

a debate should take place and, if so, whether it can be arranged at a suitable time and subject to acceptable limitations. Therefore I seek the co-operation of hon. members to allow the Chair to defer its decision on the motion of the hon. member for Vancouver South until later this afternoon after I have had consultation with the several House leaders.

ORAL QUESTIONS

[*English*]

FINANCE

INQUIRY AS TO DATE OF PRESENTATION OF BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Can he now give the House a specific date when he will be bringing down his budget?

Hon. John N. Turner (Minister of Finance): No, sir.

Mr. Stanfield: Can the Minister of Finance give the House a specific date when he will be able to give the House a specific date for the presentation of the budget?

Mr. Turner (Ottawa-Carleton): Within a week after the House returns following the Easter adjournment I will give a specific date.

SUPPLY—REQUEST FOR DESIGNATION OF OPPOSITION DAY IN WEEK BEGINNING APRIL 22

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have one further supplementary. I should like to ask the government House leader whether he has had an opportunity to confer with his colleagues about the question I asked him yesterday, that is, the designation of a specific day during the week of April 22, the first week of our return following the recess after the adjournment that I presume will take place at some point. Has the minister had an opportunity to confer with his colleagues, and is he now able to give a more positive assurance that a date will be set aside as an opposition day during that first week of our return than he was yesterday?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have consulted with my colleagues and I am not in a position to undertake that I will call an allotted day in that first week. It may be that I will do that, but I am not giving any undertaking.

DATE OF PRESENTATION OF BUDGET

Mr. David Lewis (York South): Mr. Speaker, may I ask the Prime Minister a question arising out of the answers of the Minister of Finance. In view of the fact it is much more in order, much more traditional, to have the budget in the month of March or in April, may I ask the Prime Minister whether it is a government decision that the budget not be brought down in the month of April?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there has not been an announcement of a date. Therefore I cannot confirm or disaffirm the hypothesis stated by the hon. member. I would remind him there is no traditional or fixed month for the budget. It is usual that our sessions have started in October and, as the hon. member knows, this one only started in February.

Mr. Lewis: Do I understand from the Prime Minister, that the government has not yet come to any decision with regard to the items in the budget? Is that the reason for the delay or is there some other reason?

● (1420)

Mr. Trudeau: Mr. Speaker, the hon. member might surmise that a budget is not something which is fixed months in advance but something which is prepared and developed over a period of time to respond to the economic necessity of a particular period. If the hon. member has any particular ideas about the budget, or if the Official Opposition has, we will be very happy to hear them.

Some hon. Members: Oh, oh!

Mr. Baldwin: He is waiting for another telephone call from you, David.

Mr. Lewis: Mr. Speaker, I will be very glad to send the Prime Minister some serious suggestions as to what the budget should contain, if they have not already been brought to his attention, but I do want to ask him or the Minister of Finance this question. In view of the necessity to deal with the cost of living and the excessive profits being made by industry, despite what the Minister of Finance says, how long does he intend to delay bringing a budget before parliament so that something can be done in some of these areas?

Mr. Trudeau: The Minister of Finance answered that question in reply to the Leader of the Opposition. He will announce the date in the week following our return after Easter. But I repeat that there is still time to get your ideas in if you have any.

Some hon. Members: Oh, oh!

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CONSUMER AFFAIRS

INFLATION AND COST OF LIVING—REQUEST FOR INTERIM MEASURES TO PROVIDE RELIEF

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that it will be at least a month before a new budget is brought down and in view of the escalating cost of living and the high rate of inflation currently running in the country, which according to all indications, will be confirmed by the consumer price index tomorrow, the date of the proposed adjournment of the House, may I ask the Prime Minister what interim measures the government is prepared to announce to provide some relief to Canadian consumers?

Oral Questions

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is based on two facts which are not verifiable. One is that it will be a month before the budget is brought down, which the hon. member does not know and neither do I. Second, we will only know tomorrow when these figures are made public.

Mr. Speaker: The Chair will recognize the hon. member for a supplementary, following which I will recognize the hon. member for Témiscamingue.

Mr. McGrath: May I direct my supplementary question to the Minister of Consumer and Corporate Affairs. In view of the indications in the wholesale price index that we can expect substantial increases in the price of food tomorrow, the proposed date of the adjournment of the House, may I ask the minister what proposals or what measures to bring relief to Canadians the government is prepared to bring before the House before the adjournment?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that my hon. friend is basing his question on something that is still hypothetical. In any event, it is based on figures that were gathered over a month ago.

Mr. McGrath: On a point of order—

Mr. Speaker: Order, please. I hope the Chair will be allowed to proceed to the question of the hon. member for Témiscamingue, but I appreciate that the hon. member for St. John's East wishes to rise on a point of order.

Mr. McGrath: Mr. Speaker, my question was not based on a hypothesis but on the facts contained in the wholesale price index and in all the readings to which the Minister of Consumer and Corporate Affairs seems to be blind.

* * *

[*Translation*]

EXTERNAL AFFAIRS

ALLEGED REPRESENTATIONS BY QUEBEC ORGANIZATIONS FOR ADMISSION OF CHILEAN MARXISTS TO CANADA

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I most sincerely thank my colleagues on both sides of the House for their warm greetings. I hope that, this time, I have come back for good. The accident is over with and I do intend to take part as much as possible in the proceedings of the House.

I would like to put a question to the Secretary of State for External Affairs. Did he receive representations from organizations, either in Montreal or anywhere else in Quebec, concerning the admission of 5,000 Chilean marxist immigrants to Canada?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have not received any such pressures. There have been suggestions from all over the world that some Chileans should be allowed into Canada.

[Mr. McGrath.]

HOUSING

TORONTO—INCREASE IN COST—GOVERNMENT ACTION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the right hon. Prime Minister and it is not hypothetical but actual. During the past year the price of housing in Toronto increased by about 40 per cent. I would like to ask if this is the kind of disruptive fact he was referring to in the Speech from the Throne which he said needed to be assented to, and what is the government going to do about this situation?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, it is a matter that is being attended to, and I would refer the hon. member to the various statements of the Minister of State for Urban Affairs.

Mr. Gillies: Again I direct this question to the right hon. Prime Minister. I have read the statements of the minister and that is why I am directing the question to the Prime Minister. Because this problem is so serious and involves such a variety of ministries, has the Prime Minister or the cabinet designated one minister to take an interest in and be responsible for this problem and instructed him to bring forth, in a priority sense, some sort of program to deal with this enormous escalation in the price of housing?

Mr. Trudeau: Mr. Speaker, the hon. member is asking a question about the internal functioning of the cabinet. I just want to point out to him that the ministry of housing and urban affairs was set up to ensure that co-ordination was effected by that ministry. In a sense it is a ministry that is more concerned in influencing policies of the government than in carrying out specific programs which very often are within the purview of various departments.

Mr. Gillies: I have one final supplementary, again to the right hon. Prime Minister. Can he tell the House whether or not the government has given priority to trying to bring in some law, some legislation, to deal with the rising cost of housing in Canada at this time?

Mr. Trudeau: Yes, Mr. Speaker. It is one of our priorities and we realize, as does the hon. member, that this is a problem that cannot be solved by the federal government acting alone. That is why we have tripartite conferences. As the hon. member knows, the provinces and the municipalities, either through their zoning laws or through their response to federal programs, are jointly engaged with the federal government in trying to solve this problem.

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FINANCE

INTEREST RATES—REPRESENTATIONS BY MINISTER TO BANKS TO HOLD THE LINE—RATE CHARGED BY GOVERNMENT ON ADVANCES TO CMHC

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I wish to direct a question to the Minister of Finance. It has become apparent that the American banking system is going to increase its prime interest rate to 10 per cent. Has

the minister made any representations to the Canadian banks to get them to hold the line?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have been in constant touch with the Canadian Bankers' Association and with the governor of the Bank of Canada, but it is not my practice, nor indeed was it the practice of my predecessors, to speculate on the movement of interest rates.

Mr. Blenkarn: It has become apparent over the past week that government borrowing costs have reached 8.4 per cent. What rate is the government charging Central Mortgage and Housing Corporation for advances for social housing?

Mr. Turner (Ottawa-Carleton): We are charging in the statutory proportion above the cost of government borrowing, but I would have to check the exact rate today and send it to the hon. member.

* * *

HOUSING

TORONTO—MEASURES TO STOP UNWARRANTED INCREASES IN COST—REQUEST FOR CAPITAL GAINS TAX ON LAND SPECULATORS

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. In view of the shocking and disgusting increase in the average cost of a home in Metro Toronto, which is now $50,435, an increase of about $15,000 in the past year, what immediate steps is the minister going to take to stop these unwarranted and unjustified price increases?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, we are working very closely with the minister responsible for housing in Ontario to get as much money invested in land assembly for quick start land as is possible.

Mr. Gilbert: Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the fact that one of the main components in the high cost of housing has been the cost of land would the minister impose an immediate 100 per cent capital gains tax on land speculators?

● (1430)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have noted the hon. gentleman's idea.

Mr. Speaker: Order, please. The hon. member is making a representation. The hon. member for St. Catharines rises on a supplementary.

REQUEST FOR REMOVAL OF EXCISE TAX ON BUILDING MATERIALS TO LOWER COST

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question is for the Minister of Finance. The Prime Minister has told the House that nothing can be done without consultation with the provinces. Can the minister at this time not finally take off the 11 per cent excise tax on construction materials to help the housing situation?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, this question has been brought up several times already by the hon. member and other members. Again, it is a budgetary matter. Whether I will be able to respond yes or no will have to await the appropriate date.

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THE CANADIAN ECONOMY

INFLATION—MEASURES TO MAINTAIN EARNINGS OF WORKERS

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is also for the Minister of Finance. Yesterday I asked the minister a question regarding the Steel Company of Canada increasing wages ahead of the scheduled contract time. He said he had no comment to make on the action of the Steel Company of Canada. Because of his "no comment" comment, and in light of the fact that many labour negotiations have brought about a cost of living clause plus an additional escalation clause in their contracts in order to reduce the effects of inflation, does the minister view this as a common occurrence in future labour negotiations and, if so, what additional steps will the minister take to make sure that real wages keep up with inflation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that question has a lot of speculative content. I had no comment yesterday and I have no comment today.

* * *

[*Translation*]

NATIONAL DEFENCE

PURPOSE OF "NEAT PITCH" EXERCISE

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I would like to put a question to the Prime Minister.

Could he tell the House whether he is aware of the existence of a series of exercises developed by the Canadian Armed Forces, apparently under the code name of "Neat Pitch", and if so, could he say whether these manoeuvres are aimed at revising army strategy in the event of a crisis?

[*English*]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the meeting which was referred to recently in the newspaper *Le Jour* took place more than two years ago, which would indicate that this newspaper is not very current. It was a normal contingency planning meeting on aid to the civil power. It took place in Montreal because Montreal is the headquarters of mobile command, but it dealt with aid to the civil power in all the provinces. I might add that aid to the civil power is only undertaken at the request of the Attorney General of a province.

Oral Questions

ENERGY

REQUEST FOR REFERENCE OF BILL C-18 TO STANDING COMMITTEE ON NATIONAL RESOURCES AND PUBLIC WORKS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources along the lines of the question I asked yesterday. Is it his intention or the intention of the government to refer Bill C-18 for study by a committee of the whole House and treat it as a tax bill? Would the minister agree to have it go before the Standing Committee on National Resources and Public Works for study so that witnesses can be called on behalf of provincial governments to assure not only the House but the country that the bill contains terms and conditions in accordance with the agreement made by the ten first ministers of Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker.

Mr. Woolliams: A supplementary—I was not too sure just what the minister was saying yes to.

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker, I am very glad to see the House is in good humour and I am sure the minister will be as well. Will the minister assure the House that the bill will go to the standing committee first for study so that witnesses can be called prior to it going before the committee of the whole House for clause by clause study?

Mr. Macdonald (Rosedale): Mr. Speaker, that is what I said, but my understanding of the rules is that it will not have to go to committee of the whole if it is referred to the standing committee.

EFFECTS OF PROPOSED EXPORT TAX ON PETROLEUM PRODUCTS ON REFINERIES IN ATLANTIC PROVINCES

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. In view of the proposed export tax on refined petroleum products as announced yesterday, can the minister tell the House whether his department has undertaken a study of the effects of existing refineries in the Atlantic provinces and if new ones planned would be totally thrown out of business as a result of this tax?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I might respond to the question. The tax applies only to products from Canadian produced crude oil.

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AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT BRITISH COLUMBIA AIRPORTS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question relates to the problem of the strike by firefighters at airports in British Columbia. You will recall that yesterday I asked that someone do something to get the armed forces involved in restoring service in British Columbia. That had the direct result of the firefighters at the National Defence unit in Esquimalt walking out this morning. I am going to press my luck today and ask the government to get involved. Maybe that will have the effect that they will fade away, if they cannot do anything.

[Mr. Richardson.]

Mr. Speaker: The hon. member for Vancouver Kingsway.

Mr. Oberle: A supplementary—

Mr. Speaker: The hon. member has just struck out. The hon. member for Vancouver Kingsway.

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STATUS OF WOMEN

LEGISLATION TO ESTABLISH COMMISSION ON HUMAN RIGHTS AND INTERESTS—OTHER AMENDMENTS

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is for the Minister of Labour who is also in charge of the status of women. In view of the great expectations raised in the hearts and minds of Canadian women by the promise of the government in the Speech from the Throne and by the minister's speech in the House that there would be legislation this session to provide equal treatment for women, can the minister tell us when the long-awaited legislation to set up a federal commission on human rights and interests will be brought forward?

Mr. Baker: Right after football!

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I am taking notice of the question for referral to my colleague when he comes back to the House in a few minutes from now.

[*English*]

Mrs. MacInnis (Vancouver Kingsway): As the minister is not available may I direct my question to the right hon. Prime Minister. If he did not hear it I will repeat it. In view of the great expectations raised in the hearts and minds of Canadian women by the promise of the government in the Speech from the Throne and by the minister's speech in the House that there would be legislation this session to provide equal treatment for women, can the Prime Minister tell the House when the long-awaited legislation to set up a federal commission on human rights and interests, will be brought forward?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is our intention to proceed with that legislation in this session.

Mr. Speaker: The hon. member for High Park-Humber Valley.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, I have a supplementary question.

Mr. Speaker: Perhaps the hon. member will graciously allow the hon. member for Vancouver Kingsway a supplementary.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, I am wondering whether I should repeat my question or ask my supplementary first. I will put the supplementary. In view of the fact that hope long deferred maketh the heart sick, can the Minister of Labour tell the House when the amendments to the Canada Pension Plan, the Canadian Citizenship Act and the omnibus bill on the status of women will be placed before the House? If he does not know that, when will the commission on human rights and interests be set up?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the hon. member has mentioned quite a few amendments to various acts, all of which I referred to in my speech in reply to the Speech from the Throne. I indicated then and I indicate today that it is a priority area in terms of the government's program as outlined in the Speech from the Throne, and I would hope that the hon. member might soon see the specifics that she is looking for.

An hon. Member: But after football!

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SPORTS

SIZE OF PLAYING FIELD IN OLYMPIC STADIUM UNDER CONSTRUCTION IN MONTREAL

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Postmaster General. Because of the fact that the Olympic stadium in Montreal is being financed through profits from the sale of Olympic coins and a lottery, can the minister advise the House why the playing field within the track is being constructed in accordance with American National League and, indeed, World Football League specifications?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am not sure whether this matter is so urgent that it should be dealt with now.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Jelinek: Yes, Mr. Speaker. I should like to say it is a fact that, in order to accommodate Canadian football in the proposed Olympic stadium as presently planned, a considerable alteration will have to be made at great cost to the Canadian taxpayers after the Olympic games. I simply ask the minister, therefore, if he can assure the House that he will intervene right now to make sure that the Olympic stadium will accommodate the Canadian Football League as well as other leagues?

● (1440)

Mr. Speaker: The minister appears to be anxious to reply to the hon. member's question.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I should like to remind the hon. member that the Olympic Games financing program does not apply to any specific building but to the over-all Olympic Games, and that the way the funds from the sale of coins are to be spent by the Olympic Corporation is a matter that does not concern the Olympic Games financing program.

[*English*]

Mr. Jelinek: Mr. Speaker, I must rise on a point of order. The minister has said on numerous occasions that the Olympic games are not a federal matter. But we are dealing with the Canadian taxpayers' money in that the Olympic coin program and the lottery program directly involve his department. It should be his responsibility to take care of these things and see that they are done after proper consultation.

Mr. Speaker: The minister will be allowed to reply to the hon. member's alleged point of order. I would think it is debate but, in fairness perhaps the minister should be allowed to reply to the hon. member's argument.

[*Translation*]

Mr. Ouellet: Mr. Speaker, the Olympic Games finance program is a voluntary program. I am surprised the hon. member is not yet aware of it.

* * *

[*English*]

TRANSPORT

SHORTAGE OF RAILWAY BOXCARS IN EASTERN CANADA

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Transport. Will the minister remind tomorrow's meeting, when he appoints a boxcar co-ordinator, that there is also a serious shortage of boxcars in eastern Canada and that, therefore, the co-ordinator will have the serious responsibility of seeing that goods are able to move in Atlantic Canada as well?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will be pleased to underline this problem to the railways.

SHORTAGE OF RAILWAY BOXCARS—POWERS OF CONTROLLER RESPECTING ALLOCATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is supplementary to the question just asked. Will this co-ordinator, so called, or controller have the power to direct the allotment or apportionment of cars to the various and several elements in the economy? Will his direction involve penalties, in the event that the railway companies do not carry out his directives?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, unfortunately, I do not think that this man will have this power.

Mr. Diefenbaker: What power will he have?

Mr. Marchand (Langelier): Mr. Speaker, I think the right hon. gentleman is a lawyer. I do not know under what power I can authorize this man to direct. I think this man will make reports to the department. I will be ready to table the reports here, and if there is any kind of injustice we can intervene. Legally, however, I do not have this power, and the right hon. gentleman would not have it either.

Mr. Diefenbaker: Parliament has the power. I ask the minister, why does he not bring such a bill before parliament?

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Why all the pussyfooting around on this matter? Is this another mess such as the minister described in his department?

Mr. Marchand (Langelier): Mr. Speaker, if I understood the right hon. gentleman's question, he never asked me to bring in a piece of legislation; he asked me if this co-ordinator would have certain powers and I answered no.

Mr. Diefenbaker: This will lead to the same mess one now sees in Vancouver in connection with the airport firefighters' strike.

Mr. Frank Howard (Skeena): Mr. Speaker, I have a supplementary question for the Minister of Transport. Inasmuch as the minister is going to deny parliament the opportunity to set out the procedures and rules for this co-ordinator, in the event he is unable to function because he will be so restricted will the minister lay his job on the line as a result of that malfunction?

* * *

[*Translation*]

AGRICULTURE

SITUATION OF PORK PRODUCERS—REQUEST FOR STATEMENT BY MINISTER BEFORE EASTER RECESS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Agriculture.

Some time ago I drew to the attention of the minister the fact that pork producers have been losing money in the last few months, to which the minister replied that he was looking into the problem.

Can he tell the House whether this study is now complete and, if so, whether he will make a statement to the House before the Easter recess?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the first official national representation was made today. They were still having discussions in my office when I came to the House. I doubt very much if there will be any announcement before the Easter recess.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, since before the House met representations were made to me that feed grain prices had greatly increased this week, can the minister tell the House whether he also received such representations?

[*English*]

Mr. Whelan: Mr. Speaker, I have received a brief from the National Pork Producers Association of Canada and they have pointed out all the aspects of the industry. We have had lengthy discussions with them. As I said, the discussion was still continuing when I left my office.

SUBSIDY TO BEEF PRODUCERS—INVESTIGATION OF ADMINISTRATIVE PROBLEMS

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact that the government, in answer to questions from this side of the House, has admitted that there are difficulties in the payment of the subsidy to cattle producers, can the minister tell the House whether an investigation has been made into the problem and the results of such investigation if, in fact, one has been made?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the information I have been given is that the inquiry is still being carried on.

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ENERGY

FUNDY TIDAL POWER—INQUIRY AS TO REPORT OF REVIEW COMMITTEE

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the report of the programming board looking into the Bay of Fundy tidal power potential completed? If not, will he indicate when it is expected and will he make it public?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that it has not yet been completed. Officials were still trying to arrange a date on which they could make final approval. I would have to check the terms of reference—I believe the review was undertaken jointly with the provincial governments—to see whether publication would be intended.

* * *

[*Translation*]

COMBINES

AUTOMOBILE INSURANCE—ALLEGED AGREEMENT BY CERTAIN COMPANIES ON LEVEL OF PREMIUMS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct my question to the Minister of Consumer and Corporate Affairs.

Is the minister aware of a request for inquiry made to his department on January 30, 1974 concerning the situa-

tion which, according to the Federation of Cooperative Family Economics Associations and the IPIC, prevails in the car insurance business regarding premium rates of different companies some of which colluded to maintain premiums at a certain level? Does the minister intend to use his power and will there be an inquiry?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, up to now this request has not been brought to my attention. I think this is a matter for the director of combines to handle, and I am convinced that he will take his responsibilities.

* * *

[*English*]

NATIONAL SECURITY

DISCUSSIONS WITH LEADERS OF OPPOSITION PARTIES OF INTRODUCTION OF LEGISLATION LESS COMPREHENSIVE THAN WAR MEASURES ACT

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Prime Minister based on a statement he made on October 16, 1970, when he informed the House that he regarded the War Measures Act as an interim and unsatisfactory measure. I quote his words as recorded on page 194 of *Hansard* for that date:

> Following the passage of enough time to give the government the necessary experience to assess the type of statute which may be required in these circumstances, it is my firm intention to discuss with the leaders of the opposition parties the desirability of introducing legislation of a less comprehensive nature.

Noting that three subsequent throne speeches have been delivered and that no mention was made of this commitment and, in particular, in these times of highjackings, kidnappings and so on, I would ask the Prime Minister whether he has had these discussions yet, if he has not, when he intends to do so, and whether legislation is going to be introduced along the line of the commitment he appears to have made in 1970?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to verify the exact dates but, if my memory serves me right, when I was speaking thus in the House it was at the time the War Measures Act was in application. There were at that time—I cannot recall whether it was before or after—talks between myself and the leaders of the other parties. The hon. member will recall also that the War Measures Act was replaced by legislation which was fully debated and passed by the House. The War Measures Act was replaced by legislation which lasted well into the first part of 1971. So this is perhaps a follow-up on the action to which I was referring at that time.

Mr. Nielsen: That was not the impression which I and I am sure other members got from the Prime Minister's words. Can he say now whether the government is giving any consideration to legislation of a similar nature but less comprehensive than the War Measures Act in order to deal with the kind of crises which may arise in the future and which he obviously had in mind when he made that statement?

Mr. Trudeau: I repeat that without checking the dates I cannot say, as the hon. member assumes, that is what I had in mind. There was a piece of legislation introduced and passed, legislation to which the hon. member did not refer in his first question. He is right in saying there was discussion, perhaps then but I rather think at a later date, probably during the month of December, regarding legislation which would eventually do away with the need for any special legislation of the kind we had, perhaps by way of a permanent amendment to the Criminal Code.

The answer is that a great deal of work was done on this by the government at the time. We did not feel any need to bring forth a bill. We do not now, but I will very gladly discuss the matter with the leaders of the other parties and if they felt it would be a good idea to take this kind of action on a contingency basis for some future situation I would certainly arrange such a meeting.

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PENSIONS

RAILWAY EMPLOYEES—INQUIRY AS TO APPOINTMENT OF COMMISSIONER TO CONDUCT INQUIRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the offer made by the minister on several occasions, notably on March 11 and March 22 in the House and in Winnipeg on March 24, to appoint a commissioner to examine into all aspects of railway pensions, including the provisions for those still at work and the pensions of those now retired, can the minister say whether he is yet ready to announce the appointment of such a commissioner?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker. We are not yet ready, and I can tell the hon. member for Winnipeg North Centre precisely why. Discussion with some of the railway union leaders is under way, and I do not believe the matter can be finalized until further talks have been held with them. I hope it will not take too long.

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AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—ALLEGED FAILURE OF DEPARTMENTAL OFFICIALS TO GET IN TOUCH WITH STRIKERS

Mr. John Fraser (Vancouver South): I have a question for the Minister of Transport, Mr. Speaker. Yesterday in the House the minister said that two senior officials of the department had flown to Vancouver to settle the conflict as soon as possible. Can the minister tell us when these two officials are going to work, because as of 45 minutes ago they had not contacted the striking firemen?

Hon. Jean Marchand (Minister of Transport): The two officials from the department who were sent to Vancouver were, of course, not conciliators but representatives of the Department of Transport. They were supposed to try to get in touch with the strikers in order to get them back to

work. But those who walked out have refused any kind of negotiations and have said they just want what they have asked for.

Mr. Fraser: If the minister would like to see me after the question period I will give him the telephone number at which these gentlemen can be reached. I assure the minister that they have not been contacted and that nobody has tried to contact them.

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—AUTHORITY OF DEPARTMENTAL OFFICIALS IN SEEKING SETTLEMENT

Mr. F. Oberle (Prince George-Peace River): I appreciate your recognizing me again, Mr. Speaker. The preamble to my earlier question was somewhat lengthy. I would like to ask the minister a question in light of the situation as it is developing. The strike is spreading. The National Defence firefighters in Esquimalt walked out this morning. Have there been any discussions between the Minister of National Defence and the Minister of Labour with a view to ending this serious situation? I should also like to ask whether the people who have been dispatched from his office to settle the strike and investigate the situation in Vancouver have sufficient authority to discuss meaningfully with the firefighters in Vancouver who are waiting to be contacted—

Mr. Speaker: Order, please. Perhaps the minister might be allowed to reply. We are running short of time.

Hon. Jean Marchand (Minister of Transport): My answer will be brief, Mr. Speaker, but it will be in two parts. First, may I say it was quite inappropriate for a member of parliament to have put a question in the House yesterday which had the effect of pulling the Esquimalt firefighters out from work.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): We have to understand that there is a union called the Public Service Alliance of Canada which is certified for the whole country to negotiate for public servants, including the firefighters, and the government of Canada is bound by its own law. This means that the government has to negotiate with the alliance and not with a group which is fighting against the alliance. I hope the hon. member understands that.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We have time for a few supplementaries, after which I will recognize the hon. member for Témiscamingue. The hon. member for Hamilton West.

Mr. Alexander: I should like to direct a question—

Mr. Reilly: On a point of order—

Mr. Speaker: Order, please. I apologize to the hon. member for Hamilton West. He will be recognized in a moment. The hon. member for Ottawa West rises on a point of order.

Mr. Reilly: Mr. Speaker, the Minister of Transport has deliberately attempted on three occasions in the last 24 hours to persuade members of this House that his department has its hands tied by virtue of labour legislation and the requirement to deal with the collective bargaining agent. However, if the bargaining agent, as is the case here, cannot negotiate for its members because they will not obey it, there is a law, and the minister has a duty to enforce the law, which he is not now doing.

Mr. Marchand (Langelier): Cite the law!

Some hon. Members: What law?

Mr. Marchand (Langelier): On the point of order, Mr. Speaker—

Mr. Speaker: Order, please. I will hear the points of order or questions of privilege. Perhaps this will make it unnecessary for us to arrange for an adjournment or special debate on the question. If hon. members wish to solve the matter in five or ten minutes, we can forget about a special debate. The Minister of Transport rises on the point of order.

Mr. Marchand (Langelier): I simply wish to say that if there were a law which would allow the government to go around the rights that have been given by parliament to the alliance, outside the injunction and the sending to jail of workers, I would like the hon. member to tell me what it is because he would be rendering a great service to the public.

Mr. Speaker: Order, please. I seek the co-operation of all hon. members. The hon. member now wishes to rise on a further point of order. It seems to me that this is strictly a debate in which members are engaging. I would hope there might be an opportunity later in the day at some time convenient to the House to engage in further and more enlightening debate on this very important matter. For the moment the hon. member for Hamilton West has been recognized.

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—SUGGESTION THAT MINISTER OF LABOUR APPOINT MEDIATOR

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Labour supplemental to those already asked. Is the Minister of Labour playing any role with respect to this dispute? Is he, indeed, aware of the role he could play in terms of the promotion of industrial peace by assigning a mediator? Has this question been under consideration by his department?

Hon. John C. Munro (Minister of Labour): I think the question implies, as the hon. member is fully aware, that with reference to this particular dispute the Department of Labour is not responsible. Obviously, though, if there are facilities available in the department of which other departments wish to avail themselves, they are available.

Mr. Alexander: Mr. Speaker—

Mr. Speaker: Order please. We have reached the end of the question period, but in fairness to the hon. member for Témiscamingue, who had a brief question earlier, perhaps he might be allowed to ask a question at this time.

* * *

● (1500)

[*Translation*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—DECREASE IN GRANTS TO NORTHWESTERN QUEBEC—INCLUSION OF ROUYN AND NORANDA WITH HULL

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to put a question to the Minister of Manpower and Immigration.

Can he say why the budget of Opportunities for Youth Program was reduced by 57 per cent in the northwestern part of Quebec and why the department joined the cities of Rouyn-Noranda to that of Hull where the problems to be studied and solved are entirely different?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe I have on several occasions, both in the House and before the committee, explained the precise basis for the allocation formula. It involves the 33 labour market areas in Canada, the 1971 census of youth population, and an assessment of the jobs available to such people without the skills or experience required. As for the figures regarding the precise district to which the hon. member refers, I will certainly look into them, but that is the basis for the allocation.

Mr. Speaker: Orders of the day.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I think some clarification must be made of the minister's answer to me with regard to the airport firefighters' strike in terms of what his department can do under these very difficult circumstances. It appears to me that the Minister of Labour is abdicating his responsibility in this regard by indicating that it is up to the Minister of Transport and his officials and Treasury Board—

Mr. Speaker: Order, please.

Mr. Alexander: —to negotiate a settlement with the firemen. I point out to the minister quite emphatically that he has a role to play under section 195—

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar rises on a point of order.

Mr. Gleave: Mr. Speaker, I asked earlier this afternoon whether a statement on motions would be made respecting the action of the government in banning, in whole or in part, cattle imported from the United States. I was informed by Your Honour that I might receive an answer during the question period, but it has not been forthcoming. I plead with Your Honour that the minister should make a statement to the House on this important matter in

view of the fact that on March 15, as reported on page 556 of *Hansard*, he told the House:

However, I do not think anyone can guarantee that there are or are not such cattle coming in.

That statement was made by the minister. He has not clarified the position or told the House the circumstances and conditions under which United States cattle will be banned from entering Canada.

Mr. Speaker: Order, please. Again I think I would have to classify the hon. member's point of order in the same category as the one raised by the hon. member for Hamilton West. It is more debate than a point of order. Orders of the day.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PROVISION OF EXPORT CHARGE, COMPENSATION FOR OIL IMPORT COSTS, AND REGULATION OF PRICE OF CANADIAN CRUDE IN INTERPROVINCIAL AND EXPORT TRADE

The House resumed, from Monday, April 8, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-18, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain oil import costs and to regulate the price of Canadian crude oil in interprovincial and export trade be read the second time and referred to the Committee of the Whole.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, last night when I was speaking in the debate on Bill C-18 I was making reference to what the province of Alberta intended to do with the amount of money it would receive from the new royalty rates that had been set up. Perhaps I might clarify what royalty rates the province of Alberta has attempted to place in legislation. According to a ministerial announcement in the legislative assembly of Alberta on March 28, 1974, for all "old" oil the government proposed an average supplementary royalty rate of 65 per cent on the amount of the price increment over the existing price of crude oil in Alberta; and that for all "new" oil the government proposed an average supplementary royalty rate of 35 per cent on the amount of the price increment over the existing price of crude oil in Alberta, corresponding to the average supplementary rate of 65 per cent on "old" oil. The Leduc field, discovered in 1947, happens to lie entirely within the riding of Wetaskiwin.

Mr. Speaker: Order. May we have order, please. It is extremely difficult for the Chair to follow the debate and to hear the hon. member for Wetaskiwin who has the floor. It is even difficult to hear the hon. member for Comox-Alberni, who seeks the floor on a point of order.

Mr. Barnett: Mr. Speaker, the point of order I wished to raise was that I was under the impression the hon. member was trying to make a speech, but it was very difficult to determine which member it was who was

making the speech. I think Your Honour has clarified the matter already.

Mr. Speaker: The point is well taken. I have to call for the co-operation of hon. members to give an opportunity to the hon. member who has the floor, and who has been recognized by the Chair, to be heard by all members of the House who want to follow his speech and take part in the debate.

Mr. Schellenberger: Thank you, Mr. Speaker. I will try to make my speech as interesting as possible so hon. members may listen to my words of wisdom. The Leduc field, discovered in 1947, lies entirely within my riding, and the people in that area are becoming concerned that in 10 or 12 years' time this oil supply will be entirely depleted. Many of these people depend entirely for their livelihood on production of this oil. They are raising families and would like their youngsters to stay in the area. Therefore, it is essential for the government of Alberta to provide alternative sources of employment, to provide industries for the area when this oil runs out. I think the province intends to use some of this revenue to establish industry that will keep these young people in the area.

If I may return to the bill, I should like to make some comments on Part IV. As provided in the bill, the import subsidy is indiscriminate. It seems that the subsidy is paid to the importing oil companies no matter what this refined oil is used for. I think it would be far better for the bill to provide some mechanism whereby we could apply a discriminate subsidy so that people who use petroleum products for luxury items, such as cars, boats and similar vehicles, would not be subsidized. Only oil used for essential purposes should be subsidized. Surely, it is not beyond the capabilities of the minister or his department to devise a mechanism whereby a more discriminate subsidy, rather than the wide open one now proposed, is applied.

At the same time, Mr. Speaker, I suggest there is a notable exception made in the bill. I refer to the fact that individual oil importers are not required rationally to compete in the purchase of offshore oil. According to my understanding of the bill, it is left up to them to buy offshore oil at whatever price without first trying to make the best possible purchase. These companies know they are going to be subsidized at the expense of the taxpayers so that the cost of the oil is brought down to $6.50 a barrel. I suggest that when the bill goes to committee this part of the bill should be carefully scrutinized and perhaps amended with a view to being fair to both parties, and so the oil companies will rationally compete for oil in the market.

Parts II and III of the bill give me the most concern since the government is being given a wide range of powers. In fact, an attempt to document them verbatim from the bill required almost nine full pages of foolscap. Why do they need these powers and are they really necessary? It seems to me we are looking at the same type of powers we were asked to approve in the oil allocations bill. I hope this party will not allow the government to again force this big brother attitude on the Canadian public.

• (1510)

Among the powers required by the government in Clauses 2 and 3 is the freedom to establish the export price of oil at any level at any time. Basically, then, what we would have would be a flexible tax subject to government whim and variable from month to month. The government has also asked for freedom to grant exemptions from the tax to anyone should it so desire. If these powers are granted, surely it is not too much to ask that they be scrutinized by a parliamentary committee, with its findings presented to the House.

Furthermore, the federal government would be in a position under Clause 36 of this legislation to fix the price of oil within provincial boundaries if it so desired. We feel this is a provincial responsibility, and that provincial governments should be brought into the picture in order that they would be at least consulted and asked to grant approval of the fixing of such a price, should it be necessary. Powers of the sort to which I have alluded are just not necessary, but could quite easily lead to a precedent whereby other industries or resources could be brought under similar legislation, such as our coal resources or perhaps even hydro electric power for that matter.

This bill also gives the government the power to unilaterally establish the price of oil in any province should that province wish to withdraw from the agreement. Let me refer in *Hansard* to a statement by the Prime Minister (Mr. Trudeau) just after the Federal-Provincial Conference. He stated on March 28:

—the pricing and other arrangements I will now outline will last for a period of 15 months, beginning on April 1 and therefore going to the end of June next year.

I went to the Alberta *Hansard* since and this is the only way we can tell whether this bill is in line with the conference decisions, and I found that the Premier of Alberta stated immediately following that conference:

I made one interim undertaking—but only one. I agreed that in the interest of stability of the Canadian economy, we would ask the Alberta Petroleum Marketing Commission to hold the average price of $6.50 per barrel to that level for a period of one year. The request was made by the Federal Government and it is our understanding that they—for their part—agreed that any proposed Federal legislation involving the interprovincial trade and movement of petroleum would be enacted in such a manner as to complement and not conflict with the Alberta Petroleum Marketing Commission Act.

Looking at the bill, I fail to find any clause that states there is to be a 15-month termination date. Instead, I find a clause which states that the government has the power to unilaterally set the price of oil if at such time a province wants to get out of this agreement. In other words, the government has the power to say that it is sorry, but if things change within the next year or so that is too bad; they will have to keep the price at the same level. That is the power this government wants, and I think we should thoroughly look into it to see whether these agreements were in fact made. The provinces should tell this parliament whether this bill is in line with the discussions that took place at the conference.

Other clauses, in particular Clause 60, give the Minister of Energy, Mines and Resources (Mr. Macdonald) the power to appoint people to look at the records of any company or province importing or exporting oil. It seems to me that under this clause the government is asking for

the authority not only to go to the companies but to the provinces, Alberta and Saskatchewan in particular, or their marketing boards, and ask for the records kept and the reasons they set certain prices, or anything of that sort.

As I stated earlier, we do not know whether this power is in line with discussions that have taken place or is just another one of those foxy items placed in the bill which the opposition should scrutinize thoroughly before approving. On reading between the lines, perhaps this part of the legislation is intended to be all-encompassing so as to include domination of these particular marketing boards. We should recommend the establishment of a parliamentary committee to investigate the proper usage of this legislation should it be passed.

It is interesting to note that we had long discussions about the energy allocation board which was to be responsible for administering the oil allocation bill. Apparently it did not have too much to do and we now find, according to this bill, it is given some work by the Minister of Energy, Mines and Resources.

In his speech yesterday the minister stated three reasons for this bill, and I think they are important. The first reason was that the price of Canadian crude oil should move upward to encourage exploration and development in Canada and thereby ensure further availability of our resources. The second was that approximately one-half of Canadian crude oil production which is exported should be sold at a fair and reasonable opportunity price in the United States markets. The third was that the proceeds from the sale of oil in the U.S. at a price higher than the domestic Canadian price should be employed in order to reduce the exposition of consumers in eastern Canada. I suggest those are practical reasons. Although some of us may disagree with some of the principles, at least those are the practical reasons the minister had in bringing this bill forward.

The question I have been trying to place before this House is: Does the minister require all the powers in Clauses 2, 3 and 5 of this bill? There are nine pages of powers documented here. For this reason it is necessary that the bill be sent to a standing committee of the House for further study and amendment in order that it will really embody the principles discussed at the Federal-Provincial Conference.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome the opportunity of saying a few words in respect of this energy bill, Bill C-18, designed to impose an export charge on oil products. In addition, the bill will put into law the agreements of the first ministers regarding energy prices which was settled on March 27 of this year. It also gives the federal government the power to set the price of oil if the first ministers do not reach a voluntary agreement in connection with oil prices by June 30, 1975. In addition, it proposes to compensate oil companies in respect of the price paid for oil imported into eastern Canada.

Bill C-18 is the latest plank in the ongoing saga of this government's attempt to offer a national energy policy. The structure so far has appeared very fragile, resting on weak foundations. One wonders who the real architect of this so-called ongoing national oil policy is; the minister of energy or the oil companies themselves.

● (1520)

A number of bills were introduced in the last session, and this is the latest in this session, in an effort to formulate the kind of oil policy that would benefit Canadians. It seems to me if we are to have an oil policy that makes any economic sense there are three key components which must be contained in it. First, we must ensure that Canada has control of the oil industry in this country. Second, we must move in the direction of self-sufficiency in oil for Canada. Third, we must have the ability to set and control prices of oil in this country. Let us look at those three elements as they exist today and what the New Democratic Party would like to see develop in these areas. First, regarding the control of the petroleum industry in Canada, it is shocking to recall that 91 per cent of the oil industry in this country is foreign-owned and that 99 per cent of all petroleum refining capacity is also foreign-owned.

We all know this foreign ownership means that decisions are being made by multinational companies whose primary interest is to maximize their own profits, not necessarily for the benefit of the Canadian economy. This means that decisions in respect of energy development, exploration, export of energy and price to a large degree are made outside this country and outside the parameters of the government of Canada. It also means that profits in terms of billions of dollars flow out of the country into the coffers of the multinational companies, most of which are located in the United States. It also means that to date exports have been designed primarily to serve United States markets. This has meant we have used up our inexpensive reserves of oil and natural gas which will mean that when Canada needs these commodities we will have to pay more because we will have to get oil, for example, from the expensive oil sands or from the far north. While we have been exporting our cheap energy to the United States and the American industry has been benefitting, the Canadian economy is now faced with high energy costs.

On the issue of control, the New Democratic Party called for export controls in this 29th Parliament as early as January 1973. Finally, much later the government decided to cut back some of our oil exports to the United States but nowhere sufficient to really bring about self-sufficiency or control of this vital commodity. If we are to have an oil policy which makes sense, it seems to me that we must move in the direction now of controlling the multinational oil companies through a national petroleum company. I do not mean a national petroleum company as hinted by the Minister of Energy, Mines and Resources (Mr. Macdonald). A Liberal national petroleum company would be created, it seems to me, just to compete with the private sector. I should like to have a national petroleum company that would have the power to be the only purchaser of domestic and imported oil. By being the only purchaser this national petroleum company would therefore be able to set the price of oil and determine policy in the interest of Canada so far as oil supply and development are concerned. The policy which presently exists is

primarily designed in the interest of the multinational oil companies.

The second element in a national energy policy must be self-sufficiency. Why is that? Well, without self-sufficiency in oil we are at the mercy of the international oil market which, it now has become very evident, was manipulated by the multinational oil companies in order to raise oil prices. These world prices for oil now bear no relationship to the cost of production. Indeed, some of the Saudi Arabian oil which sells at $10 or $14 a barrel costs the oil companies four cents a barrel to get out of the ground and into the tankers in the Middle East. We can see what has happened insofar as the manipulation of price in the world market is concerned. Indeed, a spokesman for Imperial Oil in Canada said that his company will charge what the market will bear and that not necessarily does the price of oil have to be related to the cost of production. It is also very important that we have self-sufficiency in order to insulate ourselves from the manipulative world market.

It is very important as well to have self-sufficiency because of what lies in store for us within the next decade. From recent reports I have read from all sources, including the oil industry and independent analyses, it appears that by 1980 this country will be short of oil to the extent of 720,000 barrels a day. The situation now is that we produce in round figures two million barrels of oil a day, one million barrels of which is exported to the United States. In addition we import one million barrels a day into eastern Canada because there is no pipeline to the east. Projections show that the demand for oil in Canada by 1980 will increase by an extra one million barrels a day. We have no pipeline to the east. Although we have the proposed Sarnia-Montreal pipeline and the proposed production of the oil sands by 1980, the maximum production from the oil sands will be 380,000 barrels a day which will leave Canada short to the extent of 720,000 barrels a day by 1980 if we continue to export to the United States.

Because of an oil policy initiated in 1961 by the Conservative Party which did not provide for extension of the oil pipeline to eastern Canada we have this problem today. The minister announced the extension of the pipeline from Sarnia to Montreal with an initial capacity of 250,000 barrels a day and a future capacity of only 500,000 barrels a day. In light of this extension of the Sarnia-Montreal pipeline I wonder whether we will ever have an all-Canadian route designed to supply eastern Canada. From reading the literature of the oil companies it would seem that they are quite unhappy about a prospect of an all-Canadian oil pipeline. They see it as a danger to their markets in eastern Canada in terms of manipulating prices which I will explain later. It seems to me that over the past few years, because of international development, the oil companies have boxed the minister into a corner. He needs to export oil now in order to collect the export tax which he will use to subsidize consumers in eastern Canada. But we all know he will run short of oil by 1980. The oil companies argue that they need to charge the world price for oil in Canada in order to obtain sufficient funds to explore for new oil and to develop the oil sands.

It is a myth that there is a need to have world prices on oil in Canada in order to have sufficient funds. I remind

members of the House that in 1973, before the freeze on crude oil was introduced in Canada, the oil companies received an increase of 33 per cent in the price of crude oil and the oil companies in Canada benefitted to the extent of some $700 million a year. This recent agreement which was reached on March 27 gave then another $528 million a year. In light of that windfall, in light of the profits they have been making so far, I think their argument that they need even higher prices to stimulate exploration in Canada does not hold any water, or oil, if you want to put it that way. It seems to me that the priority for a Canadian energy policy is to serve the Canadian market first. Unless we do this, we will have a real crisis by 1980. It seems to me imperative that we begin to phase out oil exports to the United States in order to meet the Canadian demands by 1980 because he will have to import 720,000 barrels a day and then we will be more and more in the hands of the international oil companies and subject to their manipulation of world prices.

● (1530)

The third element of a sensible national oil policy is one whereby the Canadian government can determine the prices of oil and oil products in this country. Many months ago the NDP called for a two price system for oil when oil prices began to rise. We advocated the use of the export tax to accomplish this, and the government finally agreed. One half of the revenue of that export tax was to return to the producing provinces. The price freeze on western oil was to come off on January 31 last, but again under pressure from the NDP, the government, which was quite afraid of an election at that time, said they would extend the freeze over the winter months until this spring.

Then, of course we had the fateful federal-provincial conference on energy on March 27. The Prime Minister (Mr. Trudeau) said: "This is a great day for Canadian federalism" and both he and the premiers of the provinces emerged from the conference with smiles, each claiming a victory. When I read about the results of that conference and listened to the statements of the federal and provincial authorities, I thought to myself that George Orwell's "1984" had finally arrived. We have been used to double talk around this House, but now the circle is complete—we have double think as well.

I remind members of the House that in 1972 crude oil in Canada was selling at $3 a barrel. By 1973, it was up to $4 a barrel. In 1974, this year, it is up to $6.50 a barrel. It has doubled in two years. Who is the chief beneficiary of this doubling of the price of oil in Canada? Is it the Canadian consumer who will be paying eight to ten cents more per gallon for gasoline?

Mr. Woolliams: I wonder if I might ask the hon. member a question?

Mr. Deputy Speaker: Would the hon. member for Sault Ste. Marie permit a question from the hon. member for Calgary North?

Mr. Symes: I think the hon. member for Calgary North would benefit from listening to my arguments. I will be glad to answer his question at the end of my remarks when he has heard how I have argued my points.

As I was asking, is the Canadian homeowner the chief beneficiary of this doubling of the price of crude oil in Canada? The Canadian homeowner who heats his house by oil can expect to pay some $80 more next year to heat his house. Of course, all Canadians will pay more now. Because farmers will have to pay more for fuel, it will mean that the cost of food will go up. Because transport companies will have to pay more to move manufactured goods, the goods in department stores will be more expensive as well. So who is the chief beneficiary of this doubling in price? Not the Canadian consumer. Is it the producing province? Alberta, which is the chief producer of oil in this country, will be getting a great deal of revenue from this new price increase. But I notice that when you compare the amount that Alberta will be getting with the amount which the oil companies will be getting, the province comes out second best. When the price of oil was frozen at $4 a barrel, the Alberta government was taxing at the royalty rate of approximately 22 per cent. Of the recent $2.50 increase per barrel, the Alberta government will get $1.62 and the oil companies will get 88 cents. Therefore, of the $6.50 per barrel of oil the oil companies will now get $4 a barrel. That is not bad when you realize that the production cost of a barrel of oil is approximately $1.53.

Mr. Horner (Crowfoot): I hope you never teach math.

Mr. Symes: That is the last figure I have. It may have gone up a couple of cents since then. The province of Alberta is getting more, but the oil companies are getting much more out of this recent deal. The province of Saskatchewan, which produces a minimum amount of oil for Canada under this new formula gets 10 cents a barrel less than when it was sharing under the old export tax formula. But the difference between what happens in Alberta and Saskatchewan—

Mr. Horner (Crowfoot): —is like night and day.

Mr. Symes: Yes, it is like night and day because all of the difference between the price increase and $3.38 a barrel which the oil companies are allowed to take for their crude oil and the $6.50, which is the new price, goes to the provincial treasury in Saskatchewan to be returned to the people of Saskatchewan in terms of the future development of energy and other provincial programs. This is an example of what a national petroleum company could be doing for all Canadians. If we had a government with a will to do so, it could follow the Saskatchewan example.

The oil companies have reaped a bonanza from this new pricing policy. In 1973, oil company profits were up over 1972 by 45 per cent for Imperial Oil; there was an increase of 43 per cent for Shell Oil over 1972; and in 1973 an increase of 58 per cent over 1972 for Gulf Oil. I can just imagine what the profit increases will now be for 1974! The consumer pays and pays, and meanwhile the oil companies want more with no guarantee that the increased profits will be re-invested in Canada in exploration and energy development. Indeed, Gulf Oil, as I mentioned earlier, in a January publication calls on all Canadians to be willing to pay the world price of $10.50 a barrel here in Canada. This price rip-off is made legal by this bill. It is the result of a lack of a national energy policy. We will be examining Bill C-18 clause by clause in committee, and I hope it will be in the Committee on National Resources and Public Works and not in Committee of the Whole.

I should like to make a few comments on some clauses in Bill C-18 before we deal with them in greater detail in committee. As I mentioned, the export charge will now be legitimized by this bill and will apply to all Canadians. I think it would have been much better if we had remained with the old formula of a fifty-fifty split in the export tax between the province and the federal government. But here we are presented with a *fait accompli*. The March 27 federal-provincial negotiations decided the issue. Bill C-18 will also legitimize the March 27 price agreement for 15 months. It gives the federal government power to set prices if there is no agreement. Again, we will see more of these ad hoc solutions to a national problem.

But the one part of the bill that gives my colleagues and myself the most concern is that part which is designed to compensate oil companies in eastern Canada which import oil. What a beautiful set up! The oil companies in eastern Canada have to import high priced oil because there is no pipeline there. They import the high world price oil, and thus provide the argument for western oil producers to up the price of the cheaper western Canadian oil so that there is one price for all of Canada. Meanwhile, the eastern oil companies are being subsidized by the federal government so that the price will not rise to the world level.

● (1540)

The question then is: how do we determine the amount of the subsidy to go to the multinational oil companies? The minister says that the price difference is common knowledge; that the companies pay the posted price. He may be a trusting soul. He may accept the word of the oil companies, and we saw evidence of that recently when the government agreed to that roundabout deal to purchase Roumanian heating oil at $1 a gallon. But I am more suspicious than that. I wonder how the Canadian government will know the real price of this oil that is being purchased abroad.

The Canadian government does not have access to the financial records of the international oil companies. We have difficulty in finding out the real transportation costs of the multinationals because of their system of selling to subsidiaries. We have seen this take place time and time again in eastern Canada with Exxon, the parent company of Imperial Oil, buying Venezuelan oil, selling that oil to its subsidiary, Creole Oil, at a mark up, and Creole Oil in turn selling it at a mark up to Imperial Oil. Of course this shows as an increase in price to Imperial, but all the time the profit is going back to the parent company, Exxon. It is all one big happy family, and the Canadian government will be subsidizing it.

It is here that we need a guarantee that there will be a thorough investigation of the books of the Canadian subsidiaries, and also access to the pricing policies of the multinationals and of the foreign governments from which they buy oil. We also want to know what guarantee there will be that the foreign oil companies, the multinationals and their subsidiaries, will purchase oil at the lowest price when they know in advance that they will be compensated

by the Canadian government. The NDP members on the committee will be proposing amendments to tighten up this part of the bill.

This is not the occasion to go through the bill clause by clause, Mr. Speaker, but one thing I would like to re-emphasize is that until the government comes up with a comprehensive oil policy to control the Canadian oil industry, to set forth the goal of Canadian self-sufficiency and to move toward it speedily, and to set up a system whereby we can control prices in Canada, we will have a series of these ad hoc bills arising out of crises that will develop in this very important sector in Canada. When we see what lies ahead of us in the next decade it seems to me more and more crucial that the government must move in the direction I have suggested, in the direction of government control and regulation of this precious source of energy on which the whole nation depends.

Mr. Deputy Speaker: The hon. member for Calgary North, on a question to the hon. member for Sault Ste. Marie.

Mr. Woolliams: Mr. Speaker, I was listening to the hon. member talking about the price of crude petroleum now being $6.50 a barrel. Didn't the Premier of Saskatchewan agree to that price, and did he not ask for a higher price, because he felt he should have the international price for Saskatchewan because a lot of its oil is exported, with Saskatchewan of course using a considerable amount of crude from Alberta? Didn't Blakeney agree to that $6.50?

Mr. Symes: The situation of the province of Saskatchewan cannot be compared with that of Alberta. It is like trying to compare apples and oranges because of the amount of oil produced by Saskatchewan and because it is a have-not province. Nevertheless, in the circumstances, and under the guidelines with respect to the negotiations set out at that time, of course Mr. Blakeney had to agree to the best deal for the people of that province.

Mr. Deputy Speaker: If there are no further questions then before I recognize the hon. member for Crowfoot (Mr. Horner) perhaps I could present what the hon. member for Sault Ste. Marie (Mr. Symes) has suggested to the House by way of a point of order, and that is that this measure, if it passes second reading, be considered in a committee outside this chamber rather than in the committee of the whole.

Usually such questions have been reserved until the end of second reading and debate thereon, because sometimes the Chair can then sense whether such a change would be acceptable or not. But in fairness to the hon. member, and to all hon. members, perhaps I could put the suggestion now. The hon. member for Sault Ste. Marie is suggesting that this measure go into the committee on National Resources rather than into the committee of the whole. On this point of order, which I gather we could best deal with now, I will recognize the Minister of Energy, Mines and Resources (Mr. Macdonald).

Mr. Macdonald (Rosedale): Mr. Speaker, I would be quite agreeable to that. The actual name of the committee is National Resources and Public Works, and perhaps by unanimous consent the motion before the House could be amended so as to delete the reference to the committee of the whole and make a specific reference to that committee.

Some hon. Members: Agreed.

Mr. Woolliams: We certainly agree to that, and that is the reason we asked the question today.

Mr. Deputy Speaker: All right then, it is agreed and ordered that the question be on second reading with referral to the Standing Committee on National Resources and Public Works.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, on rising to speak on Bill C-18 I must comment on the seriousness of this debate and on the lack of attendance by government members. It is they who are changing Canada's constitution one more time through this particular piece of legislation. As I say, this is a major debate on how we Canadians shall go forward from this day on if this bill is passed. This is the second major change in Canada's constitution that has been implemented by the government. I will not take the time now to deal with the first one, but the third one still to come has to do with the Canadian Wheat Board.

In the case of the first change, enabling legislation was passed by the provinces. That is not the case in this instance. No enabling legislation is necessary. The federal authorities are taking absolute control of the oil resources of the provinces, which at the moment happen to be concentrated in Alberta and Saskatchewan. In the negotiations at the energy conference on March 27 once again western Canada was taken by the ear to the woodshed by eastern Canada. I have no doubt that that is what happened. Why did Lougheed make what he said was the best deal possible? Why did he say that $6.50 was the best deal possible? The answer is quite simple. What happens in the woodshed? The wood is put to the person brought to the woodshed. What was the wood on this occasion? The wood was section 92(10)(c) of the British North America Act which reads as follows:

> Such Works as, although wholly situate within the Province, are before or after their Execution declared by the Parliament of Canada to be for the general Advantage of Canada or for the Advantage of Two or more of the Provinces.

● (1550)

The federal government threatened, beyond the shadow of a doubt, to use that heavy hammer on the provinces. Mr. Lougheed and Mr. Blakeney bowed to the heavy pressure. Why, Mr. Speaker? Because they could foresee the huge constitutional legal crisis confronting Canada.

In Alberta we saw through the scheme of the Prime Minister (Mr. Trudeau) of Canada a short while ago in relation to the Supreme Court. The obvious choice for the Chief Justice of the Supreme Court was a gentleman by the name of Martland from Western Canada. But no constitutional crisis in this country was going to be fought with something like a fair break in the Supreme Court with a chief justice who originally came from the province of Alberta. We do not have the same constitutional setup as the United States, so the Prime Minister can put anybody he likes into the Supreme Court without his action being ratified by this House or the Senate. He put a junior

member of the Supreme Court in this superior position and thus the Supreme Court was loaded against western Canada. Mr. Lougheed, the premier of Alberta, knew it and Mr. Blakeney, the premier of Saskatchewan, knew it.

Some people might suggest that I dreamed this up but an article in the Montreal *Gazette* of March 29 puts it rather clearly as follows:

> More generally, Wednesday's agreement amounts to a major constitutional concession by the two producing provinces that their natural resources are not subject to exclusive provincial jurisdiction as traditionally maintained. And because they have been persuaded to put their mounting oil revenues into capital rather than current account, these dollars will not distort the existing federal-provincial revenue equalization program out of all recognizable shape.

The Montreal *Gazette* knew what was going on in the woodshed. So did the *Globe and Mail* on March 28, in an article which read:

> However, several premiers said that the agreement on price was reached only after a federal ultimatum threatening to set the price unilaterally.

An article in the New York *Times* of March 24 pointed out the same thing. The United States is watching our situation very closely. This article reads:

> ... Canada's oil-producing provinces and the federal government are trying to negotiate their way out of a legal dispute that involves the confederation that holds this country together.

The Prime Minister came out of the woodshed and said it had been a great day for federalism. Any time you have to take the children into the woodshed and whip them over such a serious case as this, you can rest assured that when they become of age or when they have the means, they might retaliate. You may rue the day you took them to the woodshed.

I just want to issue a word of caution to this House, Mr. Speaker. Who am I to say that one slight change in Bill C-18 could not add electric power in the preamble and thus impose a charge on the exports of electrical power? Why could that not be added now that we have broken precedents? Why could the James Bay Power not be taxed by the government as well? I say to all members of this House who are worried about confederation, do not think that federalism was served well by that particular act in the woodshed, because it was not. There may be serious consequences in the days ahead.

There is no question in my mind that Premier Lougheed fought a violent fight and did the best he could for Albertans.

An hon. Member: He was satisfied.

Mr. Horner (Crowfoot): Was he satisfied? My hon. friend can look at the mathematics. Before March 28 they were getting something like $4 a barrel for crude plus half the tax of $6.40. That gave them $3.20 plus $4, making $7.20. That is what Alberta was getting before April 1. After April 1 it was getting $6.50. Were they satisfied?

An hon. Member: He said so!

Mr. Horner (Crowfoot): Certainly. He took his licking like a man and came out smiling. Many a time a boy was locked into the woodshed with the school teacher and had to come out smiling before the class. The cards were stacked against him and the teacher had the strap. The strap was the constitutional weapon.

What is going to happen now? Hon. members can ask if Albertans are greedy. An increase of $2.50 per barrel will mean revenue of $900 million per year for the province. They might ask what we are going to do with it. For one thing, we could build the new railroads that we badly need. We could give some help to the oil companies if we want them to continue exploration. But on all oil produced in Alberta there remains a tax of $4.20 under this bill, which applies for one year. What it will be after that is open to question, but $4.20 on every barrel of oil that is exported comes to about $3.78 million per day and that is pretty good money.

In a case before the National Energy Board recently, there was an application for permission to export more oil to the United States. It was said that it would be necessary to export the oil because in order to establish one price for oil all across Canada, money would be needed to subsidize the provinces east of the Ottawa line. That is no secret. Everybody here knows that the tax will be used to subsidize consumers in the provinces east of the Ottawa line. What does that $3.78 million per day mean over one year? Well, it amounts to $1,400,000,000. Albertans realize that they will get $900 million more under this contract but the province of Quebec will get even more. Will it serve federalism well for Albertans to realize that? I do not think it is going to lessen the alienation that exists in western Canada when these figures are understood. Our educational system is pretty good out there and people will be able to make the calculations.

The most significant thing about this payment is that it does not affect the equalization payments so Quebec continues to get 50 per cent of that, whatever that might be. I grew up in a large family—

An hon. Member: Do you approve of them?

Mr. Horner (Crowfoot): Yes, I approve of large families, but my parents could not have shown that much favouritism and have kept the other eight happy. My friends over there can laugh, but if they think this is a great day for federalism they may nod their heads with approval today because tomorrow they might not be able to nod. That is how bad a day it is for federalism. One wonders what Alberta and western Canada might do with the money. Well, they could give the oil companies a better shake or build a new railroad through the mountains in order to get their products to the west.

We see the NDP saying that there must be an export tax on all products such as refined oil products and lumber. Of course, we could build an empire and completely isolate ourselves from the world with a tax like that, but we cannot afford isolation.

● (1600)

Recently the government said it wants to see a 513-mile pipeline built from Sarnia to Montreal. That pipeline is to satisfy Quebec's needs. We are supposed to defer additional sales to the United States in order to solve eastern Canada's oil difficulties. If the government really means what it says, it would not advocate the building of a 200,000 barrel a day capacity pipeline from Sarnia to Mont-

real. It would build a pipeline from Winnipeg, or from the tar sands. Then, we could really assure oil for Quebec and eastern Canada. But what has happened? The superport will still be built on the St. Lawrence, up by Quebec City. Why should it not be built there? After all, as things now stand that is the only way the government will be able to guarantee oil for the eastern market. The mechanism for bringing oil from the west to the east does not exist. The pipelines from Sarnia will not provide for all eastern oil requirements, even by 1980. So, this government proposal is nothing but window dressing.

The Prime Minister on March 28, after the $6.50 per barrel price and the single price across Canada had been agreed on, said that that was a great day for federalism. He said that Canadian oil reserves are limited, so we must encourage further exploration and development if we are to enlarge our reserves. He said that a huge investment is necessary, to guarantee adequate future supplies and that, therefore, a higher domestic price was justified. Then, he said that he was dead against windfall profits accruing to multinational oil companies.

A long time ago a newspaperman asked me, "What do you think of Americans coming to Alberta and finding oil?" I said that if an American wants to come and clean out my barn, let him bring a pitch fork, and I will tell him where to pile the manure. There is little difference in principle between an American coming over to clean out my barn and an American coming over to find oil. They have come over and found oil, and now the Alberta government says, "We, the government of Alberta, will take 65 per cent of your take as royalty." Mr. Speaker, 65 per cent is a fair hunk. That is the size of the royalty paid on conventional gas and petroleum taken from Alberta. To encourage new finds, the Alberta government has agreed to take only 35 per cent on newly discovered reserves. I would not be suprised if the multinational oil companies think these royalties a little steep. They could easily say to us, "Keep your oil; it is pretty expensive. We will go somewhere else." For that reason I was not surprised to read in the April 8 edition of *The Albertan* that:

> Harold McKenzie, president of Hudson Bay Mining and Smelting Co. Ltd., says that even now oil exploration activity is swinging away from Canada to the United States where the relative return to producers is higher.

The article goes on to say:

> It's a simple fact of economic life, says the president of Shell Canada Ltd. that the industry needs to achieve a fair rate of return as an incentive to further investment... unless petroleum companies are encouraged to explore in the Arctic and off shore, Canadian supplies from present commercially available reserves will fall below total domestic demand by 1977 and make Canada a net crude importer.

We have been told over and over again in this House that we can do one of two things. If we cut off oil exports to the United States, we will have enough oil for our own use for about 11 years. If we continue to export oil to the United States and so expand the foreign market for Canadian oil, our oil will last about another six years. So, the Liberals can chuckle all they want about the Prime Minister's statement that March 28 was a great day for federalism because oil prices had been kept down to $6.50 per barrel.

About a week ago the financial section of the Toronto *Star* carried an article which said in so many words, "If you want to invest soundly, invest in Home Oil." The writer was addressing Torontonians who read the Toronto *Star*. Why did he advise them to invest in Home Oil? Apparently the majority of Home Oil shareholders are in Toronto. So, there was one Torontonian telling other Torontonians to invest in their own company. But, why did he tell them to invest in Home Oil? I looked into this. It appears that Home Oil owns or has rights to North Sea oil producing properties. Clearly, nobody is going to freeze the price of oil found in the North Sea. So, Home Oil is exploring for oil in the North Sea. Apparently, it is not interested in looking for oil in Canada.

Now, I come to windfall profits. What is a windfall profit? What is an excess profit? Let me illustrate. This year I lost a lot of money in the cattle business. In the first four months I lost a great deal of money. Perhaps in the next six months I could break even. Perhaps I shall enjoy a windfall profit which will make up for the loss I sustained in the first part of this year. There is nothing wrong with that. A man could lose money one year and, if he has enough reserves to stay in business, could make perhaps 200 per cent more next year, to make up for his losses. I listened to members of the NDP speaking on oil profits. One said that an oil company made 45 per cent profit last year; another company made 42 per cent, and a third company made 47 per cent. I was amazed that profit margins were so low. Dominion Stores increased profits by 102 per cent in 1973 over 1972. Falconbridge made 722 per cent more than in the previous year. What did the company make in the year previous? You must look at the whole picture if you want to see what is happening to profits.

I hold in my hand an advertisement put out by Imperial Oil and carried in *Maclean's Magazine*. I assume the advertisement is correct; otherwise the Department of Consumer and Corporate Affairs would act. According to the advertisement, Imperial Oil made expenditures between 1947 and 1972 of $20.1 billion. Revenues from operations in the same period totalled $18.1 billion. If these figures are correct, and I assume they are, is Imperial Oil not justified in looking for a little profit somewhere?

Let us consider another publication put out by The Chase Manhattan Bank. According to the pamphlet entitled, "The Petroleum Situation":

> This Bank's 30 company study group constitutes a major portion of the entire petroleum industry throughout the non-Communist world. And its experience closely parallels that of the industry as a whole. The chart that accompanies this discussion measures for each year from 1970 through 1985 the amount of profits the group will have to earn if an 18 per cent average annual growth is to be achieved.

In this country the industry will need to grow at an 18 per cent average annual rate if we are to remain self-sufficient in oil after ten years. We must encourage the finding of resources, because we are using them at an alarming rate. The pamphlet goes on to say:

> Also measured are the actual earnings of the group in 1971 and 1972. Clearly indicated is the fact that profits in those years were substantially below the required growth trend. The chart also reveals that, despite the large percentage increase over last year, the expected net earnings of the group—

The group referred to makes up practically the entire petroleum industry in the free world.

> —this year will fall short of the required level—by more than a billion

dollars. If the group's profits are to reach the required level in 1974, they will have to be 30 per cent higher than this year. Or, if the earnings are to be on trend next year and also make up the deficit of the three preceding years, they will have to be fully 70 per cent higher than this year.

● (1610)

That gives you an idea. The article goes on to explain that if you don't like it, and you force the oil companies out of business by fixing prices too low, you discourage exploration. And if the government gets into it, they cannot do it any cheaper than private industry. So who pays? The consumer. It reverts to the consumer.

There is some feeling that windfall profits are a curse. I saw the Prime Minister on television playing cheap politics and saying windfall profits are a curse. I know a lot of farmers. The minister in charge of the Wheat Board says he cannot make a final payment on wheat because farmers are worrying about income tax. Mr. Speaker, a farmer doesn't have to worry about income tax. He can continue to expand. For instance, he can go on buying cattle, and with costs like they are today, he won't have to pay income tax. The same provision is there for the oil companies. If they make an excess profit the income tax will take it unless they expand. It may be said they will expand somewhere else. But they cannot. If they make a profit in Canada they have only the privilege of taking one dollar out of ten should they decide to expand elsewhere. So the income tax takes care of windfall profits made by farmers, cattlemen, oil companies or anybody else. They have the opportunity to reinvest in this country, and if they reinvest we do not tax them; they write it off as expenses. This is simple economics, understood by anybody who has been through high school and earned a dollar, I am sure.

We ought to take a look at what would happen if oil prices rise to a price near the world price. If the price went to the world price we would have one price in Canada. We would have the world price. We could also have it at a dollar or two below the world price. But if you mark it down to half the world price you are doing it for cheap political gain and in the long run your self-serving act will catch up to you. It is interesting to note that the U.S. oil industry used to be able to charge off all exploration costs in Canada against United States income tax. They are no longer allowed to do this. The tendency will be for them to keep their money in the United States. More money will have to be spent by the oil industry in Canada. If we keep the price of oil at $6.50, Home Oil and other good Canadian companies will do their exploring somewhere else. There are two rigs operating in Saskatchewan right now. More in Alberta, because they have not given up faith in the Albertans understanding the industry to some extent.

We hear a great deal of talk about a national oil policy. The national oil policy in my opinion is a short-run conception and will end up being a failure for Canada. We have often heard a great deal of talk about developing an industrial strategy. Western Canada is talking about industrial strategy and a policy for industry. How does this cheap oil for the rest of Canada coincide with a shrewd, wise national industrial policy? I should like to quote from *Fortune* magazine. It draws parallels which I think are equally valid in Canada. An article which appears in the March, 1974 issue at page 109, says this:

Industry has traditionally been a prodigal consumer of energy because the stuff was simply too cheap to worry about. The price of oil, which accounts for about half of all the energy consumed in the U.S., increased by only 30 per cent from 1948 to 1972.

I think the increase here in Canada in percentage terms is comparable.

Since the general level of prices rose by 74 per cent during this period, the price of oil, measured in constant dollars, actually fell substantially.

Largely because oil was such a bargain, but also because federal regulations held down the price of gas—

That did not happen in Canada, of course.

—the total cost of energy purchased by U.S. manufacturers rose by only 5 per cent in current dollars from 1958 to 1970. Meanwhile, the cost of nearly everything else, particularly labour, was rising rapidly. Thus, manufacturers had every incentive to substitute energy for labour wherever possible. The manufacturing sector of the economy used 66 per cent more energy in 1970 than in 1958. By contrast, the use of labour—measured in man hours—increased by only 35 per cent.

Because energy was so cheap, U.S. business never worried much about using it efficiently.

I recommend this article to the attention of hon. members. I do not intend to quote it all, though I shall quote another portion. It lists industries which are the greatest users of electricity. It speaks about the lavish use of oil as an energy source by electrical utilities. This does not apply with any particular force to Canada since only in Nova Scotia do we develop much energy from the use of petroleum products. The article goes on to say this:

Five industries account for close to 40 per cent of the energy consumed by U.S. manufacturers as a whole and for about 16 per cent of all the energy consumed by Americans. Steel, aluminum, cement, petroleum and paper are the giant fuel guzzlers.

Consider steel, for example. What happened in 1973? The prices of steel products were high, but Canadian steel was the cheapest in the world, and steel is in short supply in Canada. This is a situation in which Canadian steel is able to get into world markets more easily but it does not necessarily mean cheaper steel for Canadians, since the world price will continue to determine the price at which steel is sold domestically, and we, as consumers, will pay.

Take another product we export—pulp and paper. This industry is one of the big five fuel users, and accounts for one of our biggest export volumes, top of the line, especially when wheat sales fall short. Cheap petroleum for consumption by the paper industry will not benefit the Canadian consumer. It is the world at large which will benefit because it is the export price which will determine the domestic price. We can go right down the line. We have a tremendous aluminum industry in British Columbia and Quebec on the basis of which a huge export market has developed. With this cheap fuel for the aluminum industry, who is going to benefit? The aluminum companies of Canada? I suggest aluminum will not be cheaper in Canada because world demand will set the price. Therefore, why sell oil and gas from the province of Alberta cheaply?

● (1620)

Then I come to cement, one of the primary products used in the construction industry. If we want to build in

western Canada a manufacturing and industrial empire we will have to receive some favouritism in regard to cement prices. If we are going to sell our energy cheaply to other parts of Canada, we must gain some benefit in regard to the primary product used in developing oil in western Canada. The cement industry now uses about 8.8 million BTU's per ton of product. If the industry recycled more waste heat, cut down on convection and radiation losses and repositioned some kiln burners, it would need only about 3.6 million BTU's per ton. But because cement has been so cheap, the cement industry in the United States has not bothered to take the necessary steps to effect a saving in BTU's.

The article goes on at great length to explain the problems and has this to say about refiners:

> Refiners spend a total of about 65 cents of every sales dollar on energy. Aluminum producers spend about 18 cents, plastics manufacturers about 15 cents, iron and steel producers about 12 cents, glassmakers 10 cents, shoe manufacturers only 4 cents, and makers of tobacco products and office equipment only three cents each.

That gives hon. members some idea how energy is used and who uses it. There is also an interesting comment about certain trends today. One of my pet beefs has been that in this country there is a lack of initiative and foresight in regard to doing anything to improve the railroading industry. At page 191 of this magazine appears an article on the transportation industry which reads as follows:

> Highway construction is one of our largest consumers of energy: asphalt is itself a petroleum product and cement manufacturing is highly energy-intensive. Thus, a $5-billion highway-building program uses 220 trillion BTU's, whereas a $5-billion railroad-building program would demand only 80 trillion BTU's.

The article goes on to say that labour requirements are relatively the same, but in this country we are trying to scrap the railways and build more highways. If our energy resources were expensive, we would soon scratch our heads and say we must make the economies that are demanded of us so as to conserve our precious fuel stocks. We would find ways of generating electricity without the use of oil, would embark upon a large gasification program, and do many other things that need to be done. But so long as we continue to sell the industrial heart of the country cheap oil, these steps will not be taken. It is true that the province of Ontario is going to have to pay a lot more for its oil, but the industrial heart of the nation is still receiving the cheapest oil in the world. I ask hon. members to name one other country in the world that has cheaper oil than $6.50 a barrel.

I realize some hon. members will say that my speech in the House this afternoon stamps me as somewhat anti-Canadian, but I would be less than honest if I did not warn Canadians about the danger of selling oil too cheaply. The same thing will happen to the oil industry as will happen to our beef producers if we knock down the price of our beef too far: one day there will not be any more beef for sale. I suggest the same holds true for the oil industry. Windfall profits have not been proven. The figures cited this afternoon by the previous speaker do not convince me that any oil company has made windfall profits.

The hon. member spoke about going through the books of oil companies. Let me tell him I have tried my best to examine the books of Crown corporations while I have been a federal member of parliament for the past 16 years. Any prospectus of a company listed on the stock exchange will tell me more about the company than the annual report of Air Canada would tell me about Air Canada, or the annual report of the CNR would tell me about the CNR. Incidentally, we have not referred the annual report of the CNR to the transportation committee for something like three years. So when these NDP members, these socialists to my left, suggest that we must have Crown corporations to know what we are doing, I say that has not been proven in my experience in this House.

I ask hon. members to call representatives from every oil company in Canada before the energy, mines and resources committee and see whether they have made any excess profits. According to Imperial Oil's figures, in 1947, a significant year for Imperial Oil in Canada, they spent $20.1 billion, with operating revenues of $18.1 billion. That is operating revenue, Mr. Speaker, not net profit. I agree they have reserves valued at billions of dollars still in the ground, and they will derive operating revenue when they get those reserves out of the ground, but those are their figures.

If I may come to my concluding point, there is no question that we have ample supplies of oil in the Alberta tar sands. How are these going to be affected by the provisions of this bill? As an Albertan, I have always believed that the tar sands belonged to the province of Alberta and that Alberta should determine how rapidly they should be developed. Yet this bill gives power to some board to move right in and take over. I would not mind that so much if what I hear from the federal government was sane, sound and sensible. The Minister of Supply and Services (Mr. Goyer) who sits over there is the laughing stock of the city of Calgary since he made a speech there. They did not think that he was sane, sound, or anything else. They did not even think he could utter a sound economic statement after the speech he made out there. We are all aware of his venture into the oil business last winter, when he bid a fabulous price for some oil and then found it was low in viscosity and sulphur content. Now he does not know what on earth to do with it. With this kind of management we do not need Part V of this bill, and I speak as an Albertan.

I am very pleased to hear that the bill will go to the energy committee. I hope representatives of the province of Alberta and the province of Saskatchewan will come down to Ottawa suitcases in hand and make a good case for their provinces. I have always believed that the people closest to a resource develop most experience in the handling of that resource. The tar sands have great potential. They can put Canada well ahead of the United States or any other country in the world—and I conclude on this note—provided the tar sands are developed wisely and prudently, and in such a manner as to give a return to the people investing in them, whether they be Albertans or other Canadians.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I join other members of my party and the House in this debate on Bill C-18, an act to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain oil import costs and to regulate the price of Canadian crude oil in interprovincial

and export trade. We are at second reading stage of the bill, which in effect places a surtax on crude petroleum exported from Canada to the United States and sets a price on Canadian crude for purposes of interprovincial trade. In addition, it provides compensation for certain oil import costs in the area of Canada east of the Ottawa Valley. That is really what this bill is about.

● (1630)

On March 28, we heard the Prime Minister (Mr. Trudeau) make a statement in the House to the effect that the 10 top ministers in Canada had reached an agreement, and he suggested this was a great day for federalism. In view of the fact that since 1968 the Prime Minister has held many conferences on the constitution and other things, at which he has suggested that the provinces take the federal government's view or leave it, it was rather exciting even for us over here to learn that the Prime Minister and the 10 premiers of this country had come to an accord in reference to three matters, namely the setting of the amount of surcharge, the setting of the price for Canadian crude in international trade and the setting of compensation to be paid to the provinces of Quebec and the Maritimes for the importation of oil at anywhere from $6.50 a barrel to $11.75, being the difference between those prices.

On April 8, I asked a question in the House as to whether Bill C-18 really included the full terms and conditions of the agreement reached between the premiers on behalf of the provinces and the Prime Minister on behalf of the federal government. I then asked whether the premiers had seen this bill, to which the Minister of Energy, Mines and Resources (Mr. Macdonald) said:

> As the hon. member knows . . . the general principles involved in the bill were the subject of an agreement between the first ministers on March 27. As the hon. member also knows, it is not in accordance with the practice of the House to circulate a bill outside the Privy Council before it receives the first reading in the House.

That was a neat way to get around my question, but this is not the ordinary piece of legislation. If the minister were honest and did not want to misrepresent the fact, and I would not suggest he was otherwise, he should have said that this bill contains the terms and conditions of the agreement reached between the provincial and federal governments. If we had an agreement arrived at following a constitutional conference, in turn followed by a piece of new legislation, I am confident that any responsible government would make certain that in producing that legislation to implement the changes the bill would be produced to the 10 premiers in order that they might study it, through their attorneys general, to make sure that the terms and conditions of the agreement were fulfilled. I suggest, therefore, that this answer was nothing more than a weak-kneed excuse, dealt with adequately by the hon. member for Peace River (Mr. Baldwin).

The minister suggested that bills could not be circulated ahead of time, but this bill was certainly circulated at the caucus where civil servants explained it, so there should not be any difficulty in that regard. If one accepts the strict interpretation and the bill should not be sent to the provincial premiers until it is produced in the House, surely after first reading it should go to the premiers or the respective attorneys general for study in order that the terms and conditions of the agreement could be reviewed to determine that the bill does not misrepresent those terms and conditions of the agreement.

Following that, I asked a supplementary question which appears at page 1232 *Hansard* as follows:

> I have one supplementary question arising from the fact that this bill is the result of an agreement between the federal government and the provincial governments concerning the export tax and setting the price of crude petroleum and its by-products. Am I to understand from the minister's answer that neither he nor the government have made any attempt to obtain from the provinces an acknowledgement that the bill embodies the terms and conditions of the agreement made at that time?

The minister answered:

> The terms and conditions reached as a result of that conference have been incorporated in this bill. The bill is a public document for the first ministers' examination and as far as I know no exception has been taken to its terms.

I would suggest that between the date of first reading and the date I asked that question, April 8, the provinces would not have had the time to study the bill clause by clause and come to the conclusion that it contains all those terms and conditions, but I will get to that a little later. I agree with the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) that this is a verbal agreement, and if there is a written agreement it has been hidden and never produced in the House. Surely, under these conditions, and I want to drive this point home, this minister on behalf of the federal government should have taken it upon himself to produce that bill in order that the provincial premiers would have a chance to study it and approve of it, whether they be premiers of producing or consuming provinces. That is the point I want to make.

I was happy to note that we flushed the minister out today, but I hope that as a result we do not have more problems when we meet in the committee. Let me spend a few minutes on the normal procedure. Even under the new rules a bill such as this would be sent to the Committee of the Whole as it is a taxing bill. If anyone thinks it is not a taxing bill he should consider the surtax being the difference between $6.50 and $11.75, whatever the figure may be, which is the international price. Such a bill would normally go to the Committee of the Whole. That is why I asked whether it was the government's intention to bring the bill before the Committee of the Whole for clause by clause study. I asked whether before doing that the bill would be sent to the Standing Committee on National Resources and Public Works where representatives of the provinces could present evidence during a clause by clause consideration of the bill, and might indicate whether the bill properly represents the arrived at agreement. I might add that I feel representatives of industry, as well as consumer associations, should have the opportunity to appear before the committee in order to voice their opinion and give the best advice and expertise possible as to whether this bill will serve the country and, more importantly, fulfil the terms and conditions agreed upon by the 10 premiers.

I am very pleased that the minister has followed the course recommended by his own party, which was suggested by me in the form of that question, in that this bill is now to be sent to the standing committee and then come before the House. I hope that when the steering committee gets together it will not be told that the committee should not call witnesses but should quickly rush through the bill

clause by clause with hon. members putting up their hands in agreement like little children. It was with this in mind that I asked the question, and I almost fainted when the minister said "yes". He usually says no, and when he replied in the affirmative I became a little suspicious. Did he say yes because he is willing to have witnesses called?

● (1640)

An hon. Member: Ask him.

Mr. Woolliams: I would like to hear what he has to say. If he said yes because he is unwilling to agree to witnesses being called and having the bill aired in the proper way rather than sweeping anything under the table about which the provinces may find out later, then we may have been fooled.

Mr. Macdonald (Rosedale): Mr. Speaker, on a question of privilege—

Mr. Deputy Speaker: The Minister of Energy, Mines and Resources has a question of privilege.

Mr. Macdonald (Rosedale): Mr. Speaker, on a question of privilege, perhaps I may be able to put the hon. member out of his agony in this regard. I said yes to the suggestion that it be dealt with in the standing committee rather than in Committee of the Whole. It will, of course, as always is the case, be for the committee itself to determine whether it wishes to call witnesses from outside the public service for the purpose of hearings, and I will abide of course by the decision of the committee in that regard.

Mr. Woolliams: That is an answer I like, Mr. Speaker. I think you will see through that answer immediately. I have often noticed the heavy hand of the minister when dealing with a steering committee on which the Liberals are well represented. We find the heavy hand on the shoulder of the committee or its agent, who you might say is just like a parrot of the minister. He says yes when the minister tells him to say yes and no when the minister tells him to say no. If the minister were really fair, he would say that he would do everything in his power, if there should be a request from any party or from any member of this House on that committee or otherwise—that witnesses be called, to see that the committee takes the time to do so, thus making sure that this bill is aired and the facts are placed before the Canadian people. We will fight for this right, and I hope we will not be disappointed.

Now, I should like to say something about the bill. It really establishes a surtax to be charged on the price of petroleum at the wellhead which results in a price of $6.50. I listened to the hon. member for Sault Ste. Marie (Mr. Symes) this afternoon. I see now that the hon. member for Winnipeg North Centre (Mr. Knowles) is here but when the hon. member for Sault Ste. Marie was speaking he stood alone. He said that Mr. Lougheed had overcharged Canada in respect of the agreement for a price of $6.50. He said that the price had gone up from $3.50 to $4 a barrel and that, now as a result of the agreement which took place in the Prime Minister's office, they arrived at a price of $6.50. The hon. member for Sault Ste. Marie comes from an area that is not far from western Canada and I would have thought he would know the NDP premier. This NDP premier said in a wonderful article which appeared in the *Globe and Mail* that he would press for the world price and that Saskatchewan would not bonus or subsidize eastern Canada.

I know Mr. Blakeney personally. Saskatchewan is my home province, although I live in the province of Alberta. Incidentally, Saskatchewan is also the home province of the hon. member for Crowfoot (Mr. Horner). We went to Alberta because it is a much better place. In their talks the Prime Minister (Mr. Trudeau) and Mr. Blakeney, who was fighting for all he could get, arrived at a price of $6.50 a barrel which no doubt was the highest price they could come up with. I agree with the premier of Alberta when he said he is the premier of Alberta but he is a Canadian first.

Some hon. Members: Hear, hear!

Mr. Woolliams: He said he is the premier of Alberta and that he wishes to represent the interests of Alberta to the best of his ability. I think he came up with the best deal under the circumstances. Mr. Blakeney must have felt the same way as the premier of Saskatchewan. I think Mr. Blakeney must frown now when he sees the Lewis', son and father—

An hon. Member: And the Holy Ghost.

Mr. Woolliams: I was not going to bring in the Holy Ghost—cruise through the province of Saskatchewan because these men embarrass Blakeney each time they speak.

I hope I have answered the question about price once and for all. When I read certain newspapers—I suppose we all on occasion become somewhat regional and really speak for the regions from which we come—and see cartoons depicting Alberta and Saskatchewan as taking advantage of the rest of Canada, all I can say is that I believe the premiers, whether NDP or Progressive Conservative, measured up pretty well as Canadians. They came up with an agreement. When speaking on television some months before, the Prime Minister said that the price of crude petroleum would be increased to a realistic price within the complex world conditions. Our leader agreed with that statement. So, I hope I do not hear any more drivel from the NDP about Alberta getting the price up, because their premier was also a party to the deal. He fought as hard as the premier of Alberta in reaching that agreement. The position taken by the members of the NDP might be good for home consumption and on the hustings but it is not honest, it is not correct and it is not fair.

The second part of the legislation is that which provides for more than $1 billion by way of surtax from the export of crude petroleum to the United States in order to compensate the consumers of eastern Canada who are paying something like $10 or $11.75 a barrel for imported crude petroleum. I shall have something to say about security of supply in a few moments. Until the Prime Minister placed the surtax on the export of crude petroleum to the United States, there was no surtax income from the oil in order to subsidize Quebec and the maritime provinces to the extent of $1¼ billion or $1½ billion depending on the total amount of exports approved by the National Energy Board. However, I believe the figure is about one million

gallons a day. On this basis we can say that the subsidy would amount to about $1 billion some odd. The purpose of this subsidy is to eliminate the differential in price so that the consumers in Quebec and the maritimes, apart from transportation costs, will pay the identical price for gasoline for their cars and for energy for their factories as the people in the province of Alberta.

This is why I say the premier of our province and the premier of Saskatchewan have measured up first as Canadians for the good of all Canada because energy at this time, particularly in world affairs and in respect of the confrontation which is going on in the Near East, is so important to the economic activity of our country. For that I congratulate our premier.

● (1650)

Now, as to the two producing provinces, let me emphasize something. The NDP love to compare what the province of Alberta is making out of oil with what the people are getting out of it. I can answer that very quickly. It is time that that fiction was exploded because it makes me sick. I have lived in both provinces. We had a CCF government from 1944. As a result of their socialist and nationalistic philosophy, industries were driven out of the province. That is the reason the province of Alberta is a have province and for years the province of Saskatchewan has been a have-not province.

Then, members of the NDP talk about whether the people are going to collect 15 cents a barrel or 25 cents a barrel. Let me tell them that if people live in an economy that is expanding it is because investments are flowing in and development is taking place. Whether it is on the ranch, on a farm, or in the oilfields, when the people are prosperous they can afford to live in a province which is the only one without a sales tax. That is the difference between the Conservative and the socialist philosophy. The socialist philosophy is one which says: now we have found one egg, let us not let the hen lay 11 eggs because we will divide that one egg thinly among all the people. We say: let us have 12 eggs and we will have more for the people. That is the difference between us.

An hon. Member: Chicken lickin'.

Mr. Woolliams: Yes, chicken lickin', and I will tell you why. It is because these people think small.

As I pointed out, the premium, with the increase of $2.50 a barrel of crude petroleum, set the price of royalties so that 65 per cent goes to the province and 35 per cent goes to the oil companies. If the oil companies made nothing out of the deal, there would be no development.

Some hon. Members: Oh, oh!

Mr. Woolliams: I do not know who said "oh". I say there will be no development at all unless the oil companies have something with which to develop. Would a well have been drilled in Alberta or even in Saskatchewan if the oil companies made no profit? It is time the story was told. When the CCF took over in Saskatchewan there was no oil development to start with. Finally, they developed the royalty system, and do you know from whom they copied it? From Mr. Manning's government. Even Mr. Clarence Fines, who left the province fairly wealthy after being provincial treasurer, would be the first to admit it, if we could only find him. One sits here day after day and listens to some of these stories.

Another myth I want to explode is the following one, and it is time that this question was answered. We hear this story so often that one might think that people believe not only the words but the tune. It is said that by 1980 we will look into our wells and find them empty—there will be no gas and no oil. Do you know why they say that? For years I have listened to that group and I even went to some of their meetings. I have thought about the matter. They thrive on adversity. That is how they succeed. They want trouble, and they say to the people: we are saving you.

Now I should like to speak about supply. Do you think for one moment that no more wells or oil fields will be found in the province of Alberta or indeed in Saskatchewan? Do you think there will be no more oil found in the Arctic and no more natural gas? Do you think no oil will be found offshore in the Maritimes? There would not be if we had an NDP government because the oil companies would all leave and go to the North Sea.

My time is just about up, so I would like to put down some real facts.

Mr. Knight: What facts?

Mr. Woolliams: Don't worry about that. You do not have such a big majority in Assiniboia that you can be so confident.

Let us take a look at our resources. The next question that came to my mind in considering this bill was that the future supply of petroleum and natural gas is so important to our wellbeing. That is why we have been enacting so many bills. May I say now that according to recent technical papers—and this is material researched by an independent petroleum association—Canada is considered to have, at current rates of production, undiscovered reserves equivalent to 100 years supply for oil needs and 250 years supply for gas needs, provided of course that the Athabasca tar sands are developed. Those reserves will not dry up in 1980. When you say that they will run out by 1980, let me point out that if no one develops any more crude petroleum or natural gas, then certainly the supply will run out. If no farmer in Saskatchewan or Alberta planted any more wheat, we would run out of it also. That is what is wrong with their thinking.

Not long ago the Prime Minister (Mr. Trudeau) referred to the Alberta oil sands, and that reference can be found in *Hansard*. He said that the Alberta oil sands are estimated to contain 250 billion barrels of oil, of which approximately 26.5 billion barrels are recoverable by current processes. Those figures come from a report of the Canadian Petroleum Association, an independent petroleum group which hired technicians and geologists—not members of the NDP—to make these calculations. While these potential reserves are large, they will only become a reality by exploration, and only through risk exploration can Canada become assured of long term supply. In undertaking this risk exploration it must first be recognized that compared to Middle East supplies or any other reserves in the world

except in the United States, Canadian oil and gas are high cost in terms of finding, development and transportation.

The cost of the development of a new field in Alberta or even in the Arctic is very high. Our wells in Alberta produce about 100 to 200 barrels of the best per day, while in Venezuela one can produce about 10,000 barrels a day, and therein lies the difference because the cost of drilling a well, whether it is in Venezuela, in the Middle East or Alberta, is approximately the same. So the cost to produce crude petroleum in Alberta is greater than it is in the Middle East or in Venezuela.

May I call it five o'clock, Mr. Speaker?

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT BRITISH COLUMBIA AIRPORTS—RULING MR. SPEAKER

Mr. Speaker: Order, please. Earlier today the hon. member for Vancouver South (Mr. Fraser) proposed to move the adjournment of the House under Standing Order 26 to discuss the work stoppage at Vancouver airport. I indicated at the time that I had serious reservations about the advisability of putting the motion. I might say that in normal circumstances I would have ruled that the proposed motion did not meet the stringent requirements of Standing Order 26. However, it was felt that the Chair should take into account that a motion to adjourn the House for an Easter recess would, if carried, effectively prevent any discussion of the important and urgent matter between now and April 22. After consultation with the House leaders I have come to the conclusion that, on balance, it might be wise to permit the motion to be put this evening at nine o'clock.

Discussions with several House leaders suggest that there would be agreement that proceedings under Standing Order 40 be suspended, that the motion under Standing Order 26 be deemed to be carried not later than eleven o'clock this evening, and that speeches be limited to ten minutes except for the mover and the spokesman replying on behalf of the government who would be allowed fifteen minutes each.

Is this proposal unanimously agreed to?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

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

[Mr. Woolliams.]

• (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA PENSION PLAN

AMENDMENT TO PERMIT HOUSEWIVES TO MAKE CONTRIBUTIONS AND COLLECT BENEFITS

Mr. Max Saltsman (Waterloo-Cambridge) moved that Bill C-108, to amend the Canada Pension Plan (housewives' contributions and benefits), be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, since the inception of the Canada Pension Plan I have been moving private members' bills along this line in order to get fairer treatment for men and women who alternate between industry and home, or sometimes between being ill and being able to work. The principle is equally important in both cases.

Women may be invalided and, as a result, may not work for a number of years, or they may have to assume certain responsibilities at home and later wish to return to the labour force. Because there is no provision for housewives' contributions, even on a self-employed basis, women who find themselves in that position suffer a penalty to the extent that they do not get a full pension. That is a very wrong principle. A similar problem arises when someone has a prolonged illness and has to be out of the labour force for a considerable period of time, but re-enters it at a future date. There is provision for dropping off the years in which he has not been earning, and very often that person cannot recoup the years he has lost by making voluntary contributions during the period of his illness. Thus he suffers a disadvantage when he becomes eligible for pension.

I know that the government is looking at amendments to the Canada Pension Plan. On reading the statement given to the standing committee by the Minister of National Health and Welfare (Mr. Lalonde) one assumes that the government is sympathetic to amendments. As a matter of fact, some amendments are before the House now that would provide greater equity and fairness, as the scheme now stands, with respect to contributions made by those in the labour force and by those who are self-employed. But these amendments do not make provision for housewives' contributions or house persons' contributions. Two suggestions have been made. One is to correct an obvious defect in the Canada Pension Plan so that the benefits a husband receives will be split between himself and his wife. Obviously, there are some difficulties here. If the rates remain at their present level you do not really accomplish very much because you simply split them in two.

The second thing being considered is really the substance of Bill C-108 which is before the House at the moment, namely, that the housewife or house person be able to contribute on the same basis as a self-employed person. There are many arguments and difficulties involved in this concept, but it seems to me there are no more greater difficulties involved than there are with self-employed people paying into the fund. If the housewife could make a contribution to the plan, or

remain in the plan, her husband could pay for her if he was in a position to do so. Some people say husbands pay for it anyway, but not in straight monetary terms. At the most the payment would be $4 a week. It seems to me that $4 a week for the satisfaction of having a babysitter, a mistress and a purchasing agent is not really too great for a man to be willing to pay.

In this liberated age, of course, the man may stay at home, but even if the housewife or house person only worked 40 hours a week—in many cases they work far more than that—here we are still talking about only 10 cents an hour. This is not an outrageous figure for a man to contribute in order to ensure that his wife has an opportunity to get a full pension on her own. We are living in an age in which it is considered proper that a woman should have the independence of not having to rely on the income from her husband's pension. And of course if there is a common-law arrangement, if there is no legal contract on which the relationship is based, there is no reason why the same arrangements could not be worked out. Under those circumstances perhaps the woman is in a somewhat stronger bargaining position to insist on getting her $4 a week, or 10 cents an hour. I firmly believe women would be able to obtain these contributions if it were possible for them to get into the plan.

Of course, a problem arises in connection with people who are too poor to make a contribution. If people are on welfare, obviously they cannot make a contribution. Many of the people on welfare are women who have a number of children to support, and certainly there is no surplus from their welfare money with which to pay a Canada Pension Plan contribution. What happens in a case like that? It is grossly unfair if those who have husbands and are in a position to contribute $4 a week can obtain pension benefits, while people on welfare cannot. In a case like that it seems to me that the government has already assumed a kind of surrogate role on behalf of society, and in discharging that role should make the contribution on behalf of the individual woman. If, in fact, she is receiving welfare, a transfer payment is being made to her on the basis of necessity for food and for the care of her children, and surely this principle could be extended to provide a contribution to permit her, at some point, to get the benefit of a pension under the Canada Pension Plan.

Another point to be remembered is that people on welfare do not always remain on welfare. Some people temporarily go on welfare when they are in difficult circumstances. A woman on welfare may have been working previously. She may have established some eligibility in terms of a pension under the Canada Pension Plan. I submit that when she is on welfare for a period of time she should be enabled to maintain payment of her contributions. Chances are that as her children become older, or her temporary sickness situation disappears, she will be able to return to the labour force, will be able to make payments to the plan, and she will get a pension when she retires.

If a person is on welfare all her life, we certainly accept the responsibility to assist her through the old age pension supplement. If she has no other income except the old age pension a supplement is paid to her. But because of the way the Canada Pension Plan is structured, half of what is received by a pensioner under it is deducted from the old age supplement. This means that the government saves some money on the supplement, and it enables the person to get this pension in a different fashion than otherwise might be the case. Therefore the cost to the fund does not seem to be particularly onerous. This would be a worthwhile principle to establish with respect to welfare recipients.

There is a far greater problem involved when we come to consider the working poor. They are not poor enough to be on welfare, so how do we make an arrangement for them? I really do not see any clear answer for this problem, except in so far as we are examining a scheme to provide supplementary income for the working poor, and therefore we should consider assisting them to make their contributions to the Canada Pension Plan.

It seems to me vitally important that we establish the principle that women on their own are entitled to pension in the same way as men who are on their own because, by the nature of society, the kind of work they do in the home is equally as important as the work that is done in the factory. Many women work in factories, but also many women work at home. It is important that their work be placed on an equal footing.

Then, there are problems with the costs involved. If presented on the basis of the Canada Pension Plan, in three years they are eligible for some benefits, in five years they are eligible for others, and in ten years they are eligible for full benefits. Since we are trying to mesh it into an existing package, it obviously provides considerable advantages to people of certain age levels as against others. A longer meshing in period may be required in order to accommodate ourselves to that. If housewives are integrated into the Canada Pension Plan, there are some savings because things like survivor benefits and dependant benefits would not be required. As women tend to live longer than men, they would be drawing from their own pension rather than receiving a survivor benefit so in the long run perhaps the cost of the Canada Pension Plan could be reduced. If a way cannot be found to integrate housewives into the Canada Pension Plan, then I think that Pension Plan must be abandoned. I do not think we can afford to have a plan that so blatantly discriminates against the women in our society.

● (1710)

I discussed this matter with my friend and colleague the hon. member for Winnipeg North Centre (Mr. Knowles) who suggested we would be spared a lot of problems by simply increasing the old age security benefit. As he is in many things, it seems to me that the hon. member is correct in this. If we cannot adapt the Canada Pension Plan to include housewives, then we must find a way of providing benefits and equity in the old age security benefit. I think this plan is an example of one of the finest social security schemes. It is universally accepted by Canadians and is eminently fair, making no distinction between men and women. Money has been paid into the fund through sales tax, income tax and corporation taxes based on the ability to pay or ability to consume and the benefits are distributed on a universal basis. The tax system is progressive and those who are better off in society, although they receive the old age pension, make a

repayment through income tax. This plan is the best of all the social security schemes that we have.

If the Canada Pension Plan cannot be adapted, and if the difficulties that the minister has pointed out are so profound, then we should go the other way. This would probably mean that each person in Canada would be entitled to a basic pension of $250 or $275 a month. It might be just as well for us to move in that direction because it would improve our old age security system to include some of the good features of the Canada Pension Plan. For instance, we could incorporate into the old age security benefit an option to include disability benefits so that if a person became disabled at age 50 or 55, he or she would be eligible for the old age pension. This would take us along the road to social justice. There are people in our society aged 55 who have worked very hard in an occupation that has worn them out. Most people would agree that good as our old age security system is, under certain circumstances of disability there should be provision for earlier retirement.

It seems to me, Mr. Speaker, that we have to take a stand and do something about a pension for housewives. I hope the House of Commons finds a way of opening up the Canada Pension Plan to give justice to the women in our society or perhaps the House should give up the Canada Pension Plan and instead, improve the old age security plan. In order to come to some kind of resolution on this matter, I hope that all members of the House will allow the bill to receive second reading and go to committee where these things could be examined.

[*Translation*]

Miss Monique Bégin (Saint-Michel): Mr. Speaker, I admit that I am deeply confused to find myself in the somewhat ambiguous position of having to kill a bill. Let me explain that it concerns Bill C-108. I know that my words usually say the truth, but a hidden truth. Then, Bill C-108 was graciously introduced by my hon. colleague from Waterloo-Cambridge (Mr. Saltsman) for the benefit of Canadian women.

At the outset, I wish to point out to him that if he had a sharper awareness of the daily problems of the women in Canada working without pay, he would have made sure to call them "housemistresses" and not "housewives". He should have read the report of the Royal Commission on the Status of Women in which I had the honour of participating and which I co-authored. He would have seen one of the things that most hurt the 3½ million women who stay at home and work full time without any salary. Indeed, Statistics Canada asked them during the census: Are you working or are you a housewife?

This is a very complex problem, because it goes to the very roots of our society. However, I readily agree that my hon. colleague showed much good faith in attempting to present a private bill that would enable housemistresses to make full contributions, if I may say so, to the Canada Pension Plan, and certainly I hope, to the Quebec Pension Plan. But, of all he said in introducing his bill, I remember one thing that, I admit, shocked me. He said:

[*English*]

The working poor—they are a problem. I really regret I do not have any solution.

[Mr. Saltsman.]

● (1720)

[*Translation*]

He added a bit further on: For me, introducing this bill—I quote his words, not word for word, but as I remember them—is a matter of principle.

Mr. Speaker, in my case, my position is almost the opposite of his. To me the problem of principles, the big words of social justice are an ideal we strive for a bit more every day; to me that is something relative and not absolute. Who created the problem of house-mistresses in Canada? First of all, it is a problem of the "working poor" or the "poor". I pointed it out in my maiden speech when I first had the honour to address this assembly after being elected. The royal commission proved one thing to the Canadians who read the report: that the poorest of the poor in Canada are the women. In this regard, I shall express a few ideas in the course of this debate concerning an eventual contribution by house mistresses to the Canada Pension Plan.

What problem affects them most with regard to the Canada Pension Plan? Of course, I must say that after having held public hearings and done some research, the commission decided to include in its report a recommendation, which has been ground down in any event and in many ways since, recommendation that is closely related to Bill C-108 now before us.

I would like to revert to what we said actually. First, we said as regards women in Canada and the Canada Pension Plan that the most important difference is that existing between sexes in the Canada Pension Plan and it is to be found in the benefits granted to the spouses and children. Consequently, we recommended as the commission did that the legislation related to the Canada Pension Plan and the Quebec Pension Plan be amended so that the provisions concerning the wife and children of a male contributor may also apply to the husband and children of a female contributor.

This reform which is under way—and in this connection we have had a press release last April 5—is a technical reform involving more people and correcting a genuine injustice between sexes.

The other problem is different. Besides we had moderated our way of thinking at the time. Page 40 of the report reads as follows, and I quote:

> Therefore, we recommend that (a) both the Canada and the Quebec Pension Plans be amended so that the spouse who remains at home . . .

We had the wisdom to foresee times still to come and we did not mention only women.

> . . . can participate in the Plan and (b) the feasibility . . .

And God knows that we recommended measures rather than studies, but here we had to say:

> . . . the feasibility be explored of:
>
> (i) crediting to the spouse remaining at home a portion of the contributions of the employed spouse and those contributions made by the employer on the employed spouse's behalf, and
>
> (ii) on an optional basis, permitting the spouse at home to contribute as a self-employed worker.

We did that for several reasons because few women and few groups came to request the Royal Commission on the Status of Women to include this recommendation in the

report. However, some women did. There was nothing wrong with this recommendation. But practically, what does it provide people? And first, what is its origin? In my opinion, it originates not so much from a real problem of discrimination between the sexes but from a psychological problem by which one fails to recognize a role which is essential in the structure of our society and that of today's family.

This recommendation therefore comes from the uneasiness that housemistresses have expressed and that I shall summarize, if I may, by quoting from an article by the very famous Galbraith, which article was published in the March 1974 issue of *Maclean's* and in which the author deals with the virtue of social convenience. He says, and I quote:

> The virtue of social convenience is extremely useful in bringing people to do disagreeable tasks. Not so long ago it convinced the young men to joyfully and conscienciously accept military service despite much lower pay than the normal rate, which automatically reduced the fiscal burden of taxpayers which were already well-off. Any resistance was considered despicable and even antipatriotic and was condemned. The same virtue—

—social convenience—

> —guaranteed the charitable and careful services provided by nurses or home and general hospital services. There again, the credit earned before the eyes of the community served as a substitute for fair payment. (It should however be noted that physicians never did accept this type of payment!) But the absolute success of the virtue of convenience comes with the conversion of women into servants.
>
> In pre-industrial societies, women were appreciated of course for their procreative ability, but also for their performance in domestic duties and their value on the farms, as well as, in the higher classes, for their intellectual, decorative or sexual merit.

This is what Mr. Galbraith says. According to a very famous Canadian economist, the housemistresses whom my colleague from Waterloo-Cambridge calls housewives make a very significant contribution to the gross national product, but one which is totally hidden or even ignored in our method of social accounting.

He said: "The work . . " and I take his figures instead of ours, because they are higher and more recent, and I think that he has a better reputation than the modest report of the royal commission. I go on quoting:

> The work of the average woman . . .

According to me, it is a bad translation and it should read: "housewife from an average family"

> . . . is approximately equivalent to the salaries paid in 1970—$257 a week or $13,364 a year.

Economists have tried, especially in the United States, also in Sweden and to some extent in England, but not so much in Canada, to give an economic value to the work of the housewife and to conciliate our social accounting accordingly.

These problems will probably make some members smile. But women very well know that they are housewives, cooks, laundresses and ironers all rolled up into one, even if we are blessed with modern and very useful appliances and what have you. They vigourously resent this lack of social acknowledgement of their identity, their role and their definitely economic contribution.

Those women are not the majority, housemistresses of families in the high or fairly high income brackets who could probably pay themselves the luxury of making optional contributions each year to the Canada or Quebec Pension Plans.

They would have to double the amount we pay because someone will have to pay the employer's share. I will not go into the technical details to say that about $200 will have to be spent by those women so that they get a corresponding pension at the age of retirement.

There is no problem there. So much the better for them, but the women who would not draw a pension are those whose condition is extremely modest, not to say underprivileged, the poor women who must stay at home because they have no skill or because they lack the necessary training to get a remunerative job outside, or perhaps because they have no husband. Nobody spoke about this in this bill. The women whose husbands do not earn enough money, those who simply do not have $200 for the contribution of both the employee and of the employer to the Canada Pension Plan or the Quebec Pension Plan have been forgotten.

It is certain that it is not the social symbolism but the practical result which interests those women. As far as I am concerned, in spite of the endeavours we made through the royal commission, in spite of the efforts of the Department of National Health and Welfare to find a solution to the possible participation of those women to the Canada Pension Plan, it is much more by a formula such as the guaranteed annual income that we will help the women who really need help.

Now, before closing my remarks, I would like to ask some questions which should prompt people to reflect on definite practical problems. I think this bill is cute. I apologize but I have no other word to describe it. Though it was conceived in good faith, I do not find it very practical and I do not think it will be of real help to women.

● (1730)

On the other hand, it is unfortunate that the press, the media, the feminist movements are bringing in this question in a wrong light. Even some hon. members, when they get interested in the women's condition—put in the spotlight this sole recommendation as being the very symbol of what is commonly called women's lib. This is a social lie we are now telling them. The mass of women—and I apologize for such a crude term—will one day be made up of widows and this for two quite simple reasons: first, the married man, still nowadays, according to Canadian and western statistics, usually marries a woman younger than himself and furthermore, women live longer than men.

Based on those innocuous and practical considerations, I therefore conclude that women have more chances, according to statistics, of becoming widows and as such they are covered; so there is nothing to worry about, it is in the legislation. The rare cases of widowers will soon be covered. The Minister of National Health and Welfare (Mr. Lalonde) has suggested the necessary amendments to that effect.

Secondly, in order to be practical, I would like to ask my colleague from Waterloo-Cambridge if he forgets the fact that times change. His bill seems to have come to a standstill. However, women are increasingly coming on the labour market and they are often working part-time. How

should the earnings of those women be assessed? We have not found any answer to that question in the bill introduced by the hon. member and I know that the very serious work performed by the royal commission and everything done by the department involved since last year have not provided any practical solution taking into consideration all the women who work part-time.

I would have much more to say on that matter, but I will not take more of your time. I would ask my male colleagues interested in the status of women to read the report of the Royal Commission on the Status of Women in Canada. They can obtain a copy at a reduced price as members. Indeed, it can easily be purchased at Information Canada. They should choose the recommendations whose application will affect most Canadian women and, as a priority, the poorer Canadian women.

[*English*]

Mr. Speaker: The hon. member for Lachine-Lakeshore (Mr. Blaker).

Mr. Blaker: Mr. Speaker—

Mr. Speaker: Order, please. I recognized the hon. member for Lachine-Lakeshore, but I did not notice that the hon. member for Vancouver Kingsway (Mrs. MacInnis) was rising. Although the hon. member for Lachine-Lakeshore is entitled to the floor, I wonder whether he would yield, to use a phrase heard very often in the U.S. Congress, to the hon. member for Vancouver Kingsway.

Mr. Blaker: I will be delighted to yield, Mr. Speaker.

Mrs. Grace MacInnis (Vancouver Kingsway): I, on my part, Mr. Speaker, will undertake not to take more than ten minutes. I think we are all very grateful to the hon. member for Waterloo-Cambridge (Mr. Saltsman) for having introduced this bill once again. It has features which are of interest, and the most important thing about it to my mind is that it gives us the opportunity to discuss the whole matter of housewives and their proper pension coverage under social security programs.

To the hon. member across the way who has just spoken with such eloquence I would say that it is three years since the Royal Commission on the Status of Women recommended very strongly that housewives be included in the Canada Pension Plan, and I would have hoped that the government she supports would have seen fit to give us a lead before now as to a method by which this difficult task could have been achieved. I agree absolutely with her and with the hon. member for Waterloo-Cambridge that housewives ought to be entitled to full pension coverage. They should also be covered by pensions in their own right as individuals.

The difficulty about fitting them into the existing Canada Pension Plan is very real. In the first place, the Canada Pension Plan is geared to earnings and the great majority of housewives have no earnings. There is the first difficulty. If we say that they are worth a great deal of money—and they are; their services are worth a tremendous amount—are we going to lay down a flat rate and assess their earnings at being so much, and consequently say so much is to be paid for them out of the treasury in respect of a pension?

[Miss Bégin.]

If we do that, we will have fights everywhere on the business of the flat rate. Is a woman with a husband and three children to be considered in the same earnings bracket as a woman with a husband and six children, or one with a husband and no children? It is very difficult to assess as a basis for Canada Pension Plan coverage an income that a woman doesn't get. In the second place, the Canada Pension Plan is geared to individuals, it is not geared to families, and I am beginning to wonder, as are the hon. member for Waterloo-Cambridge and the member for Winnipeg North Centre (Mr. Knowles), whether the Canada Pension Plan is the best vehicle for providing the coverage that housewives ought to have.

The ideal thing would be to give housewives an income. I have urged for a long time that women who stay at home and make a career of raising their children, instead of going out to work behind a counter or engaging in some other means of earning a livelihood or a partial livelihood, should be paid an income in respect of their duties as housewives. If we had done that and if housewives were receiving an income, perhaps related to their responsibilities at home, then it would not be difficult to bring them under the Canada Pension Plan.

● (1740)

To my mind there is one very great difficulty about all of the solutions that are put forward. For one thing, we are given no figures showing the monetary effects of these solutions, what the cost would be to the treasury, the household, and so on. The really great difficulty in the discussion paper submitted to the health and welfare committee by the Minister of National Health and Welfare (Mr. Lalonde) related to the solution where housewives would have a split pension credit with their husbands. In other words, the husband pays 50 per cent for his own pension, building up his wife's pension with the other 50 per cent. That is perhaps a good solution in a case where the husband earns a very good income. He and she, can then afford to have his pension credits split in that way. But what about the person of modest income, or the working poor? When you split the pension credits of these people, it means not enough will be left for the wife to live on when she reaches old age even if a halt is put to inflation. This is why I do not think that solution would be workable.

Just as the unemployment insurance scheme had amendments made which perhaps destroyed its original purpose of being geared to earnings, there are features of these proposed amendments to the Canada Pension Plan that steer it away from its original intention, which was to be geared to individuals who earn money. Perhaps we should consider looking after housewives, at least for the time being until they are paid a salary for their housewifely duties, under our old age security system. If that were done, we would encounter very few of the difficulties we would face bringing them into the Canada Pension Plan. Then, as their income increased they would be taxed accordingly, but would not be penalized if their income dropped.

If housewives were brought under the Canada Pension Plan it would be a real bonanza for housewives in wealthy homes. I would not want to see this happen. I do not want to see the poorer housewives brought into a scheme where

they would have a split pension credit with a husband who had a hard time earning a decent pension for himself. Then there are other problems, such as marriage breakdown, separation or divorce. Certainly these are matters that would have to be resolved. This is why I think housewives should have the elasticity of the old age security system, where they could be permitted to receive old age security at a lower age if they were without means.

I promised not to go beyond my time, and I shall not do so. I want to assure the hon. member across the way that I am just as keen as she on including housewives in a pension scheme and recognizing their value as housewives. Until such time as housewives earn money of their own, I do not want to see them included in some inadequate pension split with husbands who in far too many cases are not earning sufficient to assure an income for their wives, be they living with their husband, separated, divorced or eventually widowed.

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, it is a well known expression that "such-and-such is a rather difficult act to follow" I suggest that in considering this private member's bill, Bill C-108, with respect to pensions for housewives it is an extraordinarily difficult act to follow when two lady members of parliament have commented on the subject. I notice the hon. member for Saint-Michel (Miss Bégin) has moved to behind the curtains for a moment.

[*Translation*]

But if I could reassure the hon. member for Saint-Michel (Miss Bégin) concerning the English word "cute"—

[*English*]

She used the word "cute" to describe the bill, and I agree with her because it is an oversimplified bill that does not go to the heart of the difficulties of women in Canada.

[*Translation*]

If I may explain the meaning in English of the word "cute", I will say that it is "bow-legged"—

[*English*]

In other words, to be "bow-legged" is to have a body with a fault. That is a perfect description of this bill, one about which the hon. member for Saint-Michel has no need to be embarrassed. This bill is a body with a fault, because it does not go to the essence of the problem that was considered by the hon. member for Saint-Michel and by the hon. member for Vancouver Kingsway (Mrs. MacInnis). May I pay my respects to the hon. member for Waterloo-Cambridge (Mr. Saltsman) for putting forward this bill which does go to the essence of one of the many problems women have in this country. But I noticed that the two previous speakers commented not so much upon the details of the bill as upon some of the problems in the over-all sense that relate to the status of women in Canada.

If I may be permitted to continue this approach to the subject, I would tend to examine the legal and economic rights of women in Canada. Before too much of my time elapses, may I briefly comment that there are many problems respecting Bill C-108 in regard to defining a housewife as an employee. With the greatest respect to the hon. member for Vancouver Kingsway, I do not think it is possible that in the near future we can begin to pay everybody who is defined as a housewife—whatever that definition might be—some kind of salary. I say that not because I object to paying housewives a salary but, rather, simply because obviously the cost to the public treasury would be almost incalculable.

Perhaps because of my own background I would tend to consider another aspect of the problem, namely, the rights of women under the law. There is no doubt that as a result of the recommendations of the Royal Commission on the Status of Women, the government of Canada has succeeded in making substantial improvements in this field, at least in law, though I would be the first to admit that there is a very considerable distinction between law and practice. It has always been a conviction of mine that equal pay for equal work would resolve many of the problems relating to the status of women in this country. I have changed that opinion in recent months because I have seen too many instances where, while the law requires equality, reality in fact does not confer equality upon women. While I might disagree with some of the approaches of the hon. member for Vancouver Kingsway as to the possibilities there might be for equality for women based upon an income for housewives, and so forth, at least I can agree with the principle involved, which is that the time has come to put an end to the economic distinctions we make in our society with respect to the status of women.

We can pass legislation providing that women should be allowed equal income for equal work, but in fact we find that women are not getting equal income for equal work. We can pass legislation, as we have in the province of Quebec from which I come, which in many regards has improved the status of women and taken it out of its relatively feudal state and brought it up to, perhaps 10 or 15 years ago, a state in law which is not too much criticized today. Changes have been made such that women who at one time were not able to make decisions affecting their families are now able to do so despite the absence of the husband or even despite his disagreement.

● (1750)

We could consider, for example, the right of women in the province of Quebec to determine what constitutes the best medical consultation in respect of themselves and their families. Again, this is something relatively new. I do not suggest, necessarily, that such reform of the existing legislation on the status of women has gone as far as it should go, but I would like to point out that the question of the status of women is improving with considerable speed.

On the subject of pensions as contained in Bill C-108 proposed by the hon. member for Waterloo-Cambridge, while I am in full agreement with the purpose of the bill, which I believe is to bring before this House the need to consider the economic status of women, I remain at the same time somewhat disturbed by many of the problems, some of which were referred to by the hon. member for Saint-Michel, which relate to an attempt simply to redefine a particular expression, in this case the word "employee" in the act.

The principle for us to consider should be the right of women in law, economic law, to enjoy the same benefits as men in a partnership which our society calls marriage. The fact that in some cases one of the partners chooses to remain in the home and to accept, I suppose, both the joy and burden of governing and caring for the entire family in the homestead, should not preclude that person but in fact should provide an additional right for that individual to share in the benefits of the economic results of the other spouse's working. I do not mean to be trifling when I say that the point of identifying the housewife as an employee could be considered well intentioned but there are a growing number of male persons who might very well be included in such definition of "employee" in so far as the Canada Pension Plan is concerned. So we cannot arrive at a solution to this problem of women's rights to pensions simply by including the word "housewife" within the definition of "employee."

The problems which can be referred to, it seems to me, should be taken in two basic divisions. One is that as this private member's public bill is now drafted it would result, I think, in considerable inequity in respect of wives and families which are not economically or financially better off, because if voluntary contributions were to be the rule of the day, then obviously housewives in preferred financial situations would be in a better position to make voluntary contributions than wives of low wage earners. In that regard I think one should mention that the Income Tax Act provides, under section 79, for any individual, regardless of sex, particular economic income or activity, to deduct from their income—if I recall correctly—the lesser of either 10 per cent of income or $2,500. What is proposed is on the right track on the principle that it has nothing whatsoever to do with the sex of a person who makes the contribution to their own pension plan.

The second problem which somewhat concerns me in respect of including a housewife in the definition of "employee" is the difficulty referred to by both the hon. member for Vancouver Kingsway (Mrs. MacInnis) and the hon. member for Saint-Michel. That is the problem of what happens in the case of separation or divorce or any other change in the legal status of the person involved. What I should like to see in the final analysis is a situation where the whole family, both in the sense of its status as a total family and in the sense of the rights continuing in the event a family should suffer a breakdown, including the father, the mother and the children, would have all the economic rights available in Canada and equal access to all government-sponsored benefit plans.

Until we arrive at the stage where we are prepared to submit legislation to this House the result of which would be that women are truly equated with men both in an income and legal sense, then I suggest this bill as it now stands has the merit of raising the problem, pinpointing and spotlighting it, but it does not at all resolve the problem. I would rather see us put more thought and time into this subject, rather than put definitions into the Canada Pension Plan, the result of which would be to recognize the absolute and complete legal right of every woman in Canada to share in all the family benefits provided by our government and our economic system.

[Mr. Blaker.]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, the hon. member for Waterloo-Cambridge (Mr. Saltsman) at the conclusion of his speech pleaded that we allow this bill to go to committee. It has been made abundantly clear during this debate that the bill has a number of defects. I am not suggesting there is no value in its going to the committee, because certainly those difficulties would become obvious to hon. members participating in the committee's work. However, it is clear that this procedure could be followed during discussion on the paper tabled by the Minister of National Health and Welfare (Mr. Lalonde) which agrees in principle that homemakers in this country should be able to participate in the Canada Pension Plan and provide for security of income at a later date. I think a discussion on that paper would accomplish exactly what the hon. member wants, and that is an open discussion on the issue of including homemakers in the Canada Pension Plan.

Mr. Speaker, may I call it six o'clock?

[*Translation*]

Mr. Speaker: Order. The hour appointed for the consideration of private members' business has now expired. I do now leave the chair. The House will resume at 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

PROVISION OF EXPORT CHARGE, COMPENSATION FOR OIL IMPORT COSTS AND REGULATION OF PRICE OF CANADIAN CRUDE IN INTERPROVINCIAL AND EXPORT TRADE

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-18, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain oil import costs and to regulate the price of Canadian crude oil in interprovincial and export trade, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, just before five o'clock I was dealing with the clauses of the bill. For a few moments I wish to discuss with the House clause 21. Clause 21 deals with the agreement made between the Prime Minister (Mr. Trudeau) on behalf of Canada and the premiers on behalf of the provinces. As recorded at page 1244 of *Hansard*, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said:

> One of the strange things about this pricing mechanism is that we are being asked to approve it although there is no written agreement. Clause 21 of the bill makes reference to an agreement, but goes on to provide that the agreement need not be expressed in any formal

document, that the agreement can be contained in reciprocal orders in council. We can discuss this matter later, but I want to point out now that neither this House nor any committee of this House should be asked to pass legislation giving authority to the government to impose a price mechanism on the basis of an agreement that we have not seen and of reciprocal orders in council that have not been tabled. This I hope the minister will do before this bill is dealt with any further.

My concern is that this bill is supposed to crystallize the agreement between the Prime Minister and the ten provincial premiers who met and agreed on the pricing of oil, on the compensation and on the surtax. Clause 36 shows very clearly that the federal government wishes to take over control. When dealing with price, the Prime Minister and the minister said that the question of price in the agreement would last only 15 months. I would refer you, sir, members of the House, and indeed the media, to clause 36 which provides:

Where no agreement is entered into pursuant to section 21 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the governor in council, is not effective or is not capable of being effective, the governor in council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this part applies—

What I am saying is this: clause 21 deals with the agreement. There is nothing in writing. The agreement was reached at a luncheon meeting. The premiers and the Prime Minister came out and held a press conference. The only thing we know about this agreement is what we read in the press and the fact that it was held in secret.

Clause 36 in effect says that if that agreement is terminated, and it will be in 15 months, or if there is a feeling on the part of any province in breach of the agreement, then the federal government can move in and make the decision through the governor in council, which means through order in council by the cabinet. This is the reason I am very pleased the minister agreed today, after interrogation on my part yesterday and today, to send this bill to a standing committee provided, of course, we are to hear witnesses from the provinces, from the companies and from the consumers in respect of the bill as it is written.

The question we must ask is whether this bill really expresses the agreement that was entered into verbally on March 27. There are a few things I should like to say before I close in reference to what has happened in the past few months. There has been talk about shortage of supply and about the fact that the supply of 200,000 gallons per day dropped down to 50,000 gallons a day, and in the end we did not know what the supply would be and what the shortage would be. As I have said, there was not an energy crisis in Canada. There was a transportation crisis.

If this government since it took office had built transportation facilities from the west by pipeline—not from Sarnia to Montreal, which means only an additional 15,000 barrels of crude petroleum a day—to carry crude petroleum into Montreal, and indeed to the maritimes, would we have had sufficient supplies of crude petroleum in Canada to supply our needs without any importation. Therefore, I agree with the former leader of the NDP when he talks about the bill setting out certain terms which mean, of course, control by the federal government and the taking away of control from the provinces. This is the reason I am pleased the bill is to be referred now to a committee, before which I hope we will be permitted to call witnesses and to hear evidence from the provinces, from the oil companies and from the consumers' associations to determine exactly what is meant by clause 36.

● (2010)

Clause 36 says that if the price freeze runs out in 15 months, and that is what the Prime Minister spoke about on March 27, then the federal government can pass orders in council and thus will control not only the price but will compensate the industry and move into the field. I say to you, sir, that that is totally unconstitutional.

What I would have liked—and this has been my ambition since I have been a member here—is the government to have had the vision to see that free enterprise should continue in the exploration and development of crude petroleum and natural gas, not only in Alberta and Saskatchewan but in the Arctic and offshore in the maritimes. We should build pipelines so as to supply the whole of Canada. Every day we export one million barrels of crude petroleum to the United States, and we import into Canada the same amount either from the Middle East or Venezuela. Our imports and our exports are just about equal. But if we had had a government with vision, a government which realized the possibilities which exist in this country—in the same way the CPR was built— we would have the means of transporting energy from western to eastern Canada.

We should be self-sufficient in this natural resource. Before supper I pointed out that we will have a sufficient supply of crude petroleum if the tar sands are developed—apart from what might happen offshore—for 100 years, not only to fulfil our export commitments but to satisfy our own needs as well, and sufficient natural gas for 250 years. Men with small minds, men who want to play politics with regard to this subject, will tell you that we will run out of these natural resources by 1980, because what they want is adversity for the sake of power. What I want to see in this country is a new national dream, a new transportation system to transport energy and gas which would come down from the Arctic by pipeline, with the help of the United States, to the industrial centres of eastern Canada and indeed to the industrial centres of the United States, each country paying a price to transport those resources under a joint venture, joint financing, because in the oil and petroleum industry risk capital is needed.

Members of the NDP always say that we will run out of oil and gas. I say that we would run out of them if we accepted their philosophy. They do not want to give anything to industry. They say, "We have this much and we will share it with the people of Canada." But I say if we had vision with regard to corporations we would provide the average man with incentives to enable pipelines and transportation facilities to be built. There never was an energy crisis in Canada. That was fiction and built-up emotion because of the ineptitude of the government and its inability to provide leadership. That can be proven today. The Minister of Supply and Services (Mr. Goyer) has bought, this winter, heating fuel at 89 cents which we now know is worth 13 cents to 15 cents.

An hon. Member: Ninety-nine cents.

Mr. Woolliams: Somebody from the Liberal Party says 99 cents. Whatever it is, it will cost the taxpayers between $40 million and $50 million. I have a recommendation to make to the House, and I make it seriously. I suggest that the president of the proposed company, an idea which the NDP sold to the Liberal Party—they are all socialists, anyhow—should be the Minister of Supply and Services, because with his ability to purchase oil you know what the oil companies would say.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member—and this is not what the oil companies in Calgary would say—but his time has expired. He may be allowed to complete his remarks but it would require unanimous consent. Is this agreed?

Some hon. Members: Agreed.

Mr. Woolliams: I will be very brief, Mr. Speaker. I would like to see the minister appointed president of the company, because then they would realize the imperfections of a federally-run company. You can rest assured, Mr. Speaker, that the companies which have found oil and the natural gas will find that there is no competition when they have the minister as president. That is my recommendation, that the Minister of Supply and Services be named president of the new company.

Some hon. Members: Hear, hear!

An hon. Member: Goyer for president.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I speak on the bill before us tonight having read some of the speeches in Hansard and having heard others speak in the House on this legislation. I find it interesting to note in particular that at page 1235 of *Hansard* the Minister of Energy, Mines and Resources (Mr. Macdonald) is reported to have said:

—I would like to join with the Prime Minister in asserting that federalism triumphed in reaching a solution to a problem which was at its heart a matter of relative equities and sharing within our country.

This is not the first time I have heard that comment about federalism being triumphant. But surely the minister in making that type of statement is glossing over the hard fact that if there had been a little more foresight on the part of the Trudeau government or the Liberal government that has governed this country since 1963, there could well have been no crisis or disaster over which federalism would have to triumph. Surely it is a strange but accurate observation that this government gets into trouble repeatedly and then, rather than admit that they should have foreseen what transpired, they take credit, if they can, for coming out with some type of a solution. I trust that come an election, the electors of Canada will not accept the explanation given by the government concerning this type of situation. I believe that federalism has triumphed, not because of the Trudeau government but in spite of it.

Now I would like to deal with specific clauses in Bill C-18 because I believe that the government has left us open, perhaps inadvertently, to a serious drain should their administration of this legislation not be as successful as expected. I am referring to the petroleum import cost compensation sections of the act beginning with clause 51.

I think it is fair to say that, subject to the various safeguards that they have put into the bill, the minister is contemplating that an importer of petroleum products, or of petroleum itself, will be entitled to apply for and to receive compensation for the amount that he pays for his foreign product over and above a stated level as set out in the bill.

● (2020)

This matter was first raised in committee, and we in the committee were quite surprised at the lack of precision which the minister's department showed in defining how exactly the compensation would be determined. Let us put it in the simplest terms. The departmental officials are indicating that they feel they can audit a system of costing at the Canadian import point that will justify their compensating the importer really with no limit. I stress "really with no limit" because surely most of us here were quite surprised during the last two weeks to learn that, on the instructions of this minister, the Department of Supply and Services in early December last purchased fuel oil at a price of 89½ cents to be delivered at the Black Sea.

If we translate that into the cost of the fuel per barrel, it can readily be seen that it was over $30 a barrel which the Department of Supply and Services, at the request of the Minister of Energy, Mines and Resources (Mr. Macdonald), paid for that fuel. Not only did they pay virtually the highest price in the world for the fuel, but by accident or otherwise they ended up paying at the rate of 10½ cents a gallon to have it shipped from the Black Sea to Canada. That again works out at almost $3.50 a barrel, or almost the price of our domestic oil at that time. I repeat, it works out at almost $3.50 a barrel simply to have the oil shipped across the sea to Canada. On the formula that this bill contemplates we would find that an importer of that fuel could pay those kinds of prices, which presumably he can justify and have it documented, both as to transportation and the actual cost of the fuel itself, and then turn to the Canadian government and say, "Compensate me for the difference between the basic price level in Canada and the cost of my importation."

I suggest that this is a rather alarming situation for the people of Canada to be getting into. It is virtually a blank cheque proposition to those who may, to give them the benefit of the doubt, through sheer stupidity buy oil at unduly high prices throughout the world or, worse than that, enter into some type of conspiracy to see to it that relatively large rip-offs take place, knowing that the government of Canada will pick up the tab. That is why I was particularly pleased today when the minister indicated he was willing to have this bill go to the standing committee, because I believe that these clauses, not only the compensating clauses but certain other clauses in the bill, deserve very close scrutiny before they are passed by the House. But my pleasure in having the minister agree to having the bill referred to the standing committee was lessened somewhat when he qualified the extent to which we would be given an opportunity to hear witnesses concerning the bill.

We who sit on the national resources committee have been very disappointed with the guillotine that has been used by the NDP and Liberal members who sit on the steering committee with respect to guaranteeing that wit-

nesses whom we want to appear before the committee are not given an opportunity to do so. I sincerely hope that the minister will do his best to ensure that any witnesses we as a caucus see fit to call before that committee will be given an opportunity to appear before it and receive a proper hearing. For his own protection, the minister should allow the committee to investigate intensively the provisions of this bill. He cannot hold a club over the committee as he did previously when we were attempting to deal in a prudent way with the allocation bill. At that time, in his mind anyway, a dreadful crisis was hanging over Canada which did not afford us an opportunity in time to review the bill properly. I suggest that Bill C-18 does not have to fall into that category and it should be investigated intensively.

Let us accept the fact that the total tax raised with respect to our exportation of oil will be between $1 billion and $1½ billion. Granted, that is a large amount of money, Mr. Speaker, but we have to weigh whether it will be sufficient to cover the cost of the importation of oil into eastern Canada as contemplated in this bill. I say this because I found it interesting that in the international economic report of the President of the United States, issued in February of this year, the total costs of oil imports to certain countries around the world, including Canada, were estimated. In that publication they project that the Canadian cost of importing oil in 1974 will be $4 billion, compared with $1.3 billion last year. They point out that this is an increase of $2.7 billion in extra expense to somebody in Canada for the cost of our oil imports.

In the committee we questioned the minister on whether he agreed with that figure, and frankly I was startled to find he would not even hazard a guess as to the cost to Canada. Yet our neighbour, the United States, a month earlier was able to publish the estimated figure for Canada and for other countries throughout the world. Surely we must find it alarming that we have a bill before us drafted by a minister and his department who cannot even tell us what possible cost they are attempting to cover. We know the amount of the export tax to be between $1 billion and $1½ billion. That is why I say we in the committee must be very cautious to determine to what extent, under the compensation formula, costs may run at a much higher level than anybody to date has foreseen.

We see figures given in publication after publication. I refer, for example, to the February edition of The Petroleum Economist. They point out that the total cost of fuel to consuming countries in 1974 will likely be $160 billion. In short, Mr. Speaker, we enter a tremendous money field when we start dabbling in international trade in oil and petroleum products. We need an act with teeth in it to guarantee that multinational companies, the tanker lines and those working with them, will not be able to put Canada into a rip-off position such as we have never seen before.

● (2030)

I anticipate that Aristotle Onassis will jump with glee when he hears, as he must, that the Canadian government is contemplating a compensation plan such as the one before us tonight. I find it odd that when we speak of Onassis we get right back into the Olympics. As most members know, his ships are called *Olympic*, and for those who are interested in knowing the number of Onassis ships that may be involved in the compensation plan that the minister is asking us to accept I would refer them to the Shipping and Shipbuilding Directory which shows the magnitude of his fleet and that of certain other shipping magnates who are waiting to carry oil into Canada.

Having said that, Mr. Speaker, I say that the minister should be much clearer than he has been to date on how they not only intend to audit the delivery and cost slips but how they will ensure that the cost of the fuel delivered has not been marked up, through tax havens or excessive tanker costs, on the way to Canada. Most people agree that this market has been dominated by cartels for many years. In a book which deals with large international firms in developing countries, and specifically the international petroleum industry, a passage deals with the tremendous interrelationship between the world's great oil companies, the producing companies and the tanker fleets which deliver the products. At page 151 appears the following statement:

> In the nature of the case, any such cartel arrangements would be kept as secret as possible, and much of the evidence for their existence would have to rest on inference from the observed behaviour of the companies. The Federal Trade Commission—

That is referring to the United States Federal Trade Commission.

> —in its report, The International Petroleum Cartel, made a comprehensive attempt to collect the available evidence, and, as the title of their report implies, concluded that the designation "cartel" was appropriate. The report did show that some of the companies had attempted to establish marketing cartels in numerous markets before the Second World War, that all were very much aware of the desirability of limiting rivalry among themselves and of respecting each other's markets, and that a worldwide pricing system was effectively in operation for varying periods.

Mr. Speaker, this is the type of market that will benefit from the compensation policy proposed in this bill. Prices differ sharply from country to country. For example, if the cost, including transportation, is $11 per barrel for Saudi Arabian oil and $9 per barrel for Venezuelan oil, there is no guarantee that the importing company in Canada will not route the $11 oil to Canada and the $9 oil to a sister company, say in the New England states, because of the $2 per barrel compensation that the Canadian government will pay if this bill is passed. That is the type of situation that we have to analyse. When we realize that we are talking in terms of a million barrels a day, we can see the rip-off that could take place if there are loopholes in the formula. Perhaps $2 million a day is not much money to the Trudeau government at the rate they spend, but I suggest that even they have to be cognizant of the impact of a drain of $2 million per day over a period of years.

From time to time the government has referred to the new price for oil as being an increase of $2.50 per barrel. Now they are trying to say that it was always their intention that the increase should be $2.70. Mr. Speaker, while a 20-cent difference may not sound much, I would point out that it is 8 per cent. When you are dealing with figures of the magnitude that we are with regard to oil in Canada, 8 per cent is an extremely significant figure. As parliamentarians, I feel that we must be exceedingly cautious and not accept the bill at its face value without its being demonstrated that the government knows—maybe it

will be for the first time—what it is doing and what it is setting out to do.

I have referred to the fact that this is an extremely large market that we are getting into, the international oil market, and it may cost the purchasers of imported fuel $160 billion this year. It should also be borne in mind that while Canada is relatively self-sufficient in oil we are, unfortunately, rather small in terms of the amount we are importing out of the gross amount to which I have referred. That is why I think any mechanism with respect to compensation could have far reaching results for Canada. This is a big market and any mistakes we make will also be big. For example, in 1973 it is estimated that total world exports of oil amounted to $27 billion U.S. Exports in 1974 are estimated to be running at nearly $100 billion. As the price has expanded so much in such a large market, there is a great chance that we in Canada could be "taken" if we are not sharp in the drafting of our legislation, in our administration and in the handling of the compensation program.

● (2040)

I believe others wish to speak on this bill. I know our time is limited. I wish the government had been far-sighted enough to build a pipeline transportation system in Canada which would have guaranteed Canadian self-sufficiency in oil not only in theory but in practice. It is tragic that we in this country must impose an export tax on oil and use the net proceeds of that tax to pay for the excess cost of importing roughly the same amount of oil as is exported for the other side of the country. I believe no other country in the world can claim that its petroleum resources have been worse managed than our resources under this government.

Most alarming of all is this: the government does not feel any great urgency in making sure that the pipeline transportation facility is built even now so that domestically we may be guaranteed self-sufficiency in energy. At the committee hearings, after reviewing the Montreal-Sarnia pipeline extension which, admittedly, will cover only 25 per cent of the eastern Canada shortfall and 50 per cent of the shortfall at most, the minister said that the all-Canadian pipeline is still under review. He was talking about a Canadian pipeline which would carry enough oil from west to east, or east to west, if we are lucky enough to find oil in the east, to ensure self-sufficiency. Surely this should be a priority program. In addition, the government should plan to make sure that the resources of this country, including the tar sands and other resources in frontier areas, are developed without further delay so that there will be no more shortages in Canada of fuel, especially oil.

To conclude, I urge that once the bill has been referred to committee the minister and committee members do all in their power to make sure this legislation is properly scrutinized. Let the committee hear all appropriate witnesses. At all costs, let us not railroad this bill through committee in the same way as other legislation has been railroaded through by the government in the past year.

Mr. Doug Rowland (Selkirk): Mr. Speaker, as there is a general disposition in the House to end the debate on second reading this evening and as at least one other hon. member wishes to speak, I will restrict my remarks to a single point.

[Mr. Stevens.]

The recurring theme of the New Democratic Party in this House for the past few months is that the House, in this session, will need to deal in a concrete way with three questions relating to energy policy. It must decide, first, what is to happen to the price of petroleum and petroleum products in Canada once the voluntary price freeze ends on March 31. The bill before us deals with that question. Second, what form will the national petroleum corporation take? Is it to be simply a research group, or will it have other powers? Third, who, and under what circumstances, is to develop the new petroleum resources, new conventional resources and new synthetic resources such as may result from the exploitation of the Athabasca tar sands, the heavy oil deposits and other energy sources in the frontier areas of Canada? The answers to these three questions are interrelated. I want to indicate to the House this evening that you cannot act in one of these three areas without affecting the others.

This bill answers to the satisfaction of the government what is to happen to the price of oil once the freeze of $4 per barrel at the wellhead is lifted. The price is to increase to $6.50. Producing provinces will be given extra compensation for their oil. They will obtain additional revenue and will participate to a degree in the prosperity they have a right to expect because of the increased world price of oil. At the same time, the export tax will enable the federal government to obtain revenue which will make possible a single price for petroleum and petroleum products across the country. The tax will be used to offset the higher prices for petroleum and petroleum products which must be paid in eastern Canada, partly as a result of the Ottawa Valley line which was created either in 1961 or 1962. Under this legislation, the federal government will also undertake to compensate the oil companies for any disadvantages they might suffer in attempting to hold the price line in eastern Canada on petroleum and petroleum products. The disadvantage I speak of is the difference between the world price and that set for western Canadian crude.

The answer to my second question, what will be the form of the national petroleum corporation, is closely related to the first question. The problem members of parliament face is calculating the compensation that is to be paid to all companies to offset any disadvantage they may suffer because they cannot charge the higher international price. How will we know that the compensation to be paid by the people of Canada to those companies bears any relation to the actual disadvantage from which the companies suffer? The minister told the House that he will have the right, which he will exercise, to examine the books of Canadian petroleum companies. The problem is that Imperial Oil of Canada is a subsidiary of Exxon. Exxon is an international corporation and the minister has no right to look at Exxon's books. It does not matter to Exxon what price it charges its subsidiary. if the subsidiary is to be compensated by the treasury of the government of Canada. The member who spoke before me spent considerable time on this aspect of the question. I agree with him; there is a difficulty here.

• (2050)

Thus, unless we have a national petroleum company operating as the sole purchaser and supplier in this country, there is no way of knowing whether the compensation paid is reasonable and just or whether, as the hon. member who has just spoken believes, it was a rip-off which could amount to $1 million or $2 million a day in loss of potential revenue to this country.

So while my party has taken some satisfaction from the fact that the government has looked at the suggestions we made to deal with the energy crisis and has at least paid lip service to some of the concepts we have put forward, unless there is a little more substance to the form they have adopted, not only will the country be in trouble with respect to its energy policy, not only will it be paying unjustified compensation to companies whose profits have already risen by an average of 46 per cent in one year but the government will find itself shortly in trouble with the Canadian people in the midst of a general election. I say this because we in the NDP cannot stand by and see the people buffaloed by oil companies which have taken advantage of a situation which has disadvantaged not only Canadians but also people throughout the world.

Mr. Speaker, I know there is another hon. member who wishes to speak. There are only five or six minutes left to us, so I will conclude my remarks on that note.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I appreciate the opportunity of taking part in the debate on Bill C-18, although there is little one can say in four or five minutes. I should like to restrict my comments to one clause which concerns me a great deal, that is, clause 36(1). Coming as I do from one of the producing provinces, Saskatchewan, I find this clause offensive. Perhaps I should put it on the record.

> Where no agreement is entered into pursuant to section 21 with the government of a producer province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the governor in council, is not effective or is not capable of being effective, the governor in council may by regulation establish maximum prices for the various qualities and kinds of crude oil to which this part applies that are produced, extracted or recovered in that province—

In my opinion, this clause is pure and simple blackmail. I am aware that the minister, speaking in this chamber yesterday, indicated, as recorded at page 1236 of *Hansard* that the government does not intend at this time to proclaim part III of the measure in which this clause is found. But in the months ahead it will be necessary for the federal government and the governments of the producing provinces to negotiate wellhead prices for oil. It is clear from the minister's remarks yesterday that the bill before us was not discussed with the various provincial premiers before its presentation to the House. I agree with the comments made by my hon. friend from Peace River (Mr. Baldwin) when he stated that the Minister of Energy, Mines and Resources (Mr. Macdonald) should have been in touch with the producing provinces to ascertain their views on this bill before submitting it for second reading.

It is obvious that if there is to be agreement on prices, negotiations will have to take place; and how can satisfactory negotiations take place while the federal government is holding clause 36(1) of the bill like a club over the heads of the premiers? Part III contains provisions of the type which ought to be dealt with by parliament rather than by order in council.

I see there is little time left, Mr. Speaker. The minister indicated this afternoon that the bill would be referred to the standing committee for consideration. I trust that while before the committee it will receive thorough examination and that the minister will give serious consideration to suggestions and amendments put forward by members on this side of the House.

Mr. Speaker: If the minister speaks now, he will close the debate.

Mr. Macdonald (Rosedale): I rise merely on a point of order, Mr. Speaker, to confirm that after second reading the bill will be referred, not to committee of the whole but to the Standing Committee on National Resources and Public Works.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT BRITISH COLUMBIA AIRPORTS

Mr. Speaker: It being nine o'clock, pursuant to the order made earlier this day the proceedings now before the House will be interrupted in order that consideration can be given to a motion to adjourn the House under the provisions of Standing Order 26.

The hon. member for Vancouver South (Mr. Fraser) moves:

> That this House do now adjourn.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I rise tonight to take part in this emergency debate at a time when firemen employed by the Department of Transport and the Department of National Defence in the province of British Columbia have withdrawn their services in the course of an illegal strike. This has occurred as a result of—I am sorry to have to say this—a combination of circumstances which has culminated in their feeling that the negotiations being conducted between the Public Service Alliance in Canada and Treasury Board are not taking their proper interest into account.

I emphasize that this strike is an illegal one, and nothing I may say in the next few minutes should be interpreted as meaning that this House and the public of Canada approves in any way the actions of any group, no matter how strongly it may feel justified in its own case, taking the law into its own hands. In the long run, this can lead only to anarchy. I am sure all members are in agreement with me when I say this.

Airline Firefighters Strike

● (2100)

There is something unsatisfactory about a situation that compels men who are otherwise law-abiding to decide to take the law into their own hands and withdraw their services, despite the fact they must appreciate that the great inconvenience they are causing will hardly win them any friends among the general public. It is because this unhappy situation has developed that a total of 211 men in the province of British Columbia have now withdrawn their services as firemen, and the Minister of Transport (Mr. Marchand), in a move for which I commend him, has very sensibly and appropriately closed ten Department of Transport airports. As we all know, Mr. Speaker, we cannot take the chance of a grave accident occurring; we must have firemen at the airports to carry out the duties in which these men are so well trained.

The fact of the matter is—and there is no running away from it—that these men believe their legitimate interests have not been adequately handled under the present negotiating system and so have withdrawn their services. British Columbia is now without air transport, either from within the province to the outside and back, or within the province itself. This, I say with respect, is a matter of the utmost urgency not only to my own province but to all of Canada, so it is proper that tonight we debate the matter.

It seems to me that if we reach a situation, no matter how complex, where a number of men have withdrawn their services, with the result that the public interest is no longer being served, then there is a duty upon the government of the day to do something about it. It is very easy to say that this is an illegal strike and that the men should go back to work. Today's *Globe and Mail* reports that these firemen have said they will go to jail rather than comply with the injunction that has been obtained against them in the courts. I do not for one minute condone that attitude, Mr. Speaker, but nevertheless that is the fact. It is also apparently the fact that at least for some time it will be extremely difficult to replace these men. They are highly trained, they are skilled, and they are worth-while people in our community. But they have withdrawn their services and as a consequence British Columbia is isolated. What is also important, communities within the province are isolated.

Surely, Mr. Speaker, tonight we must search for some way of bringing these men back to work, and bringing them back to work before the stoppage results in any further harm being done to the province of British Columbia and this country. We must bring them back to work before inevitably we have to allow the law to take its full course and to visit upon them the punishment that the law must visit upon those who break the law, especially in a case where the public interest in transgressed. Surely it is in the interests of all of us to find a way to end the stoppage now before we must resort to the harsher methods to which a community must ultimately resort if there is to be a difference between civil order and anarchy.

Yesterday the Minister of Transport was urged by members of the opposition, especially members from the province of British Columbia, to go to Vancouver to meet these firemen. Why, Mr. Speaker, were we asking this? We were asking it, surely, because all of us recognized, as I think the Minister of Transport recognized, that decent men do not take these very severe measures unless there is some justice in their complaint. If there is some justice in their complaint, and if there is no means by which they feel their complaint can be heard and dealt with, then finally in frustration they do what men have done before in our tradition—they break the law; and they have very honestly said that they know exactly what the consequences of this will be.

There is no denying the fact that within the Public Service Alliance there is a division of opinion about the variation in pay about which these firemen feel so strongly. Therefore, we urge the minister to go to Vancouver, along with representatives of Treasury Board and the Public Service Alliance, and meet these men. We urge the minister to bring his officials as well as representatives of Treasury Board and the executive of the Public Service Alliance, together with the dissident firemen so as to find a way in which these firemen will have confidence that the complaints they are making and the aspirations they have in their own legitimate self-interest can be resolved.

The minister has said that he cannot do this. As reported at page 1226 of yesterday's *Hansard*, he said:

> We have a certain number of laws in this country which regulate labour relations between employees and employers. You have the Public Service Alliance of Canada which is certified to represent this group, and Treasury Board is negotiating with the certified agent. Treasury Board cannot negotiate with anybody else because this is an exclusive bargaining right.

Most of the members of this House understand exactly the dilemma in which the minister finds himself. In the strictly legalistic sense there is some merit in the position that the minister has put forward. But with respect, as the minister has himself admitted, this is not an ordinary situation. It is a situation where we have a strike, not by the union itself but by a dissident minority of the union. The usual order has broken down.

The minister informed us that the Public Service Alliance has told these men they must return to work, but they have not done so. The laws of the land say that they have no business doing what they are doing, yet they have not returned to work. We have a situation where the usual system has broken down. In a case such as this, can we sit back and take a rigid position? Can we say that although under normal circumstances we would be dealing with the Public Service Alliance, in a situation where nothing is normal a minister of the Crown cannot go to Vancouver to talk to these people? These people, Mr. Minister, are citizens, as we all are.

Surely the minister is not going to break faith with the Public Service Alliance of Canada, organized labour or any other group within the community because he takes it upon himself to do the one thing he can do at this time, which is to go to Vancouver and meet these people in an attempt to decide on a formula through which they can express their particular grievance.

● (2110)

It is clear that this strike cannot go on forever. The minister said he sent two members of his department out there, but the fact is that only tonight are those men meeting with representatives of the dissident firemen. What have they done while they have been out there?

They took steps to try to find a way to put the Vancouver airport back into partial service, and they were partially successful. But there are nine other airports. What happens tomorrow, if these men who were sent out by the minister do not have the authority to make any commitment on behalf of this government and do not find a way for the expression of the views of these people on what they believe is a legitimate grievance? There is no way, in my view, that this House has any business adjourning tomorrow while we are faced with a situation in which one of the provinces of Canada is isolated because it has no air transportation, knowing that communities within that province are unable to communicate with each other because of lack of air transportation services.

Can you imagine the situation in which hon. members of this House pack up and leave for a holiday tomorrow, leaving unsettled this problem in my province and leaving a serious problem for other parts of the country in the event the situation in British Columbia is not settled?

On August 31 the former minister of labour said, as reported at page 6117 of *Hansard:*

> I want to point out, as an observer, that we have under federal jurisdiction the finest Department of Labour in the eleven jurisdictions of this country.

One must ask why the Department of Labour has not become involved in this extremely difficult situation, and why it has left it to the Minister of Transport alone to resolve the entreaties, the opposition and the complexity of the situation in which the minister must find himself.

An hon. Member: Bring back Mackasey.

Mr. Fraser: Surely tonight all of us can agree that an essential first step to be taken is that the minister take with him senior representatives of Treasury Board and members of the executive of the Public Service Alliance to meet with these men in an attempt, within a very short period of time, to work out a formula which will be accepted as fair and under which they can put forward their points of view. I feel if this were done immediately we would stand some chance of restoring air transportation in my province rapidly, with a minimum of damage to the lives of those unfortunate people who have taken a route of which I do not personally approve, and also with a minimum of dislocation to the country at large.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I rise tonight in the very few moments available to me to make my contribution to the debate on the very difficult labour problem in British Columbia as a result of the firefighters walkout at airports in that province. I further stand in my place to compliment the gentle and responsible member for Vancouver South (Mr. Fraser) for putting forward this motion under Standing Order 26 which initiated the debate this evening. With the greatest personal regard for the hon. member for Vancouver South, I wish to compliment him heartily as one member of the Conservative Party with enough guts and enough responsibility to disagree with his leader and his party colleagues in demanding wage and price controls, especially the 90-day freeze about which we have heard so much in the last day or two.

An hon. Member: Sit down; you've lost your marbles.

Some hon. Members: Oh, oh!

Mr. Rose: I hear some hon. members calling at me, using obscene adjectives. I am moved therefore to ask in all humility, as friends of organized labour, especially highlighted by recent private bills and the calling out of Canadian forces, the hon. member for Prince George-Peace River (Mr. Oberle), who was himself the tank-commander, how the Conservative posture this evening could be reconciled if in fact his party were in government today? Would their attitude be expressed identically to the way so ably expressed by the hon. member for Vancouver South tonight, or would it be somewhat different?

Putting aside all further partisan comments, Mr. Speaker, this matter of relating the national rates of Canada to affluent areas such as British Columbia is an extremely thorny problem. It is fine to say, as I have said in the past, that it is stupid to spend billions of dollars through the Department of Regional Economic Expansion, with which the Minister of Transport (Mr. Marchand) has had a good deal to do, to reduce regional disparity on the one hand, and then opt for regional rates on the other which lock in the workers of Quebec and the Atlantic provinces with lower rates for their labour for the same kind of vocation. National rates may provide an example of great logic, but cut no ice at all in British Columbia. I suggest that if regional rates are appropriate for the public service, the regional rates should also apply equally to old age pensions, family allowances and even the salaries of MPs.

But saying this, Mr. Speaker, I think begs the essential question: why, in all justice, should a fireman, a stationary engineer, an aircraft controller, and their families working in the province of British Columbia be perpetually condemned to a lower standard of living than that enjoyed by their provincial or municipal counterparts if federal employees are doing exactly the same type of job? Many are now receiving $150 to $200 less per month. That is a serious problem that has confronted me many, many times in discussions with federal public servants.

We debate here tonight because Vancouver airport firefighters are being paid $3,000 or $4,000 less than municipal Vancouver firefighters. We know also that the stationary engineer working at the federal penitentiary in New Westminster is being similarly disadvantaged as compared to his counterpart working at the Okalla provincial jail. The story is the same with prison guards and clerical workers. Hon. members will recall that last August the same kind of refusal attitude was evidenced in respect of the position of the British Columbia railway workers during the national rail strike and the reluctance of B.C. rail workers to go back to work.

I suppose what I am saying essentially is that the problem we are having in respect of Vancouver Airport firefighters is merely the tip of the iceberg of widespread public service discontent in the province of British Columbia with the prevailing national public service rate structure.

An hon. Member: And elsewhere.

Mr. Rose: Someone suggests elsewhere, but I see that the member comes from Ottawa so I will discount what he said. All of us here tonight want the men to go back to

work, there is no question about that, but a reasonable solution escapes us for the moment I was pleased to learn through reports over the phone tonight that the Ministry of Transport has now belatedly contacted the firefighters and that discussions aimed at ameliorating this wage issue are soon to be in progress if they are not actually in progress now. I hope these discussions prove fruitful and the men go back to work, not because of threats but because it is in their interests and every body's interests to do so.

Let us leave aside for the moment the legal niceties that have been bandied about here during the last couple of days. I am fully aware that bargaining sessions between the Public Service Alliance and Treasury Board are currently in progress, and I know as well about the national pay scale resolution passed overwhelmingly by the recent Public Service Alliance convention; but I am firmly convinced that national rates ignore the feelings and the welfare of British Columbia workers.

● (2120)

The federal public servant in British Columbia has to live right next door to his provincially and municipally paid vocational equal, but receives $150 or $200 less a month for this efforts. He has to keep up with Mr. Jones who works provincially and he, Mr. Smith, solely because he is employed federally, is at a severe economic disadvantage. The cost of living, it may be argued, is essentially the same all across Canada, but the standard of living, especially in British Columbia, is far above the national norm. No federal public servant in British Columbia, I am convinced, wants to increase his income at the expense of his colleagues in Halifax or Montreal. What he cannot accept continuously year after year is a 30 per cent hammering in comparison to men similar to himself but working in provincial institutions.

I plead with the Minister of Transport (Mr. Marchand), the Minister of Labour (Mr. Munro) and the President of the Treasury Board (Mr. Drury), and any other person who has been involved in this thing, to recognize what I have attempted to express tonight and those ideas contributed by the hon. member for Vancouver South with an attitude of great responsibility, public awareness and good faith. We ask that some action be initiated immediately. If it means that the Minister of Transport has to vacate his lofty position here and go out to the coast to speak to these men, well and good. I think he must ensure that national rates apply, but that those national rates are so developed that the high-wage areas do not suffer unreasonably and that the higher rates apply to all of Canada. I ask this not just for British Columbia, but for Rouyn, Quebec, or wherever else they may be appropriate. All federal public servants must have an opportunity to live up to the standard of living which prevails in the high-wage areas.

I notice, Mr. Speaker, that you are getting ready to stand, but in five seconds I should like to plege that I am prepared to accompany the Minister of Transport to Vancouver in any attempt that might be successful in bringing the two parties together. We must have a successful solution to this very disturbing problem emanating from the province which I am very privileged to call my home.

[Mr. Rose.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I must confess that this afternoon when I heard we were to have this special debate tonight I thought that a debate of this kind would not be very useful in terms of providing a solution to the problem. However, I notice that those who have spoken up until now have tried to make a contribution in order to help the situation rather than hamper it. To that extent I am very happy.

I would like to know a little less about the labour movement and the wage structure in Canada so that I could speak with my heart and my feelings, but I know too much and some other hon. members here in this House also know too much. We must take into account certain realities. There is the fact of the illegality of the walkout. There is no doubt about that. We know that this action or movement has started in Vancouver and we make an effort to understand it from a human point of view. We should not immediately try to crush a movement which perhaps has some kind of justification or at least a very sound explanation. This is one aspect and this is the reason we have not proceeded more rapidly. The second thing is that the regional and national wage structure is related to two things, the structure of the labour movement and what we call the national bargaining unit. I am sure the alliance is not opposed to the people of Vancouver having a decent salary, but they know that from the moment you regionalize the wage structure sooner or later you will have a breakdown in the bargaining unit and in the alliance.

I am not defending here a thesis in which I believe very deeply. This is the thesis that has been sustained by the labour movement, the CLC, and this is what is at stake. The alliance is not trying to keep the firefighters of Vancouver in a position of inferiority because they like it, but because they opted for what we call the national wage structure, and that means that the less developed regions in Canada where wages are naturally lower, as in the maritimes and Quebec, are helped. On the other hand, perhaps this does not help the most advanced provinces. This is the reason for the reaction which comes mostly from British Columbia. I understand the reason.

I also understand why those who come from the maritimes would probably sustain the thesis of a national wage structure because there is no doubt that it helps them tremendously. This is why we had to be very careful. We have the structure of the union and the national bargaining unit. I think the alliance is quite prudent, and I understand why. On the other hand, I am sure I am one of those who understand why the firefighters at the Vancouver airport who are earning $2,000 less than the firefighters in Vancouver no doubt feel frustrated.

I understand this, and this is the reason I have asked my people who are meeting right now in Vancouver and who have been meeting for an hour, to tell the men that I cannot make a promise that a move will be made to negotiate. This is not the system we have. If anyone wishes to change the system, perhaps he would tell me what it should be. We have what are called exclusive bargaining rights of the union certified by the board. We cannot go through any other channel. This is the law. There is exclusivity of bargaining rights. The alliance possesses this, and we must go through the alliance. If we

did not do so, we would be in violation of our own law. We have no choice. If someone should have another suggestion, perhaps he could make the suggestion, but this is how we must proceed on the side of the government.

Mr. Lambert (Edmonton West): Who is on the side of the people of British Columbia?

Mr. Marchand (Langelier): I just spoke about the people of British Columbia. What is the situation? On the part of the government we have Treasury Board which received a mandate from the government to negotiate in the name of the government. I am not a party in this; I am just the victim because I am supposed to operate an airport. If I have no firefighters at the Vancouver airport, surely I would not take the risk of having a serious accident in British Columbia just because I wanted to operate an airport without firefighters who are essential to the operation of the airport.

As I have said, at this time the representatives of the department are not trying to negotiate with the firefighers; they have no mandate to negotiate. I told them this previously, and again over the phone. I told them they can tell these men that there is a lot of sympathy for their situation, but that we must proceed according to the law and according to the union structure we have in Canada as well as the bargaining rights which were awarded according to the law. We must proceed in that way. If we were to continue otherwise, there could be another situation tomorrow that would be worse, and there is no doubt that there could be a good deal of sympathy for a strike all through Canada. We could have a problem because the firefighters are not treated equally. I do not have to pass judgment on this, but I have the figures and it strikes me, as I am sure it strikes others, that the disparity is so great that I understand the reaction.

● (2130)

I would like to tell the firefighters, if they were here, "We are trying to understand your side of the dispute, and we want to see if we can reconcile with your demands the system which we have so far as collective bargaining is concerned". This is what we are trying to achieve. I do not think there is any other way out.

I announced at eight o'clock tonight that the operation of the airport will be resumed tomorrow on a partial basis, a very limited basis. I think that if we can at least do something, not with the union members, not with the firefighters or strikebreakers but with the supervisory personnel who accepted voluntarily to operate the airport and who were notified, as were the unions and the strikebreakers, in order to prevent the worst from happening—because all the airports now, except military airports, are closed—then we are ahead. I hope that these firefighters, who are being told at this moment that this will be the situation tomorrow and that we are doing it, not in order to break the strike but because normally they should not be on strike, will accept that.

Their union voluntarily opted for arbitration. Whether they were right or wrong they will find out later on. Probably their judgment will be different, but normally they should abide by the arbitration decision. However, they took the other route, and of course in the circumstances we can do nothing else. I am doing the best I can to try to provide some service in Vancouver as well as in other places later on, and at the same time to try to solve the human problem which is at the basis of the difficulty confronting us. I do not see what else I can do. If somebody has a better idea, I would be glad to hear it.

Some hon. Members: Hear, hear!

Mr. Nielsen: May I ask the minister a question?

[*Translation*]

Mr. Speaker: Order, please. Does the hon. member for Yukon (Mr. Nielsen) wish to put a question to the minister?

[*English*]

Mr. Nielsen: Did I understand the minister correctly to say that all the MOT airports in British Columbia are closed as a result of the firefighters strike?

Mr. Marchand (Langelier): Most of the airports are closed.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, first of all I would like to express my appreciation to you and to my colleagues in the House for allowing us the opportunity to discuss the very serious situation that has existed in British Columbia since Friday. I listened to the remarks of the Minister of Transport (Mr. Marchand) with keen interest. I have been awaiting an announcement by him of the action he took to avert the very serious situation that exists in B.C. right now, and not only that but to attempt to avoid its spreading throughout this land.

The situation in British Columbia is not unique. There is a similar one in Edmonton, Winnipeg and other areas in Canada. We questioned the minister yesterday and again today about the action he will take. He told us he is dispatching two senior officials of his department to Vancouver in an attempt to get together with the people who are illegally on strike, this against the advice of their association or their union, in an attempt to find a solution to the problem. It is quite obvious to me that what these two senior officials did in British Columbia until eight o'clock tonight was to go around the airport in Vancouver, make telephone calls throughout B.C. and communicate with the minister here in Ottawa recommending the action that he has implemented tonight. I have here the press release that the minister issued from his office tonight. It reads as follows:

> Flight operations at Vancouver international airport will resume on a restricted basis at noon tomorrow—
>
> Emergency services will be restored permitting these operations by a volunteer crew of supervisory personnel.
>
> They will work tomorrow afternoon and then begin an eight hour day starting Thursday. The ministry, in agreement with commercial operators, will establish operations between 10 a.m. and 6 p.m. on a regular daily basis.
>
> The emergency service will permit the unlimited operations of DC-9 and Boeing 737 jet aircraft or others that may fall under the 120,000 category limit. Under this limit flights by the larger Boeing 727 aircraft will be permitted but on a restricted basis. Passenger aircraft which still will not be able to make use of the airport include DC-8's, 707, 747 and the Lockheed 1011. These are all larger capacity jet aircraft used extensively on international as well as on domestic operations.

The supervisory personnel are all extremely well qualified individuals with years of experience in airport emergency operations and firefighting techniques—

What a farce to perpetrate on this House tonight! The officials of the Ministry of Transport went out there to set up this arrangement and to break the strike—the very thing which the minister has accused us of trying to do.

Some hon. Members: Oh, oh!

Mr. Oberle: This is what happened in Vancouver: the officials went out there and arranged with management personnel to break the strike behind the back of the Public Service Alliance. That is exactly what has happened; and this action was taken before these people met the workers on strike at Vancouver. It happened before eight o'clock, and the meetings did not start until eight. This is exactly how this must be interpreted and I take strong objection to it.

Let us take a look at the situation as it exists. There are three parties involved in this dispute. There are the dissident members of the union who demand recognition of their regional plight. The hon. member for Vancouver South (Mr. Fraser) and the spokesman for the NDP in this debate have adequately described the situation. Then there is the Public Service Alliance, the union to which these members belong. They have a job to do to ensure that their members are treated equally throughout this land. Theirs is a very difficult situation. Then there is the government which says that it cannot become involved in the internal workings of the union, that it has no responsibility to the people on strike in Vancouver who cannot make ends meet and who cannot keep up with the Joneses because they make $3,000 a year less than workers who come under the municipal and provincial governments.

I challenge the Minister of Transport, who has left the House; he cannot stand the truth.

Some hon. Members: Oh, oh!

Mr. Oberle: He cannot react to anything but a crisis. The minister does not know how to forecast or plan. He himself admitted in the House and to the press that there is no transportation policy in this country. He knows only how to react to a crisis and an emergency situation. This is the same kind of situation as the one that existed when we adjourned last year for a summer recess and then had to return to settle the CNR strike. It is the same situation that prompted us to threaten him with a postponement of the spring recess because of the boxcar situation. I see another minister opposite making derogatory signs at me. It is easy for him to do that: it makes a lot of sense and solves many problems!

We want the minister to do what the hon. member for Vancouver South suggested. Let him apply a practical mind to finding a solution. I would phone the Public Service Alliance and say, "Look, you put me in an embarrassing situation because members of the opposition are crying for action. You and I should go out to Vancouver and discuss the problems with these people." Members from Vancouver have said that they would be ready to have a truck standing by awaiting the arrival of the minister, they would sit down and discuss the problem with him at a moment's notice and they would put the airport back into operation, not only the airport at Vancouver but every other airport in British Columbia.

This strike will spread and the problem has been recognized. On March 25, 1974, the President of the Treasury Board (Mr. Drury) said, when he spoke about this very problem not only with the employees of CNR and Air Canada but with all employees under federal jurisdiction who are members of the Public Service Alliance:

In the case of regional pay policy, the government for years has taken the position that it will not be a leader in matters of pay and salary but will follow the pattern set by what is generally known in this country as the private sector.

● (2140)

We are not talking here about the private sector; we are talking about the public sector, about the employees of municipalities and provincial governments. He says that given the choice of trying to equate the pay of the public service to that of the private sector, on a national level or on a regional level, for common sense reasons the government must use the regional basis. The President of the Treasury Board has admitted this. He has announced it as government policy. But the Minister of Transport refuses to recognize that there are serious problems being experienced by employees in western Canada who find it very difficult to understand why their neighbours make $3,000 to $4,000 a year more than they do, performing the same job and having had less training than they are called to undertake in the interests of public safety. Yet the minister refuses to act. He swept out of the house. This Press release will not get him off the hook.

I will find it very difficult tomorrow night to leave here and arrive at Vancouver airport in a DOT aircraft. Those fellows are going to say, "Oh, you are taking an Easter recess. Where are you going on your holiday?" I will be interested to see how hon. members to my left answer that question.

Mr. Rose: I am not taking a holiday.

Mr. Oberle: If you are interested in staying here, so am I. This is a very serious problem and other members of my party feel the same way. Of course, hon. members to my left will also have a difficult time when they read some of the comments made by the Premier of British Columbia who has called upon them to resign from their party if they cannot go along with his suggestion that the federal sales tax be removed. I expect the resignation of at least six members of the NDP next week, and I am willing to stay around for that because it would really be a bright day in the life of this parliament.

The Prime Minister (Mr. Trudeau) has circulated a pamphlet entitled "Throne Speech, 1974." In it we find these words:

Those Canadians least able to protect themselves have a right to be protected from the consequences of events over which they have no control and from intimidation from big business, big labour or big government.

There are 210 firemen in the province of British Columbia who have a right to protection from the federal government. The government has to intervene there. It has to call the three parties together and bring the strike to an

end before it spreads to unmanageable proportions in Canada.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, I listened with a great deal of attention to the three gentlemen from Vancouver as they walked a tightrope. They included my good friend in the NDP. I can understand his dilemma more than the dilemma of the other two hon. gentlemen because of his labour background and orientation. That was probably the reason his speech was so wishy-washy.

I remember a few years ago when we had a famous bill known as C-186 in this House. That was a moment of truth for the House of Commons. I wish all these eloquent spokesmen had been around in those days. I opposed Bill C-186, Mr. Speaker. I think these hon. gentlemen would have done the same. But for newcomers here, may I say that Bill C-186 was simply a concept advanced by certain regions of this nation that, in a country this big, national bargaining units were not reasonable, not logical and that other things should be taken into consideration such as were advanced this evening, regional pay rates, the culture of an area, the language and the virtual impossibility of a Quebec-based union infiltrating a national bargaining unit. I supported the national bargaining concept, and still do, because if we were to have regional bargaining in this country some area of the transportation industry would be on strike all the time.

The fundamental point here is not whether there is justice or injustice done to the striking firemen. On the surface there seems to be a very solid, basic case that somewhere along the line the firemen's wage rate has fallen behind what seems to be a decent wage rate for firemen in B.C. The answer is not to pull down the British Columbia rate to the level of the Newfoundland rate but to bring the Newfoundland rate up to the British Columbia rate. But having said that, Mr. Speaker, that is a point that you must argue within the laws, of the country, and the legalities of our country are very clear.

We have a national bargaining unit across the country associated with the Public Service Alliance that speaks on behalf of these firemen in British Columbia. Really, what I think hon. members are asking the Minister of Transport (Mr. Marchand) to do, as a tribute to his well known knowledge of labour and not necessarily because he is Minister of Transport, is to intervene in a dispute in which under the law he has no right to direct participation. By law the employer is designated as Treasury Board. By law the representative of those 200 firemen is the Public Service Alliance, and any direct infringement on that relationship by the Minister of Transport, by the Minister of Labour (Mr. Munro) or any other minister other than the President of the Treasury Board (Mr. Drury) is a direct contradiction of the law of the land.

If the law is wrong, change the law. If the 200 firemen do not have faith in the ability of the Public Service Alliance to sell the concept to Treasury Board that wages offered are unrealistic, they have a legal obligation to take up their grievance within the Public Service Alliance at the first possible opportunity and to say, "We are not being adequately represented by the bargaining organization for which we voted." Mr. Speaker, we are not doing a favour to the workers, to the firemen or to the labour movement in this country to suggest any other procedure such as those I have heard suggested by members of the opposition tonight, including the member of the NDP.

Really what they are saying, for the sake of expediency, because they are B.C. members—I would probably act the same way—is that here they have 200 friends who have a case. There is an obvious injustice because they are underpaid in relation to other firemen in B.C. Although the hon. gentleman made a very eloquent plea, really what he was advocating was that they ignore the law of the land, because the law of the land says that regardless of this injustice the solution is not to strike illegally.

It always seems to me very paradoxical that opposition members will holler about the SIU wanting to go on strike weeks before such a strike occurs because this will affect the grain trade, but at the same time they will endorse an illegal strike at Vancouver airport because there is an obvious injustice in the rate of wages. Did it ever occur to them that there would be an obvious injustice in the wage pattern of the SIU when they decide to go on strike? Wasn't there an obvious injustice—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Central Nova (Mr. MacKay) rises on a point of order.

Mr. MacKay: Mr. Speaker, I hesitate to interrupt the hon. member for Verdun (Mr. Mackasey), but I do not think he really meant to say that the opposition endorses this illegal strike. I think our spokesman made that very clear. I would ask him to withdraw that remark.

The Acting Speaker (Mr. Laniel): This is hardly a point of order. The hon. member may suggest that the hon. member's remarks do not correspond with what might have been said in the House, but the Chair cannot go so far as to ask him to withdraw.

Mr. Mackasey: Mr. Speaker, I have no objection to withdrawing my remark. The hon. member for Vancouver South (Mr. Fraser) made it clear that he did not endorse an illegal strike, but he did not tell me that he was the official spokesman for his party; and the other hon. gentleman had another view.

● (2150)

The Acting Speaker (Mr. Laniel): Order, please. Does the hon. member wish to ask a question?

Mr. Fraser: Mr. Speaker, would the hon. member permit a question? I do not ask this question in any antagonistic sense, but what is the difference between the minister sending two of his officials out to settle this strike and going out himself?

Mr. Mackasey: Mr. Speaker, there is a very fundamental difference. The minister did not send two officials out to settle the strike; he sent two officials out to reason with the men, to get them back to work and then settle in a perfectly legal manner. That is the difference. The proper way is to settle around the bargaining table and to obey the law of the land as it is written at the moment. If that law is wrong, we can amend it; but the law says: You cannot strike legally. Like it or not, that is the law of the land.

Simply because it is your own community, or province, or city you cannot endorse or even condone an illegal strike because it happens to be in Vancouver but be appalled by similar action in Montreal. Are we advanced to the point that we are now saying, "Let us have one region for British Columbia, let us have a region for the prairies, one for Ontario, one for Quebec and one for the Atlantic provinces"? I do not think hon. members really want that. What we should endorse is the national bargaining unit concept. That exists, and it is the Public Service Alliance. To deviate around the Public Service Alliance and deal with 200 well-meaning people who are part of it is to undermine the trade union movement. That is hardly in the best interests of those same firemen when two or three years hence they come back to the bargaining table.

The whole concept of unionism is unity. It is a voluntary movement. If you are going to have two or three firemen saying that they have no faith in their negotiators, the Public Service Alliance, and that they want to negotiate directly with the Minister of Transport themselves, they are really saying that they have no faith in the organization to which they belong. That is more important even than the monetary question in the final analysis. As the Minister of Transport has said, if the complaint is injustice as far as salaries are concerned, surely the arbitrator or conciliator or representative of the government and of the Public Service Alliance should be able to reconcile matters. Public opinion would demand it.

That is the purpose of our democratic system. The people of Vancouver and the people of Canada would certainly tell the government in no uncertain terms if these people were being unjustly treated, if we the government were taking advantage of their inability to strike long enough for economic reasons. On the one hand the hon. gentleman is saying that these men have a grievance, and because they have a grievance they are entitled to use their bargaining power and walk off the job—

Mr. Fraser: I did not say that.

Mr. Mackasey: On the one hand he is saying, "Run out there and put them back to work because of the inconvenience." You cannot have it both ways in a democracy. The law is the law, and the law says this is the way it must be done. You cannot walk off the job, no matter how just or unjust your case may be.

It is the same thing with nurses in the maritime provinces. Why should they be paid less than those in Ontario and British Columbia? I never accepted the regional rate principle. Speaking as an individual member, I have always felt that if you want to have national bargaining and wage rates, go toward the top. It costs just as much to live in the maritimes as in British Columbia. That is my opinion, for what it is worth. Having said this, Mr. Speaker, I cannot condone an illegal method of settling this type of injustice.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member, but the time allotted to him has expired. I did allow him an extra minute and a half because of the questioning.

[Mr. Mackasey.]

Mr. David Lewis (York South): Mr. Speaker, I want to make the following points to members of the government. No one in his senses can justify or condone a group of Canadians breaking their bargaining pattern, breaking the law, if you like, although that sometimes does happen in these things. But I do not think that anyone, including the Minister of Transport (Mr. Marchand)—whose sincerity I do not for a moment question—has really got to the point which gives rise to this kind of situation. If you are going to have national rates, and I am personally totally in favour of it, I regret those areas in the public service that now have regional rates.

Some hon. Members: Hear, hear!

Mr. Lewis: I regret that there are registered nurses working for the federal government in Halifax receiving about $1,800 a year less than registered nurses working for the federal government in Victoria, or Vancouver, or Toronto. I regret that a dockyard worker in Halifax is making $100 or $150 or $200 per month less than a dockyard worker in Victoria. I am in favour of national rates. But if you are going to have national rates in a way which will avoid the kind of grievance that has arisen in British Columbia, those rates must be close to the top rates and not close to the bottom rates, otherwise you are going to have trouble.

I agree entirely with the hon. member for Verdun (Mr. Mackasey) that the objective has to be to raise the rates of the people of Newfoundland to those of the people of British Columbia. You cannot have a national rate that will be at the top of the regional rate, I agree, but it should be so close to the top that the people who have to accept that rate do not feel aggrieved, do not feel that an injustice has been done to them. They are ready to take something smaller in British Columbia for the sake of having the people in the Atlantic provinces or Quebec or Saskatoon or Regina get a higher rate than they would otherwise get. When you permit— this is where Treasury Board is so at fault—a national rate to place the people in the higher wage are in a position of real disadvantage, they would be angels if they did not react, Mr. Speaker; and we are not any more angels than they are.

The federal government ought to be a model employer, but in many circumstances Treasury Board acts like the most reactionary employer in this country. That creates the problem. One of the things that always creates problems is delay. If it were possible to get these negotiations going so that it looked as if they were coming to a successful end prior to the end of the contract, that is, April 1 or March 31, so that the people knew that their wages would be raised $1,000, $2,000 or $3,000 per year, or whatever the settlement might be, and we cannot settle it here, then we would be in a different situation. But when nothing happens, when the municipal firefighters get an increase on January 1 of this year and the airport firefighters lag behind to a point where they feel really disadvantaged, then trouble arises.

As a matter of fact, one of the reasons I think the firefighters in British Columbia are mistaken in what they are doing is that in my reading of the situation Treasury Board would like nothing better than to have regional bargaining right across the country in every com-

ponent of the public service. That is what the minister wants, and that is what these strikers in British Columbia may be forcing, against the interests and rights of many working people in this country. Treasury Board would love to have regional bargaining for public service rates. It makes it easier for them. They can go to a place like Halifax, ascertain the wage rate in surrounding industries, then enforce it on the public servants and that is it. No one can kick. They would have a much easier time. Whether it would cost less, or more, I do not know. I have never made that kind of calculation. I know that the President of the Treasury Board (Mr. Drury) and Treasury Board officials prefer regional bargaining. When the employer prefers something, employees ought to suspect that it cannot be on their side. That is where I think the firefighters are making a mistake. They are going to open the door and let Treasury Board get exactly what it has wanted for many years, as any spokesman of the Public Service Alliance or the Professional Institute of Public Servants will tell you, Mr. Speaker.

● (2200)

My final point is this, and I may not agree with what my colleague said, which shows that we are not monolithic in thought. I can appreciate the problem of the Minister of Transport in going out there and giving these 200 strikers, or whatever the number may be, the status and improvements they want in order to break the national bargaining situation. I know the Minister of Labour (Mr. Munro) will experience the same kind of difficulty. But it would not be difficult for the President of the Treasury Board and his officials to settle with this component of the public service and right away increase the rates of firefighters across Canada and reduce substantially the injustices from which firefighters in British Columbia are suffering. That could be done in one week.

If the President of the Treasury Board, who really has the duty to act in this situation, were to say, "I am meeting with the bargaining committee tomorrow and we are going to make a settlement as fast as humanly possible which will remove most of the disadvantages from which these men suffer now," I am certain that those reasonable men would go back to work tomorrow. The responsibility, sir, is not that of the Minister of Labour or of other ministers; the responsibility is that of the President of the Treasury Board. He should have been here tonight to assure this House, the firefighters, the president of the Public Service Alliance and the other officials who are in the gallery that the negotiations which are now going on will be speeded up so that the problem in British Columbia will be, if not solved at least alleviated to the point where the strikers will go back to work.

Mr. Marchand (Langelier): On a point of order, Mr. Speaker, may I inform the hon. gentleman that the President of the Treasury Board is not here because he replaced me at a ceremony. I preferred to be here. He should be here later.

Mr. Lewis: Mr. Speaker, I am glad to accept that and I withdraw my condemnation of the President of the Treasury Board for not being here. But I do not withdraw my criticism of him for the policy which he pursues.

Airline Firefighters Strike

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, most of the salient points have already been presented to the House in a way much better than I could put them. Nonetheless, I wish to comment about some of the issues raised by my colleagues this evening in all parts of the House. In fairness to the hon. member for Vancouver South (Mr. Fraser)—and here I direct my remarks to the hon. member for Verdun (Mr. Mackasey)—I suggest that what he was proposing was that the Minister of Transport (Mr. Marchand) and other responsible cabinet officials should involve the Public Service Alliance and other appropriate representatives in the process of conciliation—not "deviate around them."

Although we do not endorse this strike which is, rightly, termed illegal, we recognize that in the public interest something must be done. As the hon. member for Verdun and the Minister of Transport have emphasized, there are certain laws in this country which ought to be obeyed. Nevertheless, they are not immutable like the laws of the Medes and Persians; and one should remember that the law is an ass, if it is administered by asses.

I suggest, in all seriousness, that the problems we are discussing tonight go much deeper than they first appear. This point was made by the leader of the New Democratic Party (Mr. Lewis) and by others. The strikes at Vancouver airport and Esquimalt have been called illegal, rightly so, but their root causes are disturbing. Many factors have brought about this situation. The Minister of Transport is concerned about this apparent breakdown in the orderly process of collective bargaining. But he should be encouraged, as well, by the responsibility that the Public Service Alliance of Canada in general, and other firefighters across the nation in particular are showing. Their courage and responsibility in the face of the very short-sighted and poorly conceived pay policies are to be commended. Those policies, as the leader of the NDP pointed out, are being administered by the head of Treasury Board.

As I have mentioned in this House on other occasions, the intransigence and unyielding attitude of the President of the Treasury Board (Mr. Drury) is responsible for a great many difficulties and needless complications in many government departments, including not only the Department of Transport but other departments as well. Last year we witnessed the striking example involving federal nurses. Their representative, the Professional Institute of the Public Service, tried valiantly to get a fair deal for them right across the country. Those efforts were stymied by the unyielding attitude of the President of the Treasury Board. One could point to other examples. As the hon. member for Fraser Valley West (Mr. Rose) said half in jest when repeating a point I had raised earlier, if the government is to follow regional pay policies across the board, members of parliament ought to be paid different rates according to the regions they represent. That shows what would happen if you took the policy to its logical conclusion.

What we are discussing tonight is serious, because what could happen could bring serious consequences with regard to the jurisdiction of the Public Service Alliance of Canada. I do not profess to be an expert in labour matters. Let me say this, however. If the government means to

perpetuate the philosophy expressed on previous occasions by the President of the Treasury Board and other spokesmen, does it not realize that its actions will affect significantly the fabric of the Public Service Alliance? Why should we divide the public service into compartments? Why should the government pay less to some people who happen to live in the poorer regions than to compatriots or companions who live in the so-called prosperous regions of Canada? Such policy can only weaken the fabric of the Public Service Alliance. The entire membership of the various associated unions will become more restive if such policies are pursued. They will be open to blandishments and raids from other unions. The situation will have a disrupting effect on the entire labour movement. It cannot be called a constructive situation. We cannot afford to disrupt the workings of the public service by reimbursing employees in one part of the country more than in another part for the same type of work.

In a letter dated September 25, 1973, the President of the Treasury Board calculated how much it would cost to pay public service employees on an equal basis right across the country. He said in part:

> An estimate of the cost today of converting federal public servants who are paid on a local or zonal basis to national rates would be about $54,000,000. This figure represents only the increased cost of the wage bill and not indirect costs of such things as fringe benefits.

I say to the hon. and venerable President of the Treasury Board, so what? I know $54 million is not peanuts; neither is the $750 million the government has budgeted to pay outside consultants in the present fiscal year. I know that Treasury Board may not be able to make the commitment to end regional wage disparities in one fell swoop. Yet surely the time has come for a firm commitment which will remove these disparities.

The Minister of Transport has the expertise, credentials and knowledge of the labour movement to bring in new policies for his department as he promised and on which he is publicly working at present. He should take the lead, together with some of his more enlightened colleagues such as the hon. member for Verdun and, presumably, the Minister of Labour (Mr. Munro) in trying to convince the President of the Treasury Board and some of his colleagues who are taking a reactionary stand in terms of regional pay disparities that it is time to make a commitment to stop perpetuating this philosophy. As a former minister of regional economic expansion, he must surely realize the paradox which is inherent—as some of my hon. friends have mentioned—in, on the one hand, spending hundreds of millions in the name of increasing regional economic opportunities in this country, and on the other hand going along with a philosophy which continues to pay people, who in many cases live in areas of the country where not only is the pay lower but the cost of living is higher, on a lower wage scale than those more prosperous areas of the country.

● (2010)

I do not think the Minister of Transport really subscribes to this philosophy. It does not make sense to allow such a situation to continue. The President of the Treasury Board, however, has been quoted in no unequivocal terms on the subject. As reported at page 7121 of *Hansard* for last fall, his parliamentary secretary, the hon. member for St. Boniface (Mr. Guay) put it this way:

> As the President of the Treasury Board has said on more than one occasion the government as employer is committed to paying rates which are equitable and competitive with those paid outside the public service for similar occupations.

He doesn't honour the commitment, since this definitely does not apply in the case of the firefighters in Vancouver. It is certainly not true in the case of the nurses under federal jurisdiction, where the Professional Institute of the Public Service sought in vain to get them a fair deal. The disruption which took place in the Department of Veterans Affairs was disturbing to many members of this House and particularly disturbing to the veterans who suffered as a result.

The situation is very clear. Just as it has interfered in this case with the portfolio of the Minister of Transport, just as it interfered in the recent past with the portfolio of the Minister of Veterans Affairs (Mr. MacDonald), Treasury Board pay policy will continue to be a thorn in the side of other ministers on the treasury benches.

So I plead once more with the Minister of Transport not only to bring in a policy clearing up the present difficulties in transport, but to try to convince the antedeluvian head of Treasury Board to take a more enlightened attitude toward the question of regional pay scales for public servants.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, once again air transport in British Columbia has been brought to a standstill, this week because of an illegal strike. Travel between Vancouver Island and the mainland by air is limited to small sea planes. To those of us who come from the island, it appears that the mainland is isolated. That could be a headline in the *Daily Colonist* tomorrow if that paper were not also tied up by a strike.

I am not prepared to put the blame for Canada's industrial troubles entirely on stupidity or prejudice on the part of either employers or employees. The main causes of Canada's accelerating labour troubles appear to me to be, first, a considerable increase in people's expectations, largely the result of improved advertising, inflation, and the functioning of the mass communications media—it is sometimes referred to as the inflation psychology—and, second, a lack of competent leadership. The government shows no confidence in its own actions. It passes legislation but is either unable or unwilling to make certain that the law is respected. This is particularly evident when working conditions in government service are in dispute. The government issues edicts. They are ignored. The government threatens. The threats are ignored. It is like the pusillanimous schoolboy drawing lines in the dust and daring an opponent to step over them, which the opponent immediately does. This is the case of an illegal strike followed by disobedience of a court injunction. The minister regaled us with his tale of inflexible law but he is the one person who can institute change.

What has brought our industrial relations to this sorry state? There was a time not so long ago when the labour movement was dedicated to improving the lot of all working men and women. This seems to have been replaced gradually by a "devil take the hindmost" scramble to stay on top of less powerful fellow men. A desire for social

justice seems now to have been replaced by a desire for social revenge. Every man's hand is turned against his neighbour.

I received a telephone call yesterday from a young man in Victoria, an employee of Pacific Western Airlines. The staff has been warned that in the next day or so 500 employees of the airline company are to be laid off. Who was protecting this young employee? Certainly not the government, certainly not the unions, certainly not the dissident workers. This young man was a booking agent. He told me he had just seen three months' work go down the drain. He had booked flights from Victoria to Vancouver, to California and the Hawaiian Islands, to England and to Sweden. Then suddenly, through the actions of another group, his winter's work was wasted. At the end of the conversation he said, "I wish to hell I was getting $9,000, which I am not."

I think it is up to us in parliament to realize there is something basically wrong with our labour legislation. What causes people to go constantly on strike? A lot of us who enjoy higher incomes say they should do this or that because of their fellowmen or for their country, for patriotic reasons or the good of the economy. That is not the way the workingman sees it. Most workers are mainly concerned with money. Let hon. members not look down their noses at that. Money is very important, particularly to those who do not have it. They do not readily understand the need to save and invest as well as consume, or accept the need for national sacrifices. Every gardener and farmer knows that you cannot consume the seed corn. This fact is not understood about the need for investment. Many people fondly believe that they can consume the entire product of a particular industry. With inflation running at what seems likely to be a rate of 15 per cent, we are bordering on a catastrophic situation and only tremendous sacrifices on the part of everyone will save us from the fate of the Weimar Republic.

● (2220)

I should like to quote a few remarks by what I consider to be one of the most responsible labour leaders in the world today, Mr. Frank Chapple of Great Britain. He had this to say a few weeks ago, and I would draw it particularly to the attention of our friends in the socialist party to our left:

> I certainly do not believe that free collective bargaining has achieved better results than the application of a prices and incomes policy. If there is a criticism that can be made of the present wages structure it is that it stems directly from the effects of a free collective bargaining system and not from the successful application of a prices and incomes policy—

Then he went on to add, in what I consider to be a very good way of putting it:

> I am always suspicious of people who have all the answers to a problem, but there is a very great need for those with the responsibility of managing the industry to involve those who have worked in the industry in a meaningful dialogue about objectives and expectations.

I should like to point out that the situation in Canada in regard to labour unrest is nothing short of disastrous when compared with a country such as Sweden. Over a period of time, Canada lost 3½ million man-days per year at the same time as Sweden lost 75,000 man-days per year. This is in a country roughly one-third the size of Canada.

Mr. Nesdoly: What difference does that make?

Mr. McKinnon: Let me just read to my friend from Meadow Lake (Mr. Nesdoly) a few things about Sweden. Compared to many other west European countries, state-owned undertakings in Sweden account for a relatively small part of the whole economy—6 per cent—Swedish industry being still overwhelmingly in private ownership.

Mr. Nesdoly: They have a socialist government.

Mr. McKinnon: They may have a socialist government but they do not have a socialist state. Their industry is largely in private hands, but they do have trust in each other. The workers trust their leaders. I think the leader of the NDP served his country ill tonight when he said that when the employer wants something, the worker should oppose it. He was speaking of the government of Canada as the employer. It is this attitude of turning one Canadian against another, telling them to be suspicious of everything that the other side does, that leaves us in the position where you cannot sit down and get opposing sides to talk to each other. They have been so indoctrinated with this kind of demagogic outburst that their rationality in bargaining has left them.

I can only say to the minister that I enjoy his eloquence very much. I always enjoy his speeches in the House. If there is a reshuffle of the cabinet I should like him to be a minister without portfolio so that I can enjoy his speeches without suffering what he does to various departments.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have been listening with some attention to this debate tonight. Let me say at once that if the fact that we are having it indicates that the members of the House from various parts of Canada are concerned about the situation in British Columbia, then perhaps it will have had some value. It may indicate that in our minds there is real concern that we arrive quickly at a fair settlement of the negotiations regarding this particular situation in British Columbia.

Having just listened to my colleague from southern Vancouver Island, I think we should not put this matter out of perspective. It is not as if we are faced with a national disaster in any sense of that word. It is quite true that a large number of people in British Columbia are seriously inconvenienced, and one cannot discount that. But the fact remains that if we are going to have what some of us like to consider a free society in which working people are not serfs under the lash of the employer, then we must continue the bargaining process. If grievances reach the point where they have to be strongly expressed, that is part and parcel of that process. Certainly this particular situation does not mean the end of the world for people on Vancouver Island, in Vancouver or in Prince George.

The hon. member for Prince George-Peace River (Mr. Oberle) suggested that he would be prepared to stay here all next week—I thought I understood him to say—to debate this issue. My only comment would be that if we were to stay here all next week and listen to the kind of inflammatory speech that was made by my colleague for Prince George-Peace River, there would probably be a strike at all airports in Canada.

I do not believe that this House of Commons, in the kind of debate we are having here tonight, is indeed the proper forum in which to arrive at a settlement of a collective bargaining dispute. I certainly agree with what was said by the hon. member for York South (Mr. Lewis), that this dispute is not the responsibility of the Minister of Transport (Mr. Marchand). He is not the employer. His job, for better or for worse, is to operate the airport system in Canada. The only person in this House who has any ministerial responsibility to whom we can address ourselves is the President of the Treasury Board (Mr. Drury). He, in effect, is our agent in this situation, and when I say "our agent" I mean in the sense that the government of the day is responsible to this House for its action or lack of action. In this instance the proper member to whom we should address our remarks is the President of the Treasury Board.

In the days before collective bargaining in the public service had been introduced—days when the only kind of business agent people in the public service had was their member of parliament—I remember putting forward the proposition advanced tonight by the hon. member for Verdun (Mr. Mackasey), namely, that rates of pay of people in the public service in St. John's, Newfoundland, should be roughly the equivalent of rates in Vancouver. I must say that all efforts I made in this direction were not apparent as far as producing results is concerned, but it is heartening to find someone on the government side of the House advancing that thesis. It is only unfortunate that the hon. member for Verdun, in advancing the thesis, is not speaking as a member of the ministry. Perhaps one of the reasons he is not in the ministry is that he has not been able to convince the President of the Treasury Board of the equity of that kind of position.

One hon. member mentioned that the President of the Treasury Board said it would cost $64 million to equalize rates. We hear a lot of debate about equalization payments, and quite frankly I cannot think of any more economically sound form of equalization payments that might flow from the federal treasury of Canada than reasonably equalized rates that are uniform across the country within reasonable limits. Those rates, just as the equalization payments, have to be based on some calculation of the highest average rather than on some calculation either of the median or lowest average. I hope the hon. member for Verdun will continue to pursue his line of argument with his colleagues in the Liberal caucus, and in particular with the President of the Treasury Board.

● (2230)

That is the real solution to this situation and that would bail the Minister of Transport out of his present dilemma. That and that alone is the kind of approach I feel this House of Commons should suggest to the government tonight. I do not believe that much more can be achieved by the House of Commons at this point in time. When we reach eleven o'clock tonight we will not have passed any motion except that the House adjourn. Unless the President of the Treasury Board is in a position and willing to rise some time before eleven o'clock and make a real announcement, we will have to endure the collective bargaining behind the scenes in which he is involved and await the outcome of that process. Otherwise, I see little advantage in prolonging this debate.

We have made our views clear and we have tried to say what should happen. That having been done, the matter should go back to the collective bargaining forum with the realization that sooner or later something has to be settled. I think even the President of the Treasury Board would be prepared to make that admission. I know that he likes to take the hard-fisted approach on occasion, particularly in reference to money matters, and in part at least that is his responsibility.

However, I suggest that if he wants to do a real service toward resolving the kind of dilemma which keeps recurring, the dilemma which some of us from areas such as Vancouver Island have to wrestle with from time to time as a real and proper grievance, he will be prepared to rise tonight and announce that he accepts the principle of the federal service of Canada being paid on a national rate at a level which is reasonably equivalent to the average of perhaps the two highest salaried provinces in Canada, or some such formula. Then perhaps hon. members such as the hon. member from southern Vancouver Island will be able to go home for a comfortable sleep in the knowledge that Canada is not falling to pieces quite as badly as he suggested.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I want to make just a few comments in respect of this entire matter and to offer some praise to the hon. member for Vancouver South (Mr. Fraser) who had the ability to determine that such a motion was required at this time. What he has tried to do, and I think he has done the job in an exceptional fashion, is bring home the point that someone here in the House of Commons must be concerned about the public interest.

I come from a city which is labour-oriented, with big unions, and I therefore have appreciation for what is talked about in terms of the collective bargaining process. Since I have been here no one has seemed to want to stand up and talk about the interests of the third party, that is, the Canadian public—that interest not represented at the bargaining table but which in many instances has found itself on the short end of the stick and wondering why.

The hon. member for Vancouver South has attempted to say that he has a responsibility as a member of parliament to bring home his concern, the concern of all members of parliament, for the public interest. I have heard a lot of talk about management, whether it be in the government or in the private sector, and a lot of talk about the unions; but no one seems to take it upon himself to suggest that there is another party not represented at the bargaining table about whom we should be concerned. I intend to continue to register my concern as a member of parliament, as did the hon. member for Vancouver South, for that third party.

It has been suggested that this is a Vancouver or a British Columbia problem. That is not quite so. When stopping at the Toronto international airport yesterday on my way to Ottawa, I was approached by several members of Air Canada who were up in arms over the fact that travellers aboard BOAC hoping to get to Vancouver were told they could not stop over at Toronto but had to get

back on the plane and go to Calgary and take their lumps there. I wonder whether the minister is aware of that fact, or the fact that those travelling from the Atlantic provinces en route to Vancouver could not stop at Toronto but had to go on to Calgary and take their chances there. For that reason it is not right to say that this is only a B.C. problem. This problem is centred in British Columbia but it is nationwide, if not international, and it might well become that to a significant degree. Let us not make any mistake about that.

It disturbs me to hear the Minister of Labour (Mr. Munro) say he cannot intervene because we have a Public Service Alliance, which is the agent on the one hand, and the President of the Treasury Board (Mr. Drury) on the other hand. What the minister should appreciate is the fact that the negotiations are not realistic and he has every right, under section 195 of the Labour Code, to appoint a mediator. This is a general section which perhaps needs more interpretation on my part. But the Minister of Labour has said he is aware of this situation and that mediators are ready if called upon. I think he should take the initiative.

What bothers me is the attitude of the President of the Treasury Board. When we hear that he is involved, the only conclusion most of us can reach is that he is callous and hard, and I say that with a great deal of respect. I wonder whether the President of the Treasury Board knows about the discrepancy which exists. A fireman is a fireman no matter where he works, and this is the important situation the President of the Treasury Board must face. He must approach this problem with full disclosure and bargain in good faith. He must realize that there is an ever-widening discrepancy as a result of which people are becoming extremely frustrated. I agree with the leader of the NDP (Mr. Lewis) who suggests that we must reduce that discrepancy.

We find that the national wage is approximately $9,100, yet in the city of Toronto a municipal firefighter is paid about $12,124. A firefighter at the Hamilton municipal airport is paid by the city of Hamilton approximately $11,500. A firefighter in Vancouver earns about $13,000, and in Calgary, where there is some peculiar arrangement because of its status as an international airport, firefighters are paid $13,000. In Edmonton they are paid $13,000. The most significant statistic I can find relates to the fact that a first-class constable in the RCMP in the 1960's was earning an average of approximately $4,000 per year, as was a firefighter. Now, as I understand it, an RCMP constable is up to $12,000, while for the firefighters it is approximately $9,000.

● (2240)

Does the President of the Treasury Board (Mr. Drury), with all his wisdom, not realize that this discrepancy is frustrating and leads to the sort of thing that has happened at Vancouver where the dissidents, against the will of the Public Service Alliance, went on strike? We do not condone that, of course not. It was most unfair of the ex-minister, the hon. member for Verdun (Mr. Mackasey) to even suggest this. He is a good friend of mine, but I must say it was most unfair of him to even suggest to the hon. member for Vancouver South (Mr. Fraser) that he was condoning an illegal strike. The hon. member for Vancouver South when he opened his remarks was most careful and responsible in that regard in stating that we do not go along with it and do not condone it. He was attempting to bring to the attention of not only the President of the Treasury Board but also the Minister of Transport (Mr. Marchand) the very serious situation in terms of the discrepancy that exists.

The Minister of Transport said he has sent out two representatives. The hon. member for Vancouver South said he does not understand this. I have difficulty in uderstanding it myself. If he can send two representatives out to discuss this matter with the dissidents, why cannot the minister himself to out there? I am not concerned about what the former minister of labour, the hon. member for Verdun, said about this. If we can send out two representatives, it is no more frustrating, surely, to the collective bargaining process than if the minister went out there himself. It is a matter of great importance.

I am getting sick and tired of ministers who seem to have some hang-up with regard to the collective bargaining process. They seem to have forgotten that the public interest must remain paramount. There can be no question about that. If there is, then I find that my six years of experience here have come to naught, because I thought we were sent here to protect the public interest regardless of which facet we are talking about. I see the minister shaking his head. I understand. I am trying to be responsible today. Normally I get mean and rant and rave, but this is different. I am attempting to make some valid points. The minister cannot just sit there day after day. We had to beg the Minister of Labour personally to intervene in the Seafarers' International dispute. He said he could not do that because it would have been premature. We on this side seem to know what we are doing. The other side does not.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I should first apologize for not having been present throughout this debate. I had wished to be here during the course of the whole debate. However, I have had reported to me, albeit second-hand, some of the views expressed and I have listened to some of the speakers.

The suggestion was made by the last speaker, the hon. member for Hamilton West (Mr. Alexander), that the government is not concerned with the public interest. Perhaps if I were not to try to disclose the course of the negotiations, but to indicate some of the background, it would be seen that the government is preoccupied with the public interest. The objective of the government is to secure agreement through the collective bargaining process. It is only in the event that we cannot reach agreement through this process that resort is had to arbitration, which is the method of dispute settlement chosen by the firefighters in this particular case.

As the hon. member for Hamilton West and others have pointed out, there are quite considerable variances in the wages and salaries paid to people in the profession of firefighting across Canada. Firefighters are regarded differently in Canada by the communities in which they

work and serve rather differently. I would suggest, Mr. Speaker, that these communities are entitled to their views and that it should not be up to the federal government by fiat to tell them that their ideas and values are wrong and that it knows better.

It is for this reason the government has proposed, in the interest of harmonious relationships between employer and employee—and Treasury Board is the nominal employer—that where a man or woman engages in the federal public service and is likely to remain throughout his or her working career in that particular community, that is, a condition known as lack of mobility, there are marked differences in the kind of rewards that communities in Canada accord to these particular professions. Where there are marked differences and lack of mobility, we suggest—and I emphasize this—and indeed offer a regional approach rather than a national approach.

This means that those who avail themselves of this offer look for comparability with people in a corresponding trade in the community in which they live and work, and comparability where their wives shop, with the wives of other people engaged in the same profession. A number of unions have accepted this with satisfaction. A number of other unions have not accepted it. The fact that they have not accepted it does not mean we do not reach agreement. The government offers this to them, and if they accept it we reach a collective agreement.

In the present case we have offered to the firefighters regional rates, that is, the firefighters would be able to achieve comparability with corresponding people in the area in which they live and work, rather than the national average. The leader of the NDP (Mr. Lewis), suggested, I think rather irresponsibly for a member of this House, that we should in effect pay public servants the highest rate going anywhere in Canada. He suggested that in this way you can obtain harmony.

An hon. Member: He did not go that far: he said close to that.

Mr. Drury: Close to the highest probably sounds good to the people looking for a large increase and not so bad to the taxpayer who has to pay the bill. We have a system which has worked very satisfactorily and which has led to a very large number of collective agreements, whereby the federal government's position is that those who wish to be on national rates will bargain for a settlement at close to the national average.

● (2250)

Mr. Lewis: That takes in the lowest.

Mr. Drury: Of course it does. We all understand arithmetic. The average is the mean between the top and the bottom, and it includes both. We are prepared to offer the national average and we have concluded a great many agreements on this basis with those who prefer that kind of arrangement. The result is that where there are not wide differences of rewards across the country, there is not much disparity between the various communities. However, where there are wide disparities, as in the case of the firefighters and a number of other trades across the country where disparities exist, it is conducive to intense dissatisfaction.

The union, in so far as the firefighters are concerned, feels it is bound by a statement of principle that national rates are the rule. They are bound by the rules of the convention. Consequently, they responded to the government's over-all regional rate, which means substantial increases for places like Vancouver, Toronto, and some of the other western provinces mentioned, and to lesser increases for some other communities where there is not such a large disparity, by saying that their policy was national rates. Clearly, this is highly unsatisfactory to the firefighters in Vancouver, indeed in the whole B.C. area. It has been indicated to us that firefighters in another unit in B.C. and also in the employment of the federal government will go out with other services in sympathy with the claims of the airport firefighters. The local in Vancouver has made it quite clear in public statements that they would be prepared to defy the injunction ordering them back to work in what, as everyone admits, is an illegal strike.

Mr. Nielsen: Who is the applicant?

Mr. Drury: The applicant was Treasury Board. The hon. member for Hamilton West has been complaining that the government does not have the public interest in mind.

Mr. Alexander: Right.

Mr. Drury: When members of the public service engage in illegal practices, in this case an illegal work stoppage, we invoke the law. We have no whips and we would not use them if we had; but we do invoke the law, and the ruling of the law is the order to return to work. This order of the court has not been observed by the workers in Vancouver, which indicates quite clearly how strongly they feel about this, and I sympathize with their plight and recognize that there is a wide disparity. In the name of national rates they are being asked to make a considerable financial sacrifice in terms of comparability—in the name of national rates, in the name of the dogma. As I say, I sympathize with them in this. In fact, I might say that the workers in Vancouver have gone on an illegal strike in support of Treasury Board policy. That is something.

An hon. Member: Beautiful.

Mr. Drury: That happens to be a fact.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the minister, but his time has expired. The hon. member for Hamilton West, Mr. Alexander.

Mr. Alexander: Mr. Speaker, I think I had better bow to seniority.

Mr. Erik Nielsen (Yukon): Mr. Speaker, in the three minutes left I would like to add something to the debate. The hon. member for Hamilton West (Mr. Hamilton) referred to a conflict of interest that exists in every case where Treasury Board sits down at the bargaining table with the bargaining agents of the employees. It seems to me that there is always a conflict. On the one hand, Treasury Board acts on its own behalf as the nominal

employer, and on the other hand it purports to act on behalf of the public of Canada generally.

We have put forward the suggestion—if the hon. member for Hamilton West had the time, I am sure he would have done so himself—that there should be some independent body that could sit at the bargaining table for these purposes. Many times in the past we have suggested the creation of a public service disputes commission which would act in the public interest.

Mr. Marchand (Langelier): We have it.

Mr. Drury: It is called the Public Service Staff Relations Board.

Mr. Nielsen: That has no more independence, in the sense in which I speak, than the minister himself.

Mr. Drury: Mr. Speaker, I wish to rise on a point of order. I hope the hon. member for Yukon will withdraw what he said in giving his views of me and interpreting the same optic to the Public Service Staff Relations Board and its distinguished chairman, which is nothing but a slur on him. I hope he will withdraw that comment.

The Acting Speaker (Mr. Boulanger): It is getting close to eleven o'clock, so I hope the hon. member for Yukon (Mr. Nielsen) will try to arrange that.

Mr. Nielsen: This is a debate, and no slur was intended. I was really trying to be fair to the minister, trying to be non-partisan. The minister said that he endeavours to approach these problems on a regional basis. If that is so, why is there this great gap between what MOT firefighters are being paid at Vancouver and what municipal firefighters are being paid? I understand it is in the order of $3,000. If he is sincere in trying to settle on a regional basis, then what is the reason for this great gap?

The last observation I have—and I have three seconds in which to make it—is that I am wondering why Treasury Board applied the injunction knowing full well they have to commence proceedings and claim irreparable damage in order to obtain their injunction. And then they sit on it, because if there have been damages, as there must be otherwise the judge would not have granted the injunction, what was the purpose in getting the injunction if Treasury Board intended to sit on it and not make any effort to carry it through?

The Acting Speaker (Mr. Boulanger): Pursuant to section 13 of Standing Order 26, I am satisfied that the debate has been concluded and the motion is deemed to have carried.

It being eleven o'clock, this House stands adjourned until 2 p.m. tomorrow.

At 11 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, April 10, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. BALDWIN—OBJECTION TO CERTAIN INSTRUCTIONS TO COMMITTEE CHAIRMEN

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege which affects the rights and privileges of every member of this House in a very serious way. I have given Your Honour the notice as is required, of course, by the Standing Order.

I have here what purports to be a copy of a letter written by the parliamentary secretary to the government House leader, presumably, with the rigid discipline that applies in this case, including the consent, knowledge, and approval of the government House leader. It is dated March 26, 1974. There are three very brief paragraphs which I feel I must read in order to lay the foundation for the development of this very serious breach of privilege by the hon. member.

The letter is addressed to committee chairmen and the subject is committee reports and estimates. We have heard of papal bulls; this is parliamentary bull being handed down by the hon. member.

The second paragraph states:

For your information and guidance—

This is the hon. member giving guidance to the committee chairmen who presumably have or should have the qualities of the Chair in regard to independence and objectivity in their approach to the problems that are placed before them. To begin again, the second paragraph of this amazing letter states:

For your information and guidance please note that reports from standing committees dealing with estimates should—

The letter does not say "ought"; it says "should". It continues:

—consist of approval, reduction, or elimination of estimates only.

The word "only" is in capital letters and underlined.

Some hon. Members: Hear, hear!

Mr. MacEachen: That is very sound procedure.

Mr. Baldwin: I am glad to see that the Prime Minister (Mr. Trudeau) is an instrument in this direction from the top down to hon. members of the House including most of them in his own party.

Mr. Trudeau: On a question of privilege, Mr. Speaker, I would just like to inquire from the hon. member how he reaches that conclusion?

Some hon. Members: Order!

Mr. Diefenbaker: Quit clowning.

Mr. Baldwin: The third paragraph of the letter states:

Reports of a substantive nature, including recommendations on items relating to or contained in the estimates, are clearly not allowed.

That is our great Caesar over there suggesting that recommendations of this kind are not allowed, and this is a direction to the chairmen of standing committees.

Mr. MacEachen: Sound procedure.

Mr. Baldwin: I could read a lot more, Mr. Speaker, but I will content myself with the last paragraph which states:

In carrying out your responsibilities vis-à-vis the committees' consideration of estimates, please try to ensure that this principle is at all times maintained.

Mr. MacEachen: Mr. Speaker, I rise on a point of order.

An hon. Member: How can you get up on a point of order?

Some hon. Members: Oh, oh!

An hon. Member: This is a question of privilege.

Mr. MacEachen: I would just suggest that the hon. member table the letter in view of the fact he has quoted from it extensively.

Some hon. Members: Hear, hear!

Mr. Hees: We are always glad to do that.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: We are straightforward, honest chaps and we are always glad to do that.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. The rules do not provide for the tabling of letters except official documents that are read for use in the course of a debate by a minister of the Crown.

Mr. Baldwin: Thank you, Mr. Speaker.

Mr. Stanfield: You had better go back to Beauchesne, Allan.

Mr. Baldwin: I would only say in that regard, Mr. Speaker, that if the government House leader and the Prime Minister will come to my office after orders of the day I will be glad to read them the letter.

An hon. Member: And read them the rules, too.

Mr. Baldwin: In trying to substantiate this fantastic direction, this attempt to direct the operations and the decisions of committee chairmen, the hon. member cites a ruling made by the Chair in a situation that developed in the House on June 18, 1973. Your Honour will, of course, recall that particular discussion.

At that time the hon. member for Winnipeg North (Mr. Orlikow) attempted to move concurrence in a report of the committee on transportation and there was a very interesting discussion in which I, the hon. member for Winnipeg North Centre (Mr. Knowles) and other hon. members participated. The question was on the very narrow ground whether that report of the committee, which had been dealing with estimates, could be the subject of a motion for concurrence in the House. We had an interesting discussion and Your Honour postponed your ruling and then came up with one of those fine, intelligent, reasonable and objective rulings which have made this House from time to time a better place to be in.

An hon. Member: Don't push your luck.

Some hon. Members: Oh, oh!

An hon. Member: Is there any place you would rather be?

Mr. Baldwin: At that time Your Honour said that in the first instance, very specifically, such a motion could only be moved on an allotted day. That is of interest to us today when we find the government running away from allotted days.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baldwin: At any rate, that was the narrow ground upon which Your Honour made your ruling. You did indicate at the time that in your view, and I think quite properly because I found myself in agreement with Your Honour, not only because you are the Speaker but because your decision was right—

Some hon. Members: Oh, oh!

Mr. Baldwin: —there was a collateral point, an *obiter dictum*, in that a recommendation in a committee report of a substantive nature which appeared to deal with the expenditure or proposed expenditure of money was not one which could be dealt with in a committee report through a motion to concur in that report. I think that was the gist of what was said. At that time the hon. member for Kenora-Rainy River did make a very strong and spirited attempt to put forward the same views he has put forward in this letter. I objected to that, as did the hon. member for Winnipeg North Centre (Mr. Knowles), but Your Honour did not rule on that ground.

As a matter of fact, Your Honour referred to a previous ruling in a previous situation in 1969 when on an allotted day there was in the House a debate on the following motion which I moved:

That this House concurs with the views expressed by the Standing Committee on Miscellaneous Estimates relating to the use of $1 items in estimates as set out in paragraphs one and two of the fourth report of the said committee on February 28, 1969.

At that time that committee, with due regard to its responsibility to examine with care and scrutinize with exactitude expenditures made by this government, saw fit to include in its report a collateral recommendation as to these $1 items. We undertook through the motion which I moved on an allotted day to ask for concurrence in that recommendation.

● (1410)

It was not a day on which we voted. We had a very good debate. I will always remember that debate. It took place on March 3, 1969. The hon. member for Winnipeg North Centre made the very serious charge that parliament has now lost control over the public purse. I hope he still holds that view. In light of that fact I think it is absolutely unforgiveable that a member of this House who happens to have a semi-official or official position with the government, not as high as he would like to go but maybe higher than he should be, should undertake to dictate to the chairmen of standing committees, hon. members who have very responsible positions, as to what they should or should not allow to be discussed or included in the reports of those committees. I am not moving a motion, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Baldwin: I would hope that as a result of this debate the hon. member in his official function will be relegated to the duty he performs best, that of saying no to motions under Standing Order 43.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am delighted to have been the subject of a 15-minute speech by the hon. member for Peace River (Mr. Baldwin). I assure him that what was done was done on my own authority.

Some hon. Members: Oh, oh!

Mr. Reid: As you know, Mr. Speaker, there has been considerable debate in the House of Commons with regard to exactly what the powers of standing committees are, particularly with reference to the making of reports on estimates. I was approached by a number of committee chairmen as to what rulings there had been in the House of Commons which would indicate to them what powers committees have to make reports to the House on estimates.

I recall very well debating the point raised by the hon. member for Winnipeg North Centre (Mr. Knowles) and I recall the ruling. I obtained sufficient copies of the ruling and elucidated what I thought were the main points of the ruling in a covering memorandum. I then sent this memorandum to committee chairmen on all sides of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Reid: Mr. Speaker, in interpreting your ruling it may have been that I erred. If I did err I apologize to you and to the House of Commons. If there should happen to be in your view, Mr. Speaker, some reason to believe that

the memorandum I prepared and the ruling I circulated were not accurate, perhaps this might provide an opportunity for you to clarify the issue once and for all so that we would know clearly and precisely what are the rules of the House of Commons in respect of the consideration of estimates by committees and their powers in reporting to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: I am sure hon. members do not expect the Chair to attempt to clarify a ruling which was made on another occasion. Certainly that would not be according to well established practice. I would prefer to allow the matter to stand where it is now. In any event, the hon. member for Peace River has not proposed a motion for the consideration of the House and I suggest we should not pursue the matter further.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I rise on a point of order. I should like, if I may, to follow up briefly the point that has been raised by the extensive reading from a letter by the hon. member for Peace River (Mr. Baldwin). It is my submission, and I make it briefly, that in these circumstances when a letter is read into the record it is the obligation of any member to table the letter. I certainly agree with you, Mr. Speaker, that if a minister quotes from a public document that document must be tabled, but I think there is also an obligation on the part of an hon. member who quotes from a letter to lay it upon the table. I believe that is indicated in citation 158, page 134, paragraph 3, which reads as follows:

An unsigned letter should not be read in the House. On the 16th May 1928, a member stated during debate that a letter which he had been quoting was not signed. The Speaker said: "Such a letter should not be read into Hansard; all letters when read must be signed and they become part of the documents of the House."

The only way a letter can become part of the documents of the House is by tabling it and not by being recorded in *Hansard*. Further, citation 159, paragraph 3, which does not refer to a minister or a public document, says:

It has been admitted that a document which has been cited ought to be laid upon the table of the House—

Some hon. Members: Read on.

Mr. MacEachen: The hon. member for Peace River referred to the hon. member for Kenory-Rainy River as holding an official or semi-official position.

—if it can be done without injury to the public interest.

I suggest that the document could be tabled. The citation continues:

The same rule, however, cannot be held to apply to private letters or memoranda.

Surely the hon. gentleman would not be so impolite as to quote from private letters in the House of Commons.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): This is a memorandum.

Mr. Baldwin: On the point of order—

Mr. Speaker: Order, please. I would hope we would not pursue the matter. I might say that I have already made a ruling on the point which was raised in the first instance by the minister and I am prepared to confirm the ruling I made earlier. However, I do not want to prevent the hon. member for Peace River, if he wishes to, from adding to the considerations for the guidance of the Speaker.

Mr. Baldwin: Normally at the beginning, before the minister rose, I would have asked for unanimous consent to table it, but in view of the sanctimonious hypocrisy of the minister—

Some hon. Members: Hear, hear!

Mr. Baldwin: —who on many occasions when members on this side have sought to table letters has rejected them, I now say that he can table his own letter.

Some hon. Members: Hear, hear!

Mr. Speaker: As hon. members know, this question of the tabling of documents, letters or memoranda cited in the course of a debate has been considered very often and there are any number of rulings to the effect that it is only in relation to official documents cited in a debate that there is a requirement that such documents be tabled. When letters or documents have been quoted by hon. members other than ministers in the course of a debate, very often a member occupying the seat immediately next to the member who had the floor would suggest that the document be tabled, and this has always been objected to by the Chair.

The relevant citation in this case would be the paragraph following those quoted by the minister.

Some hon. Members: Oh, oh!

Mr. Speaker: Citation 159 (4) reads:

Official papers quoted during a debate should be laid on the Table of the House.

The minister suggests that the document in question is an official paper. I doubt very much that it can be considered as an official paper. I do not consider it as such and would rule that there is no requirement that it be tabled at this time by the hon. member who has quoted from the document.

● (1420)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF STATEMENT ON TURKS AND CAICOS ISLANDS TRANSMITTED TO BRITISH GOVERNMENT

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table, in both official languages, a copy of a statement on the Turks and Caicos Islands which I transmitted to the British government

yesterday, April 9, in response to an inquiry from the government.

* * *

MANPOWER AND IMMIGRATION

ADVERTISING CONTRACTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask unanimous consent of the House to move a motion under the provisions of Standing Order 43 arising out of one of the methods used by the government in spending public funds. The motion is self-explanatory. I would move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That in view of the answer to an order paper question on April 8 by the Minister of Manpower and Immigration that his department awarded $1.7 million in advertising contracts to Vickers-Benson Limited in 1973 without calling tenders or competitive presentations, this House requests the minister to cease authorizing expenditure of public funds for advertising purposes in future without first obtaining tenders or competitive presentations.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

TRANSPORT

PROVISION OF BOXCAR CONTROLLER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity and of particular concern to prairie farmers.

On March 14, 1974, in reply to my request to the government to bring in legislation to provide a boxcar controller with power to direct the rail companies to allocate boxcars, the Minister of Transport (Mr. Marchand) said, "I should like to have the reaction of my colleagues to the concept, which I am inclined to support entirely." Yesterday in the House the minister reversed himself and denied such a statement, saying in reply to a question that the member for Prince Albert "never asked me to bring in a piece of legislation; he asked me if this co-ordinator would have certain powers and I answered no".

As Canada's wheat markets are being lost because of failure to deliver—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —in accordance with contractual obligations—

Mr. Speaker: Order, please. May we have order, please.

Mr. Diefenbaker: I therefore move—

[Mr. Sharp.]

Mr. Speaker: I hesitate, of course, to interrupt the right hon. member but I am sure he appreciates that under Standing Order 43 a speech should not be made. Under the Standing Order a motion is suggested for consideration by the House, without lengthy explanations. I would hope the right hon. gentleman would come to the motion.

Mr. Trudeau: Get your information right.

Mr. Diefenbaker: Mr. Speaker, I never make speeches when I raise motions, but I have to give the information to this government that has shown such a contempt for the facts. I therefore move, seconded by the hon. member for Palliser (Mr. Schumacher):

That this House condemns the government for its failure to bring before parliament legislation to provide for the appointment of such a controller possessing the power above mentioned and, on failure of the railroad companies to carry out such orders, that heavy penalties be imposed.

Mr. Speaker: Under the terms of the Standing Order the motion requires unanimous consent? Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

Mr. Diefenbaker: Denied by the Liberal members again. Western farmers will remember.

* * *

GRAIN

FEED GRAINS MARKETING POLICY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the open letter from the Progressive Conservative party to the Prime Minister calling for the implementation of the Minister of Justice's feed grains policy, I move, seconded by the hon. member for Meadow Lake (Mr. Nesdoly):

That this House calls upon the Prime Minister to reject the policy of placing feed grains on the Winnipeg Commodity Exchange, an action that would destroy the Canadian Wheat Board as an effective bargaining agent for western producers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[*Translation*]

FINANCE

LOANS TO SMALL BUSINESSES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to put a motion on a matter of urgent and pressing necessity.

Concerning small businesses that lack the investment necessary to increase its production and its profitability, present financial institutions refuse to extend more credit to them. In view of the price increases in resources and transportation, their present credit is not sufficient.

I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House consider the possibility of increasing loans made to small businesses by way of endorsement of bank loans and of providing them better interest rates.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

[*English*]

Mr. Bell: Mr. Speaker, I rise on a point of order. Since we have gone past the motion respecting the Easter adjournment, I wonder whether the government House leader or the Minister of Justice might like to tell us, in order to keep our hopes alive, what will happen to this recess motion that is of great interest to many people?

Mr. Speaker: The motion called by the Chair is in the name of the Minister of Justice. Stand.

* * *

CANADIAN FOOTBALL ACT

PROTECTION AGAINST FOREIGN ENCROACHMENT

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-22, respecting Canadian Professional Football.

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

* * *

MOTOR VEHICLE TIRE SAFETY ACT

MEASURE RESPECTING USE OF NATIONAL SAFETY MARKS AND PROVISION OF SAFETY STANDARDS

Hon. Allan J. MacEachen (for the Minister of Transport) moved for leave to introduce Bill S-3, respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

PENSIONS FOR RETIRED CHARTERED BANK EMPLOYEES

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

Has the Minister of Finance, or the Inspector-General of Banks acting for the minister, since March 14, 1973, had any further discussions with the chartered banks concerning the need for the pensions paid to their retired employees to be escalated annually by an amount at least equal to the rise in the cost of living and, if so, can the minister now say whether the chartered banks are implementing this practice with respect to their retired employees?

Hon. John N. Turner (Minister of Finance): As indicated in the reply on March 14, 1973, the hon. member's starred questions numbered 811 and 1082 were drawn to the attention of the president of each of the chartered banks. Responses since that date indicate that banks are not formally committed to a continuing future escalation of pensions based on the cost of living because of the unpredictable liability involved. However, most banks, including all the larger banks, review the situation annually, taking into account rising living costs, and make special supplementary payments particularly to the older pensioners or their survivors who have been most affected by rising costs.

ONTARIO HOUSING AUTHORITIES CONVENTIONS

Question No. 38—**Mr. Hellyer:**

Has the government considered contacting the government of Ontario to suggest that the annual association of Ontario Housing authorities convention be rescheduled on a bi-annual basis in order to save the time of the participants and cost to the taxpayers and, if not, will the government undertake to do so?

Hon. Ron Basford (Minister of State for Urban Affairs): While the federal government has not considered contacting the government of the province of Ontario with respect to the frequency of the meetings of the Association of Ontario Housing Authorities, it is understood that the provincial government has been engaged in a continuing review of the operations of Ontario Housing Authorities, including the questions of conferences, meetings and training programs, and some changes in their organization and functions are anticipated.

Order Paper Questions

PUBLIC WORKS—RENTAL OF PREMISES

Question no. 49—**Mr. Cossitt:**

Do any of the following government departments rent premises of any kind from Stewart Hackett, David Soper or Deborah Lawlor (a) Post Office (b) Public Works (c) National Defence (d) Solicitor General (e) National Revenue (f) Manpower and Immigration and, if so, where are these premises located and what are the terms of the rental?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): (a) A search of the Department of Public Works' records indicate that it leases space on behalf of the Post Office Department from Deborah Lawlor at Lyndhurst, Ontario, only. This lease covers an area of 1,170 square feet in the Webster Building on Main Street for a period of five years from May 1, 1973 to April 30, 1978, at an annual rental of $5,500. which includes all services. The search of their records has necessarily been confined to the persons named in the question, and could not take into account the possibility of these persons being shareholders of a company leasing space to this department. (b), (c), (d), (e) and (f) No.

INCOME TAX—DEDUCTION OF MORTGAGE DEPRECIATION

Question No. 122—**Mr. Caouette (Témiscamingue):**

Has the Minister of Finance studied the possibility of alleviating the burden on the small owner by allowing him to deduct the depreciation of his mortgage from his income tax return and, if so, on what date will this amendment come into effect?

Hon. John N. Turner (Minister of Finance): I assume that "depreciation" should be construed as "interest", and hence the proposal is for the deduction of mortgage interest in arriving at taxable income. This proposal has in fact been considered, and while it has some merit, it is also subject to serious defects: it discriminates strongly in favour of home owners and against renters; it would necessitate tax increases elsewhere in the system to offset the loss of several hundreds of millions of dollars of revenue its implementation would occasion; and, because it would tend to increase the demand for housing, it would tend to drive up both house prices and mortgage interest rates, thereby substantially reducing the net benefits attributable to the measure. Were such a measure to be implemented, this would be done by means of a budget announcement.

REFRIGERATED ROLLING STOCK

Question No. 138—**Mr. Fairweather:**

What action is proposed by the government to remedy the shortage of refrigerated rolling stock and will a government-assisted rolling stock construction program be announced soon?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The government is in continuing contact with the railways to promote the effective utilization of refrigerator equipment. As with other areas where statutory rates do not apply, the government has no plan to engage in a federally assisted refrigerated rolling stock construction program at this time.

[Mr. Basford.]

INSURANCE FOR COMMERCIAL VESSELS IN ARCTIC WATERS

Question No. 148—**Mr. Forrestall:**

What arrangements are contemplated in 1974 by the government towards making available to commercial vessels in the Arctic waters insurance at a reasonable rate?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): No action is contemplated for 1974. However, as a part of larger studies on navigation in the Arctic, MOT officials are studying various methods by which assistance could be made available.

OPERATION OF SUBMERSIBLE VESSELS IN WATERS WITHIN CANADIAN JURISDICTION

Question No. 156—**Mr. Forrestall:**

1. Will the government ensure that no submersible vessels of any type is ever employed within waters inside the jurisdictional purview of our government that does not have at least one internal emergency back up method of life preservation and extension, other than simple escape capability, to permit delayed rescue in the event of entrapment?

2. Will the government give the highest priority to such absolutely mandatory requirements in 1974 and, if not, for what reason?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. When regulations are written concerning submersible vehicles they will include such fundamental requirements as an internal emergency back up system of life preservation and extension, other than a simple escape capability. Information on submersibles in use in waters within Canadian jurisdiction reveals that they all are equipped with a least one internal emergency back up method of life preservation and extension referred to above.

2. The priority given to this subject must depend on the need for regulations and requirements in other aspects of safety of life at sea and pollution prevention. The degree of study necessary to write regulations for submersibles will preclude promulgation in 1974.

STANDARDIZATION OF DESIGN OF EXTERNAL ADAPTORS TO SUBMERSIBLE VESSELS

Question No. 157—**Mr. Forrestall:**

Is it the intention of the government to initiate consideration at the international level to provide for a standardization of design and construction of external adaptors to submersible vessels to ensure universal ability to service any such vessels in terms of life extension and preservation pending delayed rescue, in the event that such vessels would become endangered outside the area of possible operational rescue ability of the nation to which such vessels would be registered, or in whose waters they would normally be operating in 1974 and (a) if not, for what reason (b) if so, on what date?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Ministry of Transport already has representation on an international committee known as The Special Committee on Submersible Vehicles which was created to meet the need expressed by industry to prepare regulations governing commercial submersibles. The committee will be holding its next meeting on April 17, 1974. The question of standardization of design and construction of external adaptors to submersible vehicles to ensure universal ability to service any such vehi-

cles in terms of life extension and preservation pending delayed rescue will be discussed. In so far as the Department of National Defence is concerned military submersible vessels conform to the international standards contained in a standard NATO Agreement entitled "Adaptions for Supply of High Pressure Air to Sunken NATO Submarines".

DEPARTMENT OF SOLICITOR GENERAL PUBLICITY EXPENDITURES

Question No. 260—**Mr. Nystrom:**

Order Paper Questions

1. What were the amounts of money spent by the Department of the Solicitor General on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Hon. Warren Allmand (Solicitor General): 1.

	Min Sec	RCMP	CPS	NPB	Total
1972–73	$ 29,956	$ 41,793	Nil	Nil	$ 71,749
1973–74	Nil	$ 189,370	Nil	Nil	$ 189,370

2.

Ministry Secretariat
1972–73
Nil

1973–74
Nil

Royal Canadian Mounted Police
1972–73

Name	Amount	Purpose
Dominion Looseleaf Co. Ltd., Ottawa, Ontario	$ 8,371	Series of co-ordinated printed material to publicize the "RCMP Musical Ride".
Montreal Lithographing Co., Laval, Quebec	15,950	Series of co-ordinated printed material to publicize the "RCMP Band".
Danforth Marketing Services, Toronto, Ontario	2,694	Public Relations—"Musical Ride".
Ronald-Reynolds Co. Ltd., 154 University Avenue Toronto, Ontario	11,139	Billboards publicity—RCMP Centennial
Ronald-Reynolds Co. Ltd., 154 University Avenue, Toronto, Ontario	3,639	Background publication and printed publicity—RCMP Centennial
	1973–74	
Danforth Marketing Services, Toronto, Ontario	3,420	Recruiting publicity—"Career in Scarlet".
D. W. Friesen & Son Ltd., Altona, Manitoba	3,009	RCMP Centennial—"Air Division Centennial History Book
D. W. Friesen & Son Ltd., Altona, Manitoba	3,445	Public Relations—Police Service Dogs
Ogilvie Associates, 620 Cathcart, Montreal 3, Quebec	5,956	Centennial Posters
National Printers Ltd., Ottawa, Ontario	3,523	Recruiting publicity "Career in Scarlet".
Rolph-McNally Ltd., 300 Orenda Road, Bramalea, Ontario	170,017	Centennial—posters and murals

Order Paper Questions

3.

Ministry Secretariat
1972–73

Name	Amount	Purpose
Printing Bureau, D.S.S.	29,956	Printing of press releases, ministerial statements, background papers and other miscellaneous information and publicity items.

1973–74
Nil

Royal Canadian Mounted Police
1972–73
Nil
1973–74
Nil

OLD BOUNDARY BAY AIRPORT—SECURITY

Question No. 337—**Mr. Reynolds:**

1. Due to continued vandalism at the Old Boundary Bay Airport site in Delta, British Columbia, will the proper security be reinstalled and, if not, for what reason?

2. For what reason was the security removed from the Old Boundary Bay Airport in Delta, British Columbia?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1 and 2. As the majority of buildings have been declared surplus for removal, the cost of maintaining security, other than by local police, cannot be justified.

GOVERNMENT BORROWINGS FROM THE BANK OF CANADA

Question No. 400—**Mr. Lambert (Bellechasse):**

Did the government borrow from the Bank of Canada during the past ten years and, if so (a) in what amount each year (b) at what interest rates (c) for what period of time?

Hon. John N. Turner (Minister of Finance): Under Section 18(1) of the Bank of Canada Act "The Bank may . . . (i) make loans or advances for periods not exceeding six months to the government of Canada . . . on the pledge or hypothecation of readily marketable securities issued or guaranteed by Canada . . . (j) make loans to the government of Canada . . . but such loans outstanding at any one time shall not, in the case of the government of Canada, exceed one-third of the estimated revenue of such government for its fiscal year, . . . and loans should be repaid before the end of the first quarter after the end of the fiscal year of such government;" No such borrowings have been undertaken during the past 10 years.

FEDERAL GRANT TO MUNICIPALITY OF ALMA, LAC ST. JEAN, QUEBEC FOR SPORTS FACILITIES

Question No. 401—**Mr. Lambert (Bellechasse):**

Did the government grant a loan to the Municipality of Alma, Lac St. Jean, Quebec, to provide sports facilities through the Government of the Province of Quebec, within the framework of the investment-loans program and, if so (a) in what amount (b) for what period of time (c) at what rate of interest (d) on what terms (e) is a percentage of such loan non-refundable and, if so, in what amount?

Hon. John N. Turner (Minister of Finance): A loan application for $1,328,188 for the construction of recreational facilities in the municipality of Alma has been approved under the Winter Capital Projects Fund as follows: (a) no funds advanced to date; (b) loan application contemplates a 20-year loan; (c) and (d) to be established at the time of loan advance(s) in accordance with program guidelines; (e) amounts equivalent to 100 per cent of project direct on-site labour costs incurred during winter i.e. December 1 to May 31 and 50 per cent of project direct on-site labour incurred during summer; i.e. June 1 to November 30.

INFORMATION CANADA—EMPLOYMENT OF MR. E. MILLER

Question No. 405—**Mr. Coates:**

1. (a) On what date was the Deputy Director General of Information Canada, Mr. E. Miller, appointed (b) at what salary (c) under what set of conditions?

2. What is Mr. Miller's background and age and what are his present responsibilities?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follow: 1. (a) Mr. E. Miller, Deputy Director General, was appointed on June 1, 1973. (b) He was appointed at the SX 3 level, which at that time had a salary range of $28,000-$35,000. (c) Mr. Miller was appointed under Section 7(1)(b)(ii) of the Public Service Employment Regulations. He is a continuing employee subject to the benefits and limitations of his colleagues in the Senior Executive (SX) group.

2. Mr. Miller was self-employed as a Management Consultant before joining Information Canada. Prior to that, he was a senior executive with a number of advertising agencies. He is forty-four years old. The Deputy Director General is responsible to the Director General. In this capacity, he develops and recommends information policies and guidelines for submission to the Committee on Science, Culture and Information and, with the Director General represents Information Canada in this respect; directs and co-ordinates the planning, development and implementation of policies and programs relating to (a) the marketing, sale and distribution of government of Canada publications; (b) the dissemination of information on government programs and services through an enquiry service and other communication techniques and the collection of citizen feedback through a regional organization; (c) the provision of advice, evaluation, co-ordination and assistance to departments in the area of social and

news media communications; and (d) the design, production and administration of exhibits for all departments and agencies; counsels the Treasury Board Secretariat on the information and public relations-programs and budgets of various departments; advises Treasury Board on the development of systems and methods of evaluating the effectiveness of government information programs and participates, as required, in the development of an evaluation methodology; directs the planning and development of information research policies and programs; acts as Director General in the latter's absence.

REFUSAL OF VISA TO KONSTANTIN GUEIVANDOV

Question No. 408—**Mr. Cossitt:**

1. Has the government refused a re-entry visa to Soviet journalist Mr. Konstantin Gueivandov and, if so, was the reason given that his activities when previously in Canada were not related to his work as a journalist?

2. What is a full and complete description of all such activities, including dates and places, that caused the government to take this step?

3. Were any Canadian citizens or residents of Canada involved in activities objected to by the government on the part of Mr. Gueivandov and, if so, who were these persons?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Yes, Mr. Konstantin Gueivandov was refused a visa to re-enter Canada because some of his actions were not related to his work as a journalist.

2 and 3. It is not considered to be in the public interest to divulge the information requested.

SOVIET JOURNALISTS IN CANADA

Question No. 409—**Mr. Cossitt:**

What are the names of all Soviet journalists presently in Canada with valid visas and what are the names and addresses of the news media that they represent in this country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The news media representatives of the Soviet Union presently in Canada reside in Ottawa. They are I. I. Mironov of Tass, A. Palladine of Novesti Press and V. K. Kurnikov of The State Television and Radio network.

PURCHASE OF TULIP BULBS FOR OTTAWA

Question No. 410—**Mr. Haliburton:**

1. How many tulip bulbs are purchased each year for Ottawa?

2. How many years are the bulbs re-used?

3. When the bulbs are disposed of, are they sold by public tender or destroyed and, if destroyed (a) what is the manner of so doing (b) what is the cost?

Hon. Ron Basford (Minister of State for Urban Affairs): I am informed by the National Capital Commission as follows: 1. Approximately 200,000 to 250,000 tulip bulbs are purchased each year by the NCC. The number varies depending upon which priority floral display areas are replanted.

2. There are four major priority floral display areas, they are Dow's Lake, Parliament Hill, 24 Sussex and Rideau Hall. These beds are normally replanted every second year. If the first year display is poor they will be replaced the next fall, conversely if the second year display is particularly good they will be kept a third year. The other floral displays are replanted when necessary every three or four years.

3. The tulip bulbs are heeled in after they are removed in the spring, sorted during the summer and the flower size bulbs are replanted in the fall in the secondary floral display areas such as the borders along the Driveway system. (a) The remaining bulbs, which are too small to produce a flower are buried. (b) Approximately $250.

RECENT AIRCRAFT ACCIDENT AT FROBISHER BAY

Question No. 425—**Mr. Forrestall:**

1. With respect to the crash of a Canadian business jet aircraft near Frobisher Bay in the last week of February 1974, were both the BRAVO and FOXTROT radio beacons functioning at the time of the crash?

2. Was the pilot of the craft made aware of any shut-downs of radio aids at the Frobisher Airport?

3. Were Department of Transport Aeradio Station personnel at Frobisher made aware of the estimated time of arrival of the business jet in question?

4. Is it customary for standby beacons to be installed at those DOT airports licensed for IFR approaches so that in the event of a malfunction of one beacon then another is immediately available as a substitute?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. Yes.

3. Yes.

4. Yes.

TENDERS FOR POST OFFICE, OROMOCTO, N.B.

Question No. 450—**Mr. Howie:**

1. On what date were tenders for the government building to house a post office at Oromocto, New Brunswick first scheduled to be called and to what date and for what reason was this tentative call postponed?

2. On what date is such tender now anticipated?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Tender call for the government of Canada building in Oromocto, New Brunswick, to house a post office was first scheduled for March 28, 1974. This was postponed due to the fact that Canada Post Office are reviewing their requirements.

2. Tender call is now anticipated in the first week of June, 1974, provided the Canada Post Office review does not change existing requirements.

HISTORIC SITES AND MONUMENTS—IDENTIFICATION OF "BELMONT" HOUSE IN LINCOLN, N.B.

Question No. 452—**Mr. Howie:**

1. Will the Historic Sites and Monuments Board of Canada consider identifying the house known as "Belmont" in Lincoln, County of Sunbury, New Brunswick as the home of the Hon. Robert Wilmot, a Father of Confederation, and on what date and by whom will the necessary research be undertaken to confirm such an identification?

2. How will the home of the Hon. Robert Wilmot be recognized by the Historic Sites and Monuments Board of Canada?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Research necessary to confirm the identification of the building with the Hon. Robert Wilmot, a Father of Confederation, will be undertaken prior to the autumn meeting of the Historic Sites and Monuments Board of Canada, the date of which will be established during the board's spring meeting in May. In addition to this, an architectural examination of the building will be made. It is not possible at this time to give the names of the researchers who will carry out the task, nor the precise date on which the research will begin, as the work on the documentation required for the autumn board meeting is not assigned until after the spring meeting has taken place.

2. If the board recommends that the house is of national significance and that recommendation is accepted, then the customary commemoration in such instances would be by plaque.

NUMBER OF PUBLIC SERVANTS TAKING FRENCH COURSES AT ALLIANCE FRANÇAISE D'OTTAWA

Question No. 454—**Mr. Cossitt:**

1. How many members of the Public Service have taken or are taking French language training courses at *Alliance Française d'Ottawa* over a period of the past three years directly or indirectly at government expense?

2. What is the total expenditure involved and what is the average cost per student?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. None.

2. Nil.

LA MALBAIE CULTURAL CENTRE

Question No. 466—**Mr. Caouette (Charlevoix):**

With respect to the government's contribution to the construction of the Cultural Center at La Malbaie, Quebec during centennial year (a) what was the cost of the Center (b) how much has been invested by the government from 1967 to date (c) what were the terms of the agreement spelling out the procedure to be followed with respect to the right of the Town of La Malbaie to acquire the Center (d) does the agreement include a provision forbidding the Municipality from disposing of the building?

Hon. James Hugh Faulkner (Secretary of State): (a) The total estimated cost of the project at the time of approval by the Centennial Commission in October 1966 was $100,000. The final claim submitted by the province of Quebec to the Centennial Commission indicated a cumulative cost of $224,440.85 at that time. (b) The total contribution, by the Centennial Commission, toward the cost of construction was $33,333.33. This amount was paid to the province of Quebec on approval of claims as follows: May 24, 1967, $19,104,06; Nov. 16, 1967, $10,895.93; Jan. 29, 1969, $3,333.34; total $33,333.33. (c) and (d) The Centennial Local Projects Program was the subject of Federal-Provincial Agreements between the Centennial Commission and each province and territory. Therefore, there were no provisions in the agreements regarding the rights of a municipality.

FREDERICTON AIRPORT

Question No. 486—**Mr. Howie:**

1. How many persons used the DOT airport at Lincoln serving Fredericton, New Brunswick from January 1 to December 31, 1973 and what space is now available to serve passengers and those waiting for flights?

2. Are there any plans to increase the size or capacity of this airport to provide additional waiting rooms or other restaurant or lounge facilities and, if so, on what date?

3. How many DC-9 jet aircraft can the runway apron in front of the airport safely accommodate?

4. Are there any plans to increase the size of this apron and will an additional taxiing runway be added and, if so, on what date?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. Eighty-six thousand, three hundred and fifty Air Canada and eastern provincial passengers used the airport facilities. Departure lounge and waiting room consist of 451 and 1,600 square feet respectively.

2. Preliminary plans are being reviewed to increase the size of the present terminal facilities, but no scheduled date has been established.

3. Three DC-9 aircraft can be accommodated simultaneously on the apron.

4. Plans have been developed to expand the aircraft apron and provide a parallel taxiway to runway 15-33 for 1976-77, subject to the availability of funds and national priorities.

PERCENTAGE OF CANADIANS SPEAKING FRENCH ONLY

Question No. 508—**Mr. Mather:**

What was the percentage of Canadians speaking French only in the years 1960, 1965 and 1973?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Data is not available for the years requested. However, information on the percentage of the Canadian population speaking French only* is available from the Census of Canada for the following years:

Year	Per cent of Canadians speaking French only
1961	19.1
1971	18.0

*It should be noted that the above percentages may include French speaking members of the population who speak a second language other than English.

CMHC—LOANS FOR SINGLE-FAMILY HOUSES

Question No. 510—**Mr. Boisvert:**

Since its inception, what was the total amount loaned by CMHC for the construction of single family houses and, of this amount, how much has been paid back?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: Since 1946, CMHC has made loans totalling $3.9 billion to assist in financing the construction of single-family houses in Canada. It is not possible to provide information on the amount repaid, since the accounting records of CMHC do not differentiate among the various types of structure.

MAGNESIUM IMPORTS

Question No. 525—**Mr. Laprise:**

Does Canada import magnesium and, if so, in what quantity and at what value for every year since 1970?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The following table provides data on annual imports of magnesium in the period since 1970:

Year	Quantity (lb.)	Value ($'000)	Unit Price
1970	4,072,862	1,501	0.36
1971	3,654,067	1,458	0.39
1972	8,913,518	3,090	0.34
1973	10,101,238	3,818	0.37

METRIC COMMISSION

Question No. 558—**Mr. Neil (Moose Jaw):**

1. What was the total cost of developing the design for the metric symbol?

2. For the fiscal years 1971-72 and 1972-73, what was the total amount spent by the Metric Commission in furnishing, publishing and disseminating information concerning conversion to the metric system?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. $16,320.

2. 1971-72, $4,690; 1972-73, $221,600.

CANADIAN DEVELOPMENT CORPORATION—RETURN ON INVESTMENT

Question No. 560—**Mr. Neil (Moose Jaw):**

1. Does the Canadian Development Corporation have a target of a prospective return on investment by any company in which it acquires shares?

2. What is the minimum return on investment it expects?

Hon. John N. Turner (Minister of Finance): 1 and 2. The Canada Development Corporation has stated publicly that it seeks a 15 per cent rate of return on its investment for each of the companies in which it acquires shares. The CDC does not necessarily expect this return in the first year or even the first few years. But, over the lifetime of its investments, it expects to obtain a 15 per cent rate of return on a discounted cash flow basis on each investment.

HUDSON INSTITUTE—LETTING OF CONTRACTS BY DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Question No. 574—**Mr. Nystrom:**

1. Were any contracts let to the Hudson Institute by the Department of Industry, Trade and Commerce in the fiscal years 1971-72, 1972-73, 1973-74 and, if so, for what amount?

2. What was the nature of the work performed under these contracts?

3. Other than a contract, does the Department have any other working relationship with the Hudson Institute?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. No.

2. Not applicable.

3. The Department of Industry, Trade and Commerce participated in the final phase of a three-part multi-client Hudson Institute study "The Corporate Environment 1975-85", and is currently participating for a one year trial period in a multi-client extension of that study known as the "Corporate Environment Program". The fees paid to Hudson in respect of these studies were, respectively, $20,000 (U.S.) in fiscal year 1972-73 and $17,000 (U.S.) in fiscal year 1973-74.

HUDSON INSTITUTE—LETTING OF CONTRACTS BY DEPARTMENT OF ENERGY, MINES AND RESOURCES

Question No. 577—**Mr. Nystrom:**

1. Were any contracts let to the Hudson Institute by the Department of Energy, Mines and Resources in the fiscal years 1971-72, 1972-73, 1973-74 and, if so, for what amount?

2. What was the nature of the work performed under these contracts?

3. Other than a contract, does the Department have any other working relationship with the Hudson Institute?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. None.

2. Not applicable.

3. No.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

INDICTMENT AGAINST OLIVER L. VARDY

Question No. 2—**Mr. Nielsen:**

1. In addition to the recent indictment of Mr. John C. Doyle and others, was there an indictment preferred against Mr. Oliver L. Vardy and, if so, what is the description of each count listed on such indictment?

2. Has a warrant been issued for the arrest of Mr. Oliver L. Vardy?

3. Has Mr. Vardy been arrested and, if not, for what reason?

4. If Mr. Vardy is not now in Canada, where is he and what efforts have been and are being made to return him to Canada?

Return tabled.

DEPARTMENT OF SECRETARY OF STATE PUBLICITY EXPENDITURES

Question No. 259—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of the Secretary of State on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

INFORMATION CANADA—RESEARCH EXPENDITURES

Question No. 279—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by Information Canada on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

PUBLIC SERVANTS IN NORTHWEST TERRITORIES

Question No. 377—**Mr. Firth:**

1. How many public servants are employed by departments, Crown corporations and agencies in the Northwest Territories (a) on a full-time basis (b) on a part-time basis (c) on a seasonal basis (d) on a casual basis?

2. In each case, how many are in the categories of (a) Scientific and Professional (b) Administrative and Foreign Service (c) Administrative Support (d) Technical (e) Operational?

3. How many in each category are Native people, Treaty Indian, Non-status Indian, Eskimo and Metis?

Return tabled.

PUBLIC SERVANTS IN YUKON TERRITORY

Question No. 378—**Mr. Firth:**

1. How many public servants are employed by departments, Crown corporations and agencies in the Yukon Territory (a) on a full-time basis (b) on a part-time basis (c) on a seasonal basis (d) on a casual basis?

2. In each case, how many are in the categories of (a) Scientific and Professional (b) Administrative and Foreign Service (c) Administrative Support (d) Technical (e) Operational?

3. How many in each category are Native people, Treaty Indian, Non-status Indian, Eskimo and Metis?

[Mr. Nielsen.]

Return tabled.

CMHC LOANS

Question No. 511—**Mr. Boisvert:**

1. How many loans were made by CMHC in Canada and the Province of Quebec in 1964, 1965, 1966 and 1967?

2. What was the total amount of loans made by CMHC in Canada and the Province of Quebec in the same years?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 15 is acceptable to the government.

[*Translation*]

Mr. Speaker: Does the House agree that notice of motion No. 15 be deemed adopted?

Some hon. Members: Agreed.

[*English*]

COPY OF REPORT OF INVESTIGATION RELATING TO DESTRUCTION OF AN AIR CANADA DC-8 JETLINER AT TORONTO

Motion No. 15—**Mr. Mazankowski:**

That an Order of the House do issue for a copy of the complete report arising out of the investigation, which was ordered by the Minister of Transport, involving the explosion and destruction of an Air Canada DC-8 jetliner at the Toronto International Airport on or about June 21, 1973.

Motion agreed to.

● (1430)

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions No. 1, 8, 9, 10, 12, 13, 14, 16, 19 and 20.

COPY OF AGREEMENT RELATING TO WEST INDIAN WORKERS

Motion No. 1—**Mr. Lambert (Bellechasse):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the agreement between the Department of Manpower and Immigration and the West Indian governments with respect to the hiring of West Indian workers to harvest certain Canadian crops.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the agreement requested is contained in numerous memoranda between the Department of External Affairs, the Department of Manpower and Immigration and the participating Caribbean governments. No formal treaty or international agreement is necessary to provide for such a movement of seasonal workers. The arrangement to bring seasonal West Indian workers to Canada arose out of

proposals negotiated during the Commonwealth Caribbean-Canada Conference of July, 1966.

Mr. Speaker: Order, please.

Mr. MacGuigan: In view of this, I would ask the hon. member to withdraw his motion.

Mr. Speaker: Order, please. Is the motion to be dropped or transferred for debate?

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate.

NEW LOAN APPLICATIONS UNDER VLA

Motion No. 8—**Mr. Marshall:**

That an Order of the House do issue for a copy of all material resulting from the first meeting of the VLA Senior Management team convened by the Director General of the Veterans Land Administration in Ottawa from March 26 to 29 as follows (a) operational plans in the periods before and after the March 31, 1974 deadline for new loan applications (b) further implementation of MBO as the VLA style of management.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the materials requested are internal, departmental documents of a confidential nature and cannot be produced. I would therefore ask the hon. member to withdraw his motion.

Mr. Marshall: No, Mr. Speaker.

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPIES OF ALL DOCUMENTS RELATING TO NEW HOUSES AT NEUFCHATEL

Motion No. 9—**Mr. Godin:**

That an Order of the House do issue for copies of all documents or reports prepared by representatives of CMHC following an inquiry made January 22, 1973 in relation to certain houses located at Place de la Promenade at Neufchatel.

[*Translation*]

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the documents and reports in question concern mortgage operations between CMHC, as a loans company, and a number of borrowers. As such, they are considered as working papers of a confidential nature. In view of the circumstances, I trust the hon. member will agree to withdraw his motion.

Mr. Roland Godin (Portneuf): Mr. Speaker, I have asked for the production of thoses documents because I am being sued for half a million dollars and the accuser does not want to accept monthly payments.

Mr. Speaker: Order. I must interrupt the hon. member. What must be decided here is whether the motion is to be withdrawn, agreed to, put or transferred for debate.

Mr. Godin: Mr. Speaker, I insist and must get those document. In the final analysis, they are public documents.

Mr. Speaker: Transferred for debate.

[*English*]

COPY OF ALL CONTRACTS RELATING TO USE OF BALLANTYNE, LAPOINTE AND CENTENNIAL PIERS, VANCOUVER

Motion No. 10—**Mr. Neale (Vancouver East):**

That an Order of the House do issue for a copy of all contracts between the National Harbours Board in Vancouver and the following firms (a) Empire Stevedoring Co. Ltd. (b) Canadian Stevedoring Co. Ltd (c) Canadian National Railways respecting the use of Ballantyne Pier, Lapointe Pier and Centennial Pier for the years 1973 and 1974.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the documents requested are private and confidential. They are contracts for operating certain shipping terminals in the port of Vancouver which actively compete for business with the port of Seattle and making them open for public inspection could prejudice their position. I would therefore ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on the hon. member's behalf I call for the question.

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF LATEST EVALUATION REPORT OF CANADA MANPOWER MOBILITY PROGRAM

Motion No. 12—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the latest evaluation report of the Canada Manpower Mobility Program.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on the hon. member's behalf.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the evaluation report of the Canada Manpower Mobility Program was prepared jointly by the department and the Treasury Board Secretariat as an internal working document for their exclusive use. I would therefore ask the member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Not a chance.

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF REPORT BY GENERAL DARE FOR PRIVY COUNCIL OFFICE

Motion No. 13—**Mr. Rowland:**

That an Order of the House do issue for a copy of the final report by General Dare, prepared recently for the Privy Council Office.

Motions for Papers

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member for Selkirk.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the report asked for in this motion was tabled in the House on March 12, 1974 and a copy was forwarded to the hon. member. I would therefore ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

COPIES OF ANNUAL FINANCIAL STATEMENTS BY EVERGREEN DEVELOPMENT LTD., WINNIPEG

Motion No. 14—**Mr. Rowland:**

That an Order of the House do issue for copies of annual financial statements by Evergreen Development Ltd., Winnipeg, Manitoba, submitted to the government or any of its departments or agencies, pursuant to contractual arrangements.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the Department of National Defence is unable to submit copies of the annual financial statements by Evergreen Development Ltd. since there are no legal contractual obligations for the company to submit such statements.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF ALL CORRESPONDENCE RELATING TO NEW NEWFOUNDLAND AIRPORT, GANDER

Motion No. 16—**Mr. Mazankowski:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams and other documents between the Government of Canada and the Government of Newfoundland and/or other persons or agencies, with respect to the Newfoundland Airport at Gander, including buildings and equipment together with any other property used for the operation of the Airport pursuant to Section 33(b), of the schedule to Chapter 22, Statutes of Canada, 1949, Volume 1, page 1 thereof, and copies of arrangements made, or agreements entered into and trusts existing in respect thereof, as to continued service for Canada to take over the equipment and especially the operations as referred to in Section 33(b).

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, to ensure that all papers dealing with this subject would be obtained, an extensive search would have to be made of many files now located in the archives. To complete an assignment of this magnitude would involve considerable time and cost, with the provision of special staff. I would therefore ask the hon. member to withdraw this motion.

Mr. Mazankowski: Agreed.

[Mr. Speaker.]

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

COPIES OF ALL CORRESPONDENCE RESPECTING BORDEN—TORMENTINE FERRY PRIOR TO LATEST RAILWAY STRIKE

Motion No. 19—**Mr. Macquarrie:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams and other documents between the Minister of Transport and other responsible Ministers and the Government of Prince Edward Island respecting the Borden-Tormentine ferry service subsequent to the date of the latest national railway strike.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this motion is not acceptable because the release of these papers might be detrimental to the future conduct of federal-provincial relations. I would ask the hon. member to withdraw his motion.

Mr. Macquarrie: Agreed.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

COPY OF ALL CORRESPONDENCE RELATING TO PROPOSED EVICTION OF TENANTS OF ROCHDALE COLLEGE

Motion No. 20—**Mr. Stackhouse:**

That an Order of the House do issue for a copy of all correspondence between the Minister of State for Urban Affairs and Clarkson and Company in respect to a proposed eviction of tenants of Rochdale College, Toronto.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the correspondence referred to consists only of the letter of March 1 which the Minister of State for Urban Affairs wrote to Mr. Biddell of Clarkson and Company. The minister read the text of the letter into the record in the course of the debate on Rochdale College on March 18, and I would therefore hope that the hon. member would be willing to withdraw the motion. If, however, he insists, we would be willing to table the correspondence again at a later date.

Mr. Speaker: Is the motion dropped?

Mr. Stackhouse: Agreed.

Order discharged and motion withdrawn.

Mr. Reid: I ask, Mr. Speaker, that the other notices of motions be allowed to stand.

[*Translation*]

Mr. Speaker: Will the remaining notices of motions stand?

Some hon. Members: Agreed.

[*English*]

Mr. Howard: Mr. Speaker, I rise on a point of order. We have just witnessed a resumption of the abuse of the concept and idea of the rules which this government has engaged in for the past few years. It automatically demands that certain motions should be transferred for

debate, not for the purpose of debating the merits of the motion, whether documents should or should not be tabled, but for the purpose of sweeping the idea under the rug and denying the House an opportunity to come to a conclusion on such matters. The government has engaged in this practice ever since the rule was established permitting motions to be transferred for debate on alternate Thursdays.

I think that Your Honour should take cognizance of this practice but should not say, as you have done before, that it is a subject for consideration by the committee that deals with procedure and rules, which meets from time to time. Instead, you should declare that the government is abusing the rules, using this device to prevent debate and, particularly, to prevent the House of Commons from making a decision on the matter.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. On March 27 I raised a question of privilege with respect to notices of motions for the production of papers Nos. 3 to 6 inclusive. The parliamentary secretary indicated that the following week, which was last week, 10 to 15 notices of motions would be called. Last week he was not in a position to call any and this week, even though some notices of motions have been called, Nos. 3 to 6 inclusive were not called. As these notices of motions for the production of papers were on the order paper in the last session and were placed on the order paper months ago, the government has had more than the necessary time to obtain the limited number of documents involved and present them to the House. This is a really scandalous situation. I think my question of privilege is genuine and the parliamentary secretary should apologize to the House for his conduct.

Mr. Reid: Mr. Speaker, the point of order raised by the hon. member for Trinity (Mr. Hellyer) is well taken. I apologize to him and to the House. Unfortunately, in my position I do not have power to force ministries to come forth with documents that are required. I have done all within my power to bring these documents forward, and I sincerely apologize to the hon. gentleman.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INCREASE IN CONSUMER PRICE INDEX—INTENTION OF GOVERNMENT RESPECTING INTRODUCTION OF CONTINGENCY PLAN TO DEAL WITH INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. In view of the very alarming rate of inflation indicated once more by the increase in the consumer price index, as published by Statistics Canada today, is the government prepared immediately to introduce its contingency plan, to which he has referred frequently, to deal with the rate of inflation as a matter of national emergency?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the rate of inflation is indeed of great concern but the answer to the question is no.

● (1440)

Mr. Stanfield: I apologize, Mr. Speaker. I do not want to trespass too much upon the good nature of the right hon. member who obviously hurried to answer the question in such a manner that I could not hear it. Would he be good enough to tell me what he said?

Mr. Trudeau: I will gladly repeat the answer and elaborate on it. I know it is not very often that the Leader of the Opposition is applauded by his own followers—

Some hon. Members: Oh, oh!

Mr. Trudeau: —and I think it would only be fair for me to repeat what I said.

Mr. Hees: Back to the old Trudeau.

An hon. Member: Give him a haircut and he thinks he is king.

Mr. Hees: The old, arrogant Trudeau.

Mr. Speaker: Order, please.

Mr. Trudeau: Mr. Speaker, I apologize for the noise which is coming from across the way. The Tories used to be so good at lipreading that I am surprised they did not lipread what I said.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I did not rise to ask the Prime Minister about his popularity, my popularity or about who gets applause. I am asking him whether he is concerned about the Canadian people—

Some hon. Members: Hear, hear!

Mr. Stanfield: —and whether, in view of the abject failure of his so-called anti-inflationary policy during the past year, he is prepared to make a statement outlining any fundamental change in the approach of the government before the House adjourns for the Easter recess, if, as and when it does?

Mr. Trudeau: Yes, Mr. Speaker. If members opposite look at *Hansard* they will see that my answer which they did not understand indicated precisely that we have great concern for the Canadian people—

Some hon. Members: Hear, hear!

Mr. Trudeau: —and that these figures were a source of concern to us. On the second part of the question as to whether I am prepared to make a statement, I certainly am prepared to elaborate on my earlier answer. You know, Mr. Speaker, that sharply rising agricultural and industrial commodity prices have been the main sources of inflationary pressures. There is reason to believe that these pressures may begin to subside given good crops around the world and increased supplies of industrial materials—

Some hon. Members: Oh, oh!

Mr. Trudeau: —together with some moderation—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. I am wondering whether it is the wish of the right hon. member that we revert to motions for the purpose of a statement. I certainly do not want to be unfair. It is always difficult for the Chair to decide whether an answer to a question is so long that it might better be made by way of a statement on motions. Perhaps the Leader of the Opposition might be allowed to ask a supplementary which might permit the right hon. Prime Minister to complete his answer.

Mr. Stanfield: Mr. Speaker, there is a perfectly simple way out of this problem. In view of the desire of the Prime Minister to make a speech on the subject, is the government House leader prepared to allocate tomorrow as an opposition day?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the Leader of the Opposition ought to make up his mind. A moment ago he was talking about an Easter recess. Now he is talking about sitting tomorrow.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

INCREASE IN CONSUMER PRICE INDEX—REQUEST FOR ESTABLISHMENT OF REVIEW BOARD WITH POWER TO ROLL BACK UNJUSTIFIABLE PRICE INCREASES

Mr. David Lewis (York South): Mr. Speaker, I wish to ask the Prime Minister whether the government has made up its mind regarding early legislation to establish a prices review board, not necessarily limited to food, with power in the board or the government to roll back unjustifiable price increases, many of which are now gouging the Canadian consumer?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the government is on record several times as saying it is prepared to introduce such legislation if indeed the previous steps have been taken—that gouging has been established and that the gougers have refused to abide by the advice or enjoinders of the Food Prices Review Board. This remains the position of the government. We would not bring in such legislation needlessly, but if indeed gouging is established by the board and the people responsible for it refuse to redress their ways, we will bring in such legislation.

Mr. Lewis: In view of the fact this approach has obviously failed in the past number of months, in view of the fact that legislation passed by parliament giving authority to the appropriate agency or to the government to roll back prices would in itself have a deterrent effect on those who increase prices unrelated to increases in their cost of production and, finally, in view of the fact we have evidence of the incapacity of the Food Prices Review Board to achieve this purpose, may I ask the Prime Minister whether instead of waiting, God only knows for what, he is now prepared to introduce such legislation to prevent this kind of thing continuing to happen?

[Mr. Trudeau.]

Mr. Trudeau: Mr. Speaker, the commitment is as firm as it can be made. I disagree with the premise of the question about failure. The position of the government has always been that gouging should be established and we would then bring in the legislation. The hon. member will have to point out cases where the enjoinders of the Food Prices Review Board have not produced effects. In those circumstances, we would be prepared to act.

Mr. Speaker: The Chair will recognize the hon. member for a second supplementary and will then see the hon. member for Shefford and return to this matter. The hon. member for St. John's East will be recognized at that time.

INCREASE IN CONSUMER PRICE INDEX—POSSIBILITY OF LEGISLATION TO PROTECT PRIVATE PENSION PLANS AGAINST FURTHER EROSION

Mr. David Lewis (York South): Mr. Speaker, I direct my supplementary question to the Minister of Finance. Has the government given consideration to the condition of private pension plans which are not subject to indexing in line with the rise in the cost of living and are therefore being eroded very rapidly? Has the government given consideration to legislation by parliament or legislation by parliament in conjunction with the provincial legislatures to protect private pension plans from further erosion as a result of the increased cost of living?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I indicated to the hon. member's colleague, the hon. member for Winnipeg North Centre, a week or so ago, that is one of the matters seriously under consideration.

● (1450)

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[*Translation*]

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF NEW PRESIDENT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Prime Minister.

Since the president of the CN will be retiring at the end of the month, can the Prime Minister tell us whether the cabinet has made a decision concerning the choice of a new president?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we think that the choice of a successor will be announced in the near future.

Mr. Rondeau: I should like to put a supplementary question, Mr. Speaker. Can the Prime Minister tell us whether it can be expected that a French Canadian will be appointed president for the first time in the history of the CN?

Mr. Trudeau: Mr. Speaker, the member has made a suggestion with which the government is acquainted and will give it thorough consideration.

Mr. Rondeau: I should like to put another supplementary question, Mr. Speaker.

Can the Prime Minister tell us whether the name of the Minister of Transport appears on the list of possible candidates to the chairmanship of the CN?

Mr. Trudeau: No, Mr. Speaker, nor that of the member for Témiscamingue.

* * *

[*English*]

THE CANADIAN ECONOMY

INCREASE IN CONSUMER PRICE INDEX—REQUEST THAT GOVERNMENT INTRODUCE MEASURES TO ALLEVIATE SITUATION OR CALL ELECTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my supplementary question to the Prime Minister. In view of the fact the consumer price index today shows an annual rate of increase in the price of food of 18.6 per cent, an annual rate of increase in the price of shelter of 7.5 per cent and an annual rate of increase in the price of clothing of 10.1 per cent, all items essential to the wellbeing of Canadians, is the government now prepared to bring in measures to alleviate the situation, or is the government prepared to act responsibly, do the honourable thing and go to the Canadian people?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that there is a remarkable lack of consistency between the premises and the conclusions.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: Just answer the question.

An hon. Member: Stop playing around.

Mr. Speaker: Order, please. It is difficult for the Chair and hon. members to understand either questions or answers when there is considerable shouting across the floor.

Mr. Trudeau: Mr. Speaker, I am surprised that hon. members opposite should talk about playing around. This is a very serious subject. Frankly, the type of diversionary tactic brought in earlier today by the hon. member for Peace River to waste the time of the House is not an indication of seriousness on their part.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would hope that we would try to make some progress during the question period. We do not seem to be making much progress now. However, the hon. member for Peace River is rising on a point of order and I will recognize him.

Mr. Baldwin: I simply want to say that I was not playing football with it, Mr. Speaker.

Mr. McGrath: Mr. Speaker, I can assure the Prime Minister that his arrogance and contempt will not go unnoticed.

Some hon. Members: Oh, oh!

Mr. McGrath: Perhaps Your Honour will allow me to direct a further supplementary question to the Minister of Finance. In view of the fact that the last consumer price index showing an annual rate of inflation of 9.6 per cent drew the response from the minister that there was no relief in sight, may I ask him whether, with an annual rate of inflation of 10.4 per cent now, he can tell the Canadian people that there is some relief in sight?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, let us be realistic about this.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): The sharp rise in prices makes a disturbing scene for the Canadian people, and I think everyone in the House recognizes that. As the hon. gentleman pointed out in his question, the prime thrust of the rise in the cost of living does continue to be food and world commodity prices. When I said to the House some weeks ago that there was no immediate relief in sight, I meant just that. I do not think that any member of the House can promise a moderation of the rate of the rise in the cost of living until food prices around the world, world commodity prices, and now fuel prices, work their way through the Canadian economy.

The government has made three serious responses, and I can state them very briefly since the hon. gentleman has put a very serious question. The first is to protect those Canadians least able to protect themselves by increasing disposable income. The second is by way of selective intervention either by way of subsidy or by the oil price freeze, and so on. The third is to encourage an increase in supply. The only way of equalizing the forces of supply and demand is by increasing agricultural production and industrial capacity in this country. Those are the responses that we have made.

Some hon. Members: Hear, hear!

Mr. Speaker: Obviously there are a considerable number of members seeking to ask supplementaries on this subject. Perhaps we might start with the hon. member for Skeena.

INCREASE IN CONSUMER PRICE INDEX—SUGGESTED ACTION TO FORCE PRICE ROLL-BACK BY FOOD PROCESSORS OR ELIMINATION OF TAX REDUCTION

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a supplementary question to the Minister of Finance.

Mr. Speaker: Order, please. For the moment the Chair has recognized the hon. member for Skeena. We will return in a moment to the hon. member for St. John's East who has a third supplementary.

Mr. Howard: Mr. Speaker, I was about to direct a question to the Minister of Finance concerning an aspect of

food prices that seems to have escaped his attention. Inasmuch as the greatest culprits are the food processors and inasmuch as they were also recipients of the corporation tax cut, which was warmly embraced by the Conservatives as well and has not been passed on to the consumer but has been stuffed into the pockets of the food processors, would the minister be prepared to do one of two things, either order the food processing companies to roll back their prices to the extent they have received this windfall gift of a tax cut or eliminate the tax reduction as it applies to the food processing industry?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the Prime Minister has already given the government's response. If in a report of the Food Prices Review Board the facts alleged by the hon. member are shown to be true, then the government will take appropriate action.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for St. John's East for a third supplementary, followed by the hon. member for Don Valley.

Mr. McGrath: Mr. Speaker, by way of a final supplementary, the minister referred to the three options that the government had already carried out. May I ask the minister whether he is now prepared to carry out the fourth and ultimate option, which is for this government to resign?

INFLATION—PROPORTIONS CAUSED BY INFLATIONARY PSYCHOLOGY AND DOMESTIC FORCES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the fact we are now in the longest and most sustained period of inflation Canada has had, certainly since the introduction of the consumer price index in 1913, I have a two-part question for the minister. First, what proportion of inflation does the government feel is being developed due to an inflationary psychology in this country, and what is the government going to do about it? Second, seeing that the minister has put such emphasis on foreign forces creating inflation in this country, what proportion of the inflation in Canada is determined by domestic forces as opposed to international forces, as ascertained by members of his staff?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think it would be impossible either for me or the hon. gentleman for that matter to try to estimate what contribution psychology is making by way of behavioural reaction to the economic forces at play. I would not be able to give him an answer to that question, but I would be interested in what further suggestions he might make regarding the behavioural aspect of the economic art. In reply to the second question, on the basis of information and advice that I have obtained both from within and without, the government, I am of the opinion that the prime thrust of inflation in this country still remains the imbalance between supply and demand, domestically and internationally.

Mr. Gillies: Mr. Speaker, again my supplementary is for the Minister of Finance. Is it the position of the government that an increase in housing prices of 40 per cent in an area like Toronto is not the result of inflationary expectations at this time? What the government should do about this, of course, is to introduce—

[Mr. Howard.]

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Wellington-Grey-Dufferin-Waterloo.

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HOUSING

ACTION BY GOVERNMENT TO REDUCE COST

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is supplementary to that asked by the hon. member for Don Valley and is addressed to the Minister of Finance. In light of the fact the minister's answer to the question of the hon. member for St. John's East did not relate to the question of housing, exactly what steps has the government in mind to bring down the cost of housing, and can the government assure the House today that the rate of increase in the cost of housing in Ontario will be mitigated over the next year?

● (1500)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, my colleague, the Minister of State for Urban Affairs, has referred to this question on several occasions in the House.

Mr. Stanfield: Only distantly.

Mr. Turner (Ottawa-Carleton): The price of houses depends upon a number of factors including the price of land and the interest rate, both domestic and international. Basically, one of the problems is the excessive demand for housing within the middle-income group which is produced, first, by an attempt by Canadians to protect themselves against inflation and, second, because the profit from the disposal of a house is still the only thing free of capital gains tax.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Wellington-Grey-Dufferin-Waterloo on a supplementary question, followed by the hon. member for Toronto-Lakeshore.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): In view of the fact that the minister did not answer my first question, and in light of the rise reported last week of some 41.8 per cent in the cost of housing in Toronto in the last year, with the consequences that situation has for millions of young Canadians who probably will never in their lifetime be able to afford a home, can the minister assure the House that the government believes the steps it has taken already or contemplates taking will be adequate to ensure that the cost of housing will not increase in the coming year at an even higher rate?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we cannot give the hon. member that guarantee, but we can assure him that we share his view of the seriousness of the problem he has stated.

CONSUMER AFFAIRS

FURTHER INCREASE IN PRICE OF SUGAR—GOVERNMENT ACTION TO ENSURE PRICE DECREASES WITH WORLD PRICE

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs who will be aware that the consumer price index today showed that sugar prices have more than doubled in the last three months. In view of the fact the three largest refiners in Canada are currently being prosecuted for price fixing, which is estimated to have cost Canadians upward of $125 million in the last ten years, what steps is the government taking to ensure that the wholesale price of sugar in Canada is responding in full to the recent drop in world sugar prices?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am glad my hon. friend has confirmed that the present action before the courts arises out of the investigatory work of the combines investigation branch of my department.

Some hon. Members: Hear, hear!

Mr. Gray: The act in question does not give us the regulatory authority to take the action sought by my hon. friend, but certainly the branch will carry out its responsibilities if there is any indication of possible ongoing offences against the act. By the way, my hon. friend indicated an interest in beef prices the other week, and I think it should be noted that the price figures indicate a decline in the price of beef and pork—

Some hon. Members: Order!

Mr. Speaker: Order, please. I recognize the hon. member for Toronto-Lakeshore on a supplementary question.

Mr. Grier: Mr. Speaker, I do not know whether it is possible to ask a supplementary to a question that has not been answered, but I should like to ask whether the minister is in a position to assure the House and Canadians that prices being paid by consumers for sugar on the retail shelves are justified by world and wholesale prices, and that wholesale prices themselves are justified by the cost to the refiners?

Mr. Gray: Mr. Speaker, I think it is clear from the information available that world prices are very high, and this is bound to be translated into the price paid in Canada. The Food Prices Review Board has been set up by order in council under the Inquiries Act to enable us to get that kind of information.

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AGRICULTURE

AMOUNT OF RETURN TO FARMERS FOR PRODUCTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, on these questions in respect of which there has been so much theoretical discussion, I have been watching the Minister of Agriculture—a practical person—and I am going to direct my question to him.

An hon. Member: Wake up, Eugene.

Mr. Diefenbaker: Is not his view that, as far as food prices are concerned, farmers today are getting less than they should of the total amount of the national pie? In other words, the prices they receive are below the level of those that would provide farmers with a fair return?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I can honestly say that in respect of some commodities that is true but in respect of others it is not.

Mr. Diefenbaker: We are making some progress, Mr. Speaker. I would ask the minister to separate the two, because he is speaking differently here in the House than he does outside. Which are the farm prices that are not in the category of the question I asked, in other words, that are not justified?

Mr. Whelan: Mr. Speaker, there is no doubt that the cereal grain people are getting a very fair price for the cereal grain they are selling. The people selling pork, turkeys and some other poultry products, and beef are probably not receiving the return which they should; and I have said that.

Some hon. Members: Oh, oh!

Mr. Whelan: If you read the latest speech I made in Chatsworth, up in Grey-Bruce in the riding of the hon. member for Bruce, you will see that I said that publicly.

Mr. Diefenbaker: Mr. Speaker, now that we have the farmers exculpated, generally speaking, from responsibility for generally high prices, what are the particular farm products in respect of which there is gouging, or anything like gouging as described by the allies of the Liberal government who sit to my left?

Mr. Whelan: Mr. Speaker, I know of no farm products in respect of which they are gouging the public at all. If we want farmers to produce, we will have to make that clear, and that includes making it clear to everybody in this House. We will not get them to produce if people like the hon. member for St. John's East keep yelling about prices, as he has, and seeming to blame the farmers.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Now we know the farmers are not to blame.

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

Some hon. Members: Oh, oh!

Mr. McGrath: I raised this question in the House today because Canada now has a rate of inflation of 10.4 per cent and the cost of food in this country has gone up over 18 per cent. The minister should know, if anybody in this House should, that there are people in this country who are suffering because of the government's attitude.

[*Translation*]

RECOMMENDATIONS OF CANADIAN FEDERATION OF AGRICULTURE—POSITION OF MINISTER

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

Following the publication of the brief submitted by the Canadian Federation of Agriculture to the members of the federal cabinet, could the minister say if he intends to implement the recommendations of this brief concerning farm production and, particularly, the statement that government should stop worrying about overproduction and restricting production in that area?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): If I understood the hon. member correctly, Mr. Speaker, I gathered that he was suggesting there be a limitation on feed grain production. I know of no such suggestion by anybody as to the adoption of a limitation on feed grain production.

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CONSUMER AFFAIRS

INCREASE IN PRICE OF BREAD—REQUEST THAT GOVERNMENT ACT TO PREVENT FURTHER INCREASES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. In view of the fact there was a 4 per cent increase in the price of bread between February and March, what immediate steps will the minister take to alleviate this situation and to assure that the Canadian Bakery Council will keep prices down?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will have to check but it seems to me these figures related to the period before the report of the Food Prices Review Board indicating what would be acceptable increases, and as far as I am aware the bakery industry is still acceding to the views of the board in this regard.

Mr. Darling: Mr. Speaker, will the minister tell the House what immediate action he will take to alleviate the high rate of inflation which increased to 10.4 per cent in the last 12 months?

Mr. Gray: Mr. Speaker, the Prime Minister and the Minister of Finance have well set out the constructive action we have taken in the past and have indicated their ability and commitment to similar and other action as the occasion demands.

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AGRICULTURE

INCREASE IN FARM COSTS—ACTION TO CORRECT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I direct my question to the Minister of Agriculture. He may not be aware of the fact that one of the greatest contributors to rising food prices is the fact that farm input costs have gone up over 20 per cent in the last year. What action does he plan to take to correct these severely rising costs?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think we have recognized the rising input costs in agricultural production. Many of the things used in agricultural production in Canada, including feed grain production, come from other areas of the world, and you have to pay their price or you do not get the product. That is about what it amounts to.

Mr. Speaker: Order, please. I would draw hon. members' attention to the fact that we will soon be reaching the end of the question period. If each member wants to ask one, two or three supplementaries to every question it will be difficult to recognize more than five or six members before the end of the question period. Hon. members should keep that in mind. I will recognize the hon. member for Athabasca and then the hon. member for Oshawa-Whitby.

● (1510)

Mr. Yewchuk: Mr. Speaker, had I received a proper answer to my question it would not have been necessary to ask a supplementary. The minister says he recognizes there is a problem. That is not what I asked him. I asked him what he is going to do about it.

Mr. Whelan: Mr. Speaker, I can tell you one thing, I am not going to impose a freeze-thaw-warm-up program like the hon. member's party suggests, because that would only curtail production.

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HOUSING

REQUEST THAT MORTGAGE INTEREST RATES BE REDUCED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact the cost of housing went up 7.5 per cent last month over that of a year ago, the principal reason given being the increase in interest rates, on which the government can take corrective action, I ask the Minister of Finance whether the government has any intention not only of stopping the escalation in interest rates but also of reducing them?

Mr. McGrath: What about your vote on the housing program?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I suggest to the hon. gentleman that in a tight housing market such as we face in Canada, particularly in some of the metropolitan areas, subsidization of interest rates such as he suggests would merely result in capitalization of the difference in interest rate against the price of the house, which is what happened in the United Kingdom when they tried the measure the hon. gentleman suggests. I say to him it would not achieve the result that he and I would like to see.

Mr. Broadbent: Just to be clear on what the Minister of Finance is saying, Mr. Speaker, let me put the question in this way. Would the minister and/or the Minister of State for Urban Affairs, on behalf of the government, consider implementing a policy of 6 per cent interest rates which would be conditionally attached to a medium-priced house in any urban area, so that the result the minister refers to which has occurred elsewhere could be prevented?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, with the market forces such as we find them, the difference between a conventional mortgage of, say, 10 per cent and the 6 per cent he cites, namely, 4 per cent, would be capitalized and increase the capital price of the house. Inevitably, that is what would happen, if not on first sale certainly on the resale price of every house in the country.

REQUEST FOR EXPLANATION ON DIFFERENTIAL BETWEEN PRICE INDEX INCREASE IN HOUSING PRICES AND ACTUAL INCREASE

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I have a question for the Minister of Finance which is supplementary to other questions. The price index indicates that the cost of housing has gone up 7.5 per cent, when in fact in metropolitan areas the price of housing is up over 40 per cent. It seems to me and to others that the price index is not correct. Can the minister explain why the price index shows an increase of only 7.5 per cent in this case?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the hon. member ought to direct his question in writing to Statistics Canada or to the minister responsible for Statistics Canada. I do not produce these statistics. I read them and review them in the same manner as the hon. gentleman.

Mr. Speaker: The hon. member for Mississauga will be recognized for one supplementary, and then the hon. member for Prince Edward-Hastings.

Mr. Blenkarn: Clearly the minister cannot explain the discrepancy in that way and so quickly. Has the minister, on his own, made any investigation and, if not, will he investigate Statistics Canada to find out if they are really minimizing inflation insofar as housing is concerned?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will certainly look into the question to see whether there is any real substance to the hon. gentleman's question.

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FINANCE

INCREASE IN MONEY SUPPLY—GOVERNMENT INCENTIVES TO INCREASE PRODUCTIVITY TO LEVEL OF PURCHASING POWER

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. As during the past 12 months the money supply in Canada has increased at a rate greater than three times the rate of increase in production, is the minister planning in the very near future to introduce specific production incentives aimed at inducing production to rise to the level of purchasing power, which has been driving up prices at an ever increasing rate, and thus attempt to control inflation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman really has to be kidding. The incentives given the manufacturing and processing industries have resulted in an increase in capital expenditures in 1973 over 1972 of 18 per cent, and another 20 per cent is anticipated this year. If that is not an effective increase in production, I would like to know what is.

Mr. Hees: Mr. Speaker, I have a supplementary for the Prime Minister, since I cannot get an answer from the minister. Has the Prime Minister read the Gallup poll which came out today and, if so, does he not think he should set aside his arrogance and try to become a human being once again?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I agree with the Minister of Finance. The hon. member has got to be kidding.

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CANADIAN ARMED FORCES

REQUEST FOR FREEZE ON RENTS OF MARRIED QUARTERS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of National Defence. In light of the information made available to us today during the question period, would the minister indicate the position he has taken with respect to the rents paid for married quarters at Canadian Armed Forces bases, and would he consult his colleagues, particularly the Minister of Finance, regarding a freeze for at least one year, and possibly two, on such rent?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we do give very careful consideration to the rental of PMQs. The increases that have been put into effect are modest compared with the increases in the private sector. However, we will consider the representation.

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CONSUMER AFFAIRS

INCREASE IN PRICE OF MARGARINE—STEPS TO PREVENT FURTHER INCREASES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and concerns the rising cost of margarine. Bearing in mind the fact the Prime Minister said on March 6 that, in contrast with most countries of the world, Canada has all the resources necessary to cope with inflation, and in light of the fact that the price of margarine rose over 7 per cent in March and 42 per cent over the year, can the minister tell us if the government is going to take any steps to alleviate the situation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, we are certainly following the

situation. There is no question that our record in comparison to that of other countries is very favourable. I was asked previously about the price of sugar. The Food Prices Review Board report indicates that 85 per cent—

Mr. Speaker: Order, please.

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MANPOWER

SUCCESS OF UNEMPLOYMENT OFFICES FUNCTIONING IN SAME BUILDINGS AS MANPOWER CENTRES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. Have the pilot unemployment offices he has reopened proved worth while to date, and where opened in the same building as manpower offices has this improved the situation? Also, has any directive been given to any unemployment insurance officials to review all claims on a quota system?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe I made a detailed response generally to the question the hon. member has posed when I appeared before the committee. I shall be glad to send him a copy of it, because it would require too lengthy an answer at the present time. But I will make sure he gets that information.

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AGRICULTURE

CERTIFICATION THAT CATTLE IMPORTED FROM UNITED STATES ARE DES-FREE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to address a question to the Minister of Agriculture. During his negotiations with the United States government in respect of the import of beef and cattle fed with the additive DES, and in view of the need for good trading relations between Canada and the United States, did the minister discuss the possibility of certification by consignees or producers of beef and cattle coming into Canada as a protection, or did he insist on United States Department of Agriculture certification?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we had discussions in Ottawa with people from the U.S. Department of Agriculture and we have discussions in Washington. I talked with the Secretary of Agriculture for the U.S.A. We asked them to do the same thing they ask us to do when it comes to certification. They are still considering it, but I do not think it is very likely they will follow it up.

● (1520)

Mr. Gleave: In view of the statement over the public media last night by United States Department of Agriculture officials that they are very concerned about the effect on trade relations, would the Minister of Agriculture or, indeed, the Minister of Industry, Trade and Commerce,

[Mr. Gray.]

engage in further discussions so that we may be assured of good trade relations in this very important sector?

Mr. Whelan: Mr. Speaker, we have had lengthy discussions, and the door of our department is open to them at all times. I understand that one of their people is in Ottawa today discussing the certification of meat and to see whether there is anything that they can do. So far as I am concerned, we will not accept any kind of certification that we do not ask of our own people.

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AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT BRITISH COLUMBIA AIRPORTS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wonder if I could put a question to the right hon. Prime Minister. In view of the fact there are reports that two representatives of the striking firemen are in Ottawa today, can the Prime Minister give the House any indication of how negotiations are going toward the settlement of the strike in British Columbia?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I do know that the President of the Treasury Board and the Minister of Transport have been very much involved in this matter. I cannot give an up to date report.

Mr. Speaker: The Chair will recognize the hon. member for Laval, then the Leader of the Opposition and will then call orders of the day.

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[*Translation*]

SPORTS

SIZE OF PLAYING FIELD IN OLYMPIC STADIUM UNDER CONSTRUCTION IN MONTREAL

Mr. Marcel Roy (Laval): Mr. Speaker, I wish to direct a question to the Postmaster General concerning the proposed construction of the Olympic stadium in Montreal. Will the playing surface inside the stadium be built according to American football leagues specifications, as stated yesterday in the House by the hon. member for High Park-Humber Valley?

Hon. André Ouellet (Postmaster General): Mr. Speaker, after hearing the statement of the hon. member of the opposition yesterday, I immediately contacted the General Commissioner of the games. He assured me that the hon. member's allegation is completely unfounded. On the contrary, the specifications set out for the construction of the stadium are those of a track and field facility; moreover, there is sufficient room inside the track for a Canadian football field. Indeed, the surface inside the track is 240 feet by 516 feet, which is more than enough for Canadian football.

[*English*]

FINANCE

REQUEST FOR FURTHER REPORT ON EFFECTS OF CORPORATE TAX CUTS GRANTED LAST YEAR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. I should like to ask whether it is his intention to give the House the benefit of any serious study respecting the effects of the corporate tax cuts for manufacturers and processors granted by the House last year, a study which would enable members of the House to form a valid opinion as to the effect of these cuts compared with what I have to describe as a farcical interim report upon which nobody could base any valid opinion.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will not accept the full force of that preamble. The measures went into place, as the hon. gentleman knows, last summer and were followed, in response to his own request, by a preliminary report, to be followed by a more complete report at the end of the year. That report is a report of business intentions. There is no better evidence available than the minds of those who will be making the decisions to back up those intentions in this country. That report is also substantiated by objective evidence put forward by the Department of Industry, Trade and Commerce.

An hon. Member: Let's have it.

Mr. Turner (Ottawa-Carleton): My colleague, the Minister of Industry, Trade and Commerce, on Monday tabled a report, a survey, an analysis of 20,000 companies in this country showing that business intentions are up remarkably, and that is a reflection of the incentives given to them for the production of jobs and the stabilization of prices in the medium term.

Mr. Speaker: Orders of the day. Is the hon. member for High Park-Humber Valley rising on a point of order?

Mr. Jelinek: Mr. Speaker, I rise on a question of privilege arising from the statement made by the Postmaster General. May I say, first, that I am very happy that he seems to be concerned, after having said that it was not the government's business to deal with the stadium. I would like to clarify the fact that I did not in any way intend to mislead the House—

Some hon. Members: Oh, oh!

Mr. Jelinek: —and that the information was conveyed to me as late as noon yesterday by the city of Montreal engineering department. I was simply asking a question on behalf of the people of Montreal—

Some hon. Members: Oh, oh!

Mr. Jelinek: —with regard to this matter. If there are any apologies to be made, I apologize to the minister, but I repeat that in no way did I want to mislead the House. I was told by the engineering department of the city of Montreal that the dimensions of the field were not those given by the minister.

Loans Acts Amendments

Mr. Cossitt: Mr. Speaker, I rise on a question of privilege which arises out of an answer delivered a few moments ago to question No. 408 on the order paper answered by the Minister of Manpower and Immigration. This is my first opportunity to outline briefly my reasons for rising on a question of privilege. The question was as follows: "What was the full and complete description of the activities of the Soviet journalist, Mr. Konstantin Gueivandov, that resulted in him being refused re-entry into Canada and whether Canadian residents or citizens were involved in any way in these activities." The minister's answer was: "It is not considered to be in the public interest to divulge the information requested."

I believe that this type of answer raises a very legitimate question of privilege and that it is an affront to parliament. As a member of this House, I have asked a legitimate question concerning the way in which a visitor to this country has been dealt with, and I submit that the government has been interfering with the rights and privileges of this House by hiding behind this all too often used phrase that "it is not in the public interest".

Finally, if something did happen here that was wrong, this House has a right to know and it is a breach of our privileges that we are not allowed to know. If something did not happen here that was wrong, I submit that this House has a right to know whether or not this journalist is being persecuted because he wrote things that the government did not like.

Mr. Speaker: Is the minister rising on the question of privilege raised by the hon. member?

Mr. Andras: Yes, Mr. Speaker. I can only tell the hon. member that I am quite sure we are following the practices recognized in the House for many, many years in matters like this. It is a question that does pertain to the national interest, and I say in all seriousness to the hon. member that disclosure of the information behind it would not be beneficial to this country.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

Hon. John N. Turner (Minister of Finance) moved that Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think you will find that there have been some discussions and that there might be a disposition to refer this bill,

after second reading, to a committee of the whole rather than to the overloaded Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: Therefore the motion will be that Bill C-14 be read the second time and referred to a committee of the whole House.

[*Translation*]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, members of the House have before them a legislation to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act. These three acts are well known to the House. They allow the Minister of Finance to guarantee term loans granted by chartered banks and other designated financial institutions, loans granted to farmers, small businessmen and fishermen in order to finance a variety of improvements requiring capital expenditures for their business operations.

● (1530)

[*English*]

Under the existing provisions of each act these programs would expire on June 30, 1974, and one of the purposes of Bill C-14 is to provide for the continuation of these programs for a three-year period beyond that date. Before discussing the detailed provisions of this bill I would like to comment on each individual program.

The Farm Improvement Loans Act was implemented in 1944, initially for a three-year period. It has been amended on numerous occasions to add new lending periods and to enlarge the benefits available to farmers qualifying under the act. Presently, farmers may borrow up to $15,000 to help finance the acquisition of farm implements, buildings, equipment or livestock, and to repair or improve assets which are used in their farming enterprises. In addition, farmers may borrow up to $15,000 for the purchase of small parcels of land to round out an existing farm unit. The total amount which may be outstanding to any farmer at any time is $25,000 for all loan purposes.

The maximum period over which repayment may be spread varies with the purpose for which the loan was obtained and ranges from three years, in the case of trucks, to 15 years in the case of land purchase loans. The Farm Improvement Loans Act has played a crucial role in the financing of Canadian agriculture, as is evidenced by the fact that almost $3 billion have been loaned during almost 30 years of operations under the act. Lending activity in the 12 months to December 31, 1973, amounted to some $230 million, which is the largest volume of loans ever made in one year under this plan. Claims paid under this program have been remarkably low and amount to about one-fifth of one per cent of the face value of loans made.

The Fisheries Improvement Loans Act came into effect in 1955, also for an initial three-year period, and has subsequently been extended and amended from time to time. Under the current provisions of the act, fishermen

[Mr. Knowles (Winnipeg North Centre).]

may borrow up to $25,000 to help finance the purchase, construction or repair of fishing vessels and equipment. The development of shore installations and equipment, which are a necessary part of a fishing enterprise, is also an eligible loan purpose. Borrowers may take up to ten years to repay most loans, although in the case of loans for certain purposes the maximum repayment period is shorter, more closely approximating the useful life of the asset being acquired. Lending under this program remained at relatively low levels for several years. More recently, however, there has been a marked increase in lending activity. In the year ending March 31, 1973, fisheries improvement loans reached a peak and amounted to $7 million. Claims have also been very low under this program, totally less than one-fifth of one per cent. Returns in the current loan year to date indicate that lending under this program is continuing at this high level.

The Small Businesses Loans Act came into effect in early 1961 for a three-year period and, like the other acts, has been extended and amended from time to time since. The legislation provides for loans of up to $25,000 to assist operators of small businesses in financing improvements in their business enterprises. In order to qualify, an enterprise must have gross annual revenue of less than $500,000 and must be engaged in one of the following forms of business activity—manufacturing, retail or wholesale trade, provision of services, construction, transportation or communications. Loans may be used to assist in acquiring fixed or moveable equipment or for the purchase, construction or renovation of business premises. Since inception, including the last full year of operation, $290 million have been made available to small businesses under the provisions of this legislation. Lending reached a peak of $30 million in the year ended December 31, 1973. Losses under this legislation have again been very small, being of the order of one half of one per cent. Indications are that lending under this program is also continuing at a high level.

A number of general provisions apply in connection with loans made under each of the programs. Borrowers are required to pledge security for loans, generally by way of a charge on the assets acquired with the loan and by giving a promissory note. In certain circumstances additional security may be required by the lender. Potential borrowers must also be prepared to make a minimum investment of their own in the project for which they seek a loan.

There is also a maximum rate of interest which lenders may charge on loans. Maximum interest rates are determined semi-annually on April 1 and October 1 of each year. The rates are based on the average yields of selected government of Canada bonds over a six-month period, to which is added a margin of 1 per cent. The maximum rate which can be charged during the period which commenced on April 1, 1974, is 8 per cent for loans made under the Small Businesses Loans Act, the Fisheries Improvement Loans Act and the Farm Improvement Loans Act for all loan purposes except the purchase of additional land. The maximum rate for land purchase loans under the Farm Improvement Loans Act, currently 8.25 per cent, is determined by a slightly different formula which is designed to reflect the fact that farmers may take up to 15 years to repay these loans.

As I indicated earlier, Mr. Speaker, Bill C-14 provides for a continuation of these lending programs for the three-year period July 1, 1974, to June 30, 1977. The bill also sets out amendments to the various acts, resulting from a major review of the effectiveness of the programs and from discussions and suggestions received from various interested groups. I shall deal with the amendments proposed for each act separately.

With respect to the Farm Improvement Loans Act, the bill proposes the following changes in addition to the extension of the legislation for three years:

1. To raise the maximum amount which may be advanced during the three-year period ending June 30, 1977, by lenders under guarantee of the minister to $1,100 million for loans made by chartered banks and $300 million for loans made by other lenders.

2. To raise the maximum amount which a borrower may have outstanding to $50,000. The sub-limits are to be dropped.

3. To extend the eligible purposes to include major repairs and overhaul of equipment and implements.

4. To allow joint borrowers to have only their share of such borrowing count against their entitlement under the plan.

5. To provide that the Alberta Treasury branches be permitted to make loans under the plan.

With respect to the Small Businesses Loans Act, the bill proposes the following changes:

1. To raise the maximum amount which may be advanced during the three-year period ending June 30, 1977, by lenders under guarantee of the minister to $250 million for loans made by chartered banks and $100 million for loans made by other lenders.

2. To raise the maximum amount which a borrower may have outstanding to $50,000.

3. To change the definition of eligible businesses to make new businesses eligible to borrow.

4. To change the definition of small business to mean one where estimated gross annual revenue for a fiscal year does not exceed $1 million.

5. To extend the eligible purposes to allow for the purchase of land necessary for the operation of the eligible business.

6. To provide that the Alberta Treasury branches be permitted to make loans under the plan.

With respect to the Fisheries Improvement Loans Act, the bill proposes the following changes:

1. To raise the maximum amount which may be advanced by lenders under guarantee of the minister to $60 million for loans made by chartered banks and $10 million for loans made by other lenders.

2. To raise the maximum amount which a borrower may have outstanding to $50,000.

The bill also provides for an increase of $5 million in the amount which may be loaned under the guarantee in respect of the current lending period ending on June 30, 1974. Lending in recent months by the chartered banks has shown a substantial rise, and unless the loan pool is enlarged banks will cease to make these loans when the current ceiling of $20 million is reached, probably in April or May, 1974.

In closing, Mr. Speaker, I wish to emphasize that these measures have been instrumental in the provision of intermediate and longer term funds for farmers, fishermen and small businessmen. The government believes that these programs should be extended for a further three-year period and that the amendments proposed for the various acts will enhance the value of these programs to the various groups they benefit.

[*Translation*]

Mr. Speaker, we have now agreed to send this bill to the Committee of the Whole after second reading.

I shall leave my parliamentary secretary, the hon. member for Terrebonne (Mr. Comtois), in charge of this debate.

As for me, I must appear before the Standing Committee of Finance, Trade and Economic Affairs, pursuant to an order issued by that committee.

So, with your permission, Mr. Speaker, I leave my parliamentary secretary, the hon. member for Terrebonne, in charge of the debate.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as the minister has indicated, this bill is actually a compendium of amendments to three acts, all of a similar type, dealing with loans that can be made available under government guarantee from chartered banks. We see the government has realized that inflation has caused an impact and that the three acts are meaningless without these amendments. It is not my intention to make any lengthy remarks on the individual parts of the act, but several of my colleagues will speak on specialities with regard to farm improvement loans, small businesses loans and fisheries improvement loans.

● (1540)

I am glad that my suggestion that we deal with this bill in committee of the whole was followed. One has to be realistic about the passage of legislation in this House. If hon. members want the fishermen or the small businessmen to benefit from these amendments, then the legislation must be put in the starting position and processed through to royal assent in the minimum of time. When one speaks of referring any item of business to the Standing Committee on Finance, Trade and Economic Affairs it must be remembered that this government has not established its priorities. Including this item and one that was referred to the committee last week, that committee has for consideration seven major items in addition to the estimates.

We know that the discussions and hearings on the competition act will go on into June, so this bill would not be reported from committee until after that. I felt that was totally wrong. In light of the breakdown of negotiations for adjournment, the best use that could be made of today, and likely of tomorrow, would be to get this bill through all stages in the House. We could make shorter speeches to achieve this end.

I want to say something now about the increase in the ceilings of farm loans, small businesses loans and fisheries improvement loans to $50,000. I wish the Prime Minister (Mr. Trudeau) were here. The other day he was guilty of the grossest inexactitude. I do not think it was deliberate, because I do not think he understands the Veterans Land Act. When my colleagues, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Winnipeg North Centre (Mr. Knowles) and others, asked for an increase in the ceilings under that act, he thought this was going to cost more money. He found it ridiculous for the opposition to advocate, on the one hand, the curtailing of government expenditure, and on the other to ask for greater government expenditure of this type.

That was utter tripe from the Prime Minister, because those loans are repayable; they are not an expense of government. If one followed the logic of the Prime Minister, one would say this is an increase in expenditure by the government. There is not any expenditure here by government, Mr. Speaker: the loans are made by the chartered banks or those that have status to make loans under the acts.

The ceilings of these loans are increased. It is true that there is a contingent liability under the guarantee, but when we are limited to one-tenth of the loans that may occur, the chances of a loan by a chartered bank or its equivalent are miniscule. The suggestion made by the Prime Minister the other day in trying to score a cheap political advantage did not have any substance whatsoever. I am sure if he were here this afternoon he would be trying to use the same sort of fallacious argument.

The small business enterprise is now deemed to be worth $1 million. This means we will have to review some of the other legislation such as the Canada Corporations Act. When we changed the law on Canadian corporations three years ago, they said if the sales volume is $3 million it is big business. Now we are getting into a small business with a ceiling on turnover of $1 million. These are some of the effects of inflation. Only when we see these practical examples of the day to day changes that have to be made in the law do we realize the type of cancer there is in this country at the present time against which this government is not taking action.

As the minister indicated this afternoon, the government tries to make changes by getting more income to certain people. What does that argument mean? If you are bleeding from a hole in the aorta, which is about as serious a condition as inflation in Canada today, when the minister says he will redistribute income that is equivalent to putting a band-aid on the exterior instead of performing the necessary surgery and maybe imposing restrictions to stop the bleeding. The government puts little band-aids on the outside, and we see the blood oozing all around, just as we see in the inflation all around the government programs.

Another argument with which the minister had difficulty was this. He talked about food prices and said we cannot really control them because so much of the food in Canada comes from outside the country, and therefore controls on food prices in this country would have little effect. But the third element of the problem is that we must grow more of our own food in Canada although this will have little effect on inflation.

[Mr. Lambert (Edmonton West).]

My colleagues will deal with the difficulties encountered in bank interest rates which today are over 9 per cent because of the mortgage rate. The fixed rates applicable to these programs under the guarantee make it impossible for the banks to make loans in the desired volume. The chartered banks are the only ones who deal with liquidity today, because the other institutions like the treasury branches, and so forth, must operate differently. They do not have the same formula for liquidity and so are restricted. The banks can operate with greater flexibility, but their liquidity was down to one-fifth of one per cent recently.

It is no wonder that money is tight with the banks in these circumstances and that they are only going to make loans which are most advantageous to them. They were never intended to be philanthropic institutions and that is not expected of them. Under these programs, however, there is a real problem and I believe my colleagues will point them out. We have to be realistic about this, so I hope we will have the appropriate number of speeches on second reading and then move to committee of the whole so the bill can be expedited and whatever limited benefits flow from these changes will be available to the appropriate classes in the Canadian economy.

● (1550)

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I believe many small businessmen, farmers and fishermen will welcome this legislation.

An hon. Member: If they can get loans.

Mr. Gleave: As my colleague to my right says, if they can get loans. I suppose people who have taken out loans will take them out again, to meet present commitments, without thinking too much of the consequences in the future. The legislation reflects the changing conditions of farming and business. When the loan ceiling was $7,000 we thought we were doing well by increasing the ceiling to $15,000. This amendment would increase it to $50,000. It is true that farms, businesses and fisheries have become more mechanized and need more capital for electric power, internal combustion engines and other necessary equipment. Much of this increase is to offset the declining purchasing power of the dollar, of the money that is needed for capital or for repairing existing machinery.

Farm improvement loans are to be made for machinery repairs. It seems that the farmer cannot generate enough earning power to provide for the repair and maintenance of his machines; he must borrow money to keep his machines running. I am concerned that those responsible for planning the fiscal, financial and industrial policies of this country think that farm earnings will not provide for the repair and maintenance of machinery and that we must provide for guaranteed bank loans to cover these repairs. Or, to turn the argument around, do the financial institutions with whom the farmer must deal, the banks, credit unions and caisses populaires in rural communities not want to lend money for maintaining machines on the farm? Do they want to get out from under that risk and have the government of Canada assume the major

burden? Is that why we are being asked to approve loans, guaranteed by the citizens of Canada, which are to be used for maintaining farm machinery?

The chartered banks are in the business of lending money. Since we do not allow foreign banks to do much business in this country, I think it is the responsibility of our chartered banks, given these conditions, to lend money to farmers, small businessmen and fishermen for the ordinary operation of the farm, business or fishery. I am surprised that we need to guarantee bank loans to enable farmers to continue in the ordinary business of farming.

I do not oppose the bill. Probably it will provide an added service to the farmer. Perhaps the parliamentary secretary can say, since the minister is not present, whether this provision was brought forward at the request of the banks, at the request of farm organizations, or whether it originated with the government. Quite apart from the increased ceiling, it is a new departure. In the field of farm credit we badly need new policies and new directions on the part of government. We need new approaches in the field of loans to farmers. The Canadian Federation of Agriculture has said we need changes. The deputy minister of agriculture for Saskatchewan, Mr. McArthur, has suggested the need for changes in that direction. In addition, the deputy minister of agriculture for Saskatchewan, the CFA and others have said it would be better if farm credit programs came under the control and direction of the provinces rather than under the control and direction of the federal government.

The other day we asked the officials of the Farm Credit Corporation what would be the effect of such policy on farm development policies and land transfer policies. We wanted to know what would happen in individual provinces with regard to the transfer of land and farms. In other words, we wanted to know what would be the effect on people operating farms. We were not given detailed information. It was not presented to the committee in a way which enabled us to make an assessment. We were given general information. When we or Crown agencies follow land policies which affect the social structure within a province and will eventually affect the farm structure within the province, the province should have the right to make major decisions involving that kind of policy. In this connection I quote the following:

● (1600)

Mr. Hamilton suggested that under such a system, Ottawa would provide the bulk of the funds to the provincial agency and participate in the development of national policy guidelines.

"With the credit actually being provided and administered at the provincial level, the lending function could be integrated into the provincial agricultural development program, within the national guidelines, including its agricultural extension services."

Such a system would not necessarily need to have its credit offices, he said. "If traditional lending services wished to participate in the system, the federal-provincial program could work with them by providing guarantees and developing expertise and counselling services."

Mr. Hamilton said such a system is needed because, even with improvements, the chartered banking system will not meet all the requirements as farmers see them.

That is what a person in one of the farm organizations is saying about our present credit system. He goes on at some length to deal with this problem. It is significant that the Federation of Agriculture as well as a deputy minister of one province made this point and made it very explicitly. I could also quote the deputy minister but I do not think that is necessary at the moment. I hope the government will take these points of view into account. They received recently a brief from the Federation of Agriculture. They have that in their hands. I do not know the response of the government to the representations made to them by the Federation of Agriculture with regard to several of these points.

The government failed to make changes in the bill which would make credit available to groups of farmers in adequate amounts. Maybe that is because the bill had already been drafted; I do not know. As I said, I did not see any signs in the Standing Committee on Agriculture of the government's advancing new approaches that are needed. They act as though not too much has changed and just go on doing business in their standard way.

What is going to be the method of setting the interest rates? What will control the interest rates? This question was raised by the previous speaker. Are we simply going to let the interest rate go up as it increases in the system or as the banks choose to increase it, or are we going to have some definite control? What is going to be the policy? Will it be an election boondoggle, or a policy, that we will have? A prize boondoggle which backfired occurred on September 28, 1972. On that date the then minister of agriculture, standing for election, sought to save himself by freezing the interest rate on farm improvement loans. The order in council reads:

His Excellency the Governor General in Council, on the recommendation of the Minister of Finance, pursuant to section 6 of the Farm Improvement Loans Act, is pleased hereby to amend the Farm Improvement Loans regulations made by Order in Council P.C. 1969-592 of 25th March, 1969, as amended, in accordance with the schedule hereto.

The schedule reads:

1. Section 7 of the Farm Improvement Loans regulations is amended by adding thereto the following subsection:

"(6) Notwithstanding any other provision of this section, the base rate for the interest period commencing on the 1st day of October, 1972, and ending on the 31st day of March, 1973, is,

(a) in respect of a loan described in paragraph (2)(a), six per cent per annum; and

(b) in respect of a loan described in paragraph (2)(b), five per cent per annum."

That was one of the most blatant manipulations of an interest rate under a federal act that had been pulled off for some time. One lesson the government might very well learn from it is that it did not work. The then minister of agriculture did not make it back here. It provided a very bad example for successive governments. It had the effect of temporarily drying up supplies of money under the Farm Improvement Loans Act for some months because of the unwillingness of the banks to lend money at that interest rate. I hope we will get some information on what is to be the interest policy under the regulations of this act. I hope the parliamentary secretary will give us more information this afternoon.

Another concern we should have about this kind of legislation is the ability of the farmer, businessman or fisherman to repay. Increased costs on the farm front will cut very deeply into the price structure with which the farmer is now living. It was interesting to hear the Prime

Minister (Mr. Trudeau) say this afternoon that one of the big factors affecting the cost of food is the international price structure around the world. He said, by inference, this is affecting the Canadian price structure.

I do not know at exactly what price the Canadian Wheat Board is selling wheat, but we can look at the Chicago market. Wheat has declined to almost $2. Corn has declined. Rapeseed and flaxseed have declined substantially. The prices of live beef and live pork have declined substantially. All this has been within the past few months.

An hon. Member: What about grain prices?

Mr. Gleave: The hon. member asks about grain prices. Wheat prices have declined. You just do not have a system to get it to you.

An hon. Member: What are you quoting?

Mr. Gleave: I am quoting international prices, because that is what the Prime Minister and other ministers were speaking about. Beef and pork, red meat, on the domestic market have declined in price. This is having an effect on the consumer. My point is that we are talking about a loan program for farmers who are dealing and living with an international market for their products. The market for their products fluctuates and there is very little market guarantee. The present market guarantee for hogs is so far below any market price that is significant that it just does not count. The same is true with the fisheries. Whether or not there is any real intention on the part of the government to change this situation, I do not know.

● (1610)

The Minister of Agriculture was asked about increased costs this afternoon and he blamed them on international factors. The bulk of our fertilizer, with the exception of imported phosphate rock from the United States, is manufactured in Canada. One of the sharpest rises in price of any commodity that the farmer uses is in the cost of twine. Sisal is imported. We also manufacture synthetic twine. In the area where I farm, most of the hay is tied with synthetic twine. I do not know why the Minister of Consumer and Corporate Affairs (Mr. Gray) permits such an outrageous price for synthetic twine. This is manufactured from by-products of refined petroleum.

Hon. members opposite get very excited about energy prices and want to keep the cost of petroleum, of the raw material, at what they say is a Canada-wide level. I refer to heating oil, gasoline, and so on. But why do not the Minister of Agriculture and the Minister of Consumer Affairs concern themselves about added costs that will accrue to the farmers for synthetic baling twine? I have had many telephone calls and letters about this.

Polyethylene baling twine is manufactured from a by-product of petroleum. We do not have to be totally dependent on offshore supplies of oil to get supplies of baling twine, though we are partially dependent. We do not have to let the oil companies overcharge the farmer and keep baling twine in short supply. This is what is happening, yet hon. members opposite show no concern. There is no use my quoting the price of baling twine today. I talked to some people in Ontario the other day who were very closely connected with the business, and they told me the farmers will have to pay whatever somebody asks them to pay wherever they can find baling twine. I have been told by farming groups contracting in the Peace River country that they can no longer place any firm contracts.

We are only a few months away from the time when our farmers are going to tie up a lot of hay in this country, tons of it. Therefore, I would have thought that the minister would show some concern for this particular problem. If it is fair to hold down the price of gasoline to a certain level for people driving cars in Ottawa and Toronto, it should be equally fair to hold down the price of synthetic baler twine for a farmer baling hay in Saskatchewan. Both these groups are consumers.

As far as this lending program is concerned, if we are going to allow the price of baling twine, fertilizer, farm machinery products, anti-freeze and repairs to rise at the same rate as last year, then neither the government nor the banks will be able to loan the farmers enough money to keep them in operation. The industries that supply the farmer are getting all set to take him to the cleaners.

In my area, Mr. Speaker, one does not have to worry about lending the farmer a lot of money to buy tractors, because the farm machinery companies do not have any tractors for sale. I do not know what is happening in this regard, but it should be the business of the Minister of Consumer and Corporate Affairs and the Minister of Agriculture to find out. If we have run out of steel supplies to make tractors and machinery parts, that is one thing. But I suspect that the farm machinery companies are doing to the farmers what the oil companies did to the economies of the United States and Canada. They were running consumers deliberately short of petroleum from the refineries and then jacking up the price, and I think the supply of farm machinery is being quite deliberately run down so that the price can be jacked up. The same thing is happening with the supply of other essentials to which I have referred today, such as baler twine, chemicals to control weeds and insects, fertilizer and farm machinery parts. If you go right through the book you get essentially the same pattern.

So far as transportation is concerned, we have one of the most inefficient transportation systems, in terms of annual operation, that we have ever had. Here again, this will cost us a great deal of money. We do not know when the situation will be corrected and we will be given the kind of service we need. The minister in charge of the Canadian Wheat Board talks of farmers hauling their grain "X" number of miles past their own delivery points to the railroad so they can get their grain off their farms this year. This is added cost both in money and in time.

Like the farmers, Mr. Speaker, the businessmen of Saskatchewan are also trying to survive. One of them asked me whether I would check why he had not received a reduction in price, as an independent handler, as a result of a tax cut at the wholesale level. The reduction in price had not been passed on to this small businessman. I told him that I would investigate it, but after a while he told me not to do so because they might cut him off entirely

and he said he would rather pay the extra money. This is the sort of thing that is happening.

It is significant that we are financing three groups of people—the farmers, who are small businessmen, the small businessmen themselves, and the fishermen who, again, are small businessmen. Why does the government finance these three groups within this sector of the economy? My answer to that question is, because the multinational corporations are able to pass on unnecessary charges and costs to this sector of the economy. That is the reason.

● (1620)

John Kenneth Galbraith, in his book, said they have a planned economy in the United States—and that goes for Canada as well—but that the economy is planned by multinational corporations who decide how it will run and how it will work. Then he said those same corporations prey on the unorganized and the unprotected sector which is made up of the very people to whom we are guaranteeing loans. This is the unprotected and vulnerable sector of the Canadian economy. One of the problems with this government is that it is prepared to guarantee loans so the banks can give them money, and that is fine because the banks will lend the money. But the government is not prepared to take tough, hard, concrete action to protect these people to whom we are giving ever increasing amounts of money. The government is not prepared to guarantee them the kind of protection they ought to have.

The government is prepared to sit quietly while these people are overcharged for baler twine and for fertilizer, for example. The government sits quietly while the packing companies and the retail chains overcharge for beef. This is where the government ought to be getting tough. Unless the government takes steps to see that this sector of the economy is protected and can survive and function, we will be back here next year, or two or three years from now, being asked for even bigger lending limits or, perhaps even worse, the banks will be here asking us to make good on some of the guarantees we will make under this legislation. There is a point at which this well will run dry; let us make no mistake about that.

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, since there seems to be co-operation in the House for the adoption of this bill and also from the official opposition, as shown by the hon. member for Edmonton West (Mr. Lambert), I would not like to enter this debate and prolong the adoption procedures of this very important bill.

I would only like to make a few comments. First I would like to commend the government and especially the Minister of Finance (Mr. Turner) for having submitted this very adequate measure.

In view of the government's intention to increase production to solve the problem we are now facing, in Canada as well as in other countries, the presentation of such a bill was in my opinion very important.

The member for Edmonton West has suggested to accelerate the adoption procedures of this bill by studying it after the debate of the second reading, in the Committee of the Whole, instead of referring it to the Standing Committee on Finance, Trade and Economic Affairs. He has given a few reasons by saying that many measures were referred to this committee and that we would have to wait until June or July to see it adopted.

But I think that in the mind of the hon. member for Edmonton West who has a lot of experience in Parliament there is that concern, or rather that desire, that desperate eagerness of the official opposition to have an election. He is afraid to go before the people, the voters in Edmonton West, without this very progressive bill to help farmers, small businessmen and fishermen. I realize that there are not many fishermen in Edmonton but there are elsewhere in Canada, and I imagine that the Tories if they want to make some progress will try to get the fishermen's votes.

Mr. Speaker, that is indeed what I see in the remarks by the hon. member for Edmonton West. Of course, this government is not like—and thank God for that—the party of the official opposition. If I remember well, the so-called ARDA act was passed in 1962, but no amount was set aside to help farmers. It is the party I have the honour to represent in this House, Mr. Speaker, and that is a well known fact, which insisted on the ARDA plan and ensured the major developments we now have in my area as in all eastern and western Canada.

Mr. Speaker, I will now get back to the bill. I am satisfied, and I say so on behalf of farmers, small businessmen and fishermen, with that increase from $25,000 to $50,000 in the amount that can be guaranteed by the government and loaned by banks. I want to point out to the Parliamentary Secretary to the Minister of Finance (Mr. Comtois) and this government that farmers in my area are very disappointed at the way they are treated with respect to farm loans, specially in the Gaspé area.

When a farmer in my area applies for a farm loan he is put through piles of red tape and ends up being offered a clearly inadequate and ridiculously low amount.

For instance, when it comes to evaluating a farming business, some inspectors who come from God knows where, maybe the Montreal area, evaluate a business in the Gaspé Peninsula on the same basis as a farming business in the prosperous Montreal area. I believe that this is unjust for our farmers.

People often dare say that there are no farmers in the Gaspé Peninsula: there are, and if the Farm Loans Act were more adequate and if the people who administer it and the inspectors responsible for reporting on the farming business of the applicants were more just, there would perhaps be a greater number of prosperous farmers in our area, and we do have a few. If this were the case, fewer farmers would be refused a farm loan by the Farm Credit Corporation on the report of the more or less qualified inspectors who appreciate or evaluate the stock, the value of the property, of the land or of the buildings. Instead of going into a production which would allow them to live comfortably and provide for their families, these farmers must abandon their land and, since they do not have the necessary training to go into other fields, they swell the ranks of people on welfare.

I wanted to emphasize this fact and I should like to urge the hon. Minister of Finance, through his parliamentary

secretary, to consider my criticisms, because it is not the first year that I have heard farmers complain: I am by profession a notary. I have to review and complete files for farmers concerning farm loans, and during my career as a notary, which extends over more than 20 years, I have seen that in the Gaspé Peninsula, at least at the time when I practised my profession actively, the farmers of my area received no more than five loans from the Farm Credit Corporation. Why? Because its rules are too strict, and no consideration is given to the region in evaluating the property and assets of the farmers. In my opinion, our farmers, whether they be from the Gaspé Peninsula, from the Montreal area, from the west or from the east, have as much right to live as those who are advantaged by market and climate conditions.

I therefore trust that those remarks will not fall on deaf ears and that, in the future, our farmers will get more attention on the part of the inspectors who, in their reports, decide whether or not they will be entitled to a farm loan.

Contrary to farm loans, loans to small businesses have been of immeasurable help and have enabled several businessmen in my area to survive and even expand their businesses. That increase from $25,000 to $50,000 will certainly help, in view of the considerable increase in construction and equipment, and to a greater extent, both businessmen and merchants. The same goes for fishermen who, for the second time in less than a week, are being helped by the government of Canada; last week, with regard to subsidies for their fishing boats, the government changed the act and increased its help.

I therefore want to thank the minister and the government for having introduced those measures, those amendments to the law which will, I trust, give the help their beneficiaries are entitled to expect.

● (1630)

[*English*]

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, in rising to speak on this bill I commend the previous speaker for bringing forward some very good points. However, he did refer to the statement of the hon. member for Edmonton West (Mr. Lambert) that we could perhaps get on with the business of an election. I think the farmers of western Canada and Canada generally would forgive us if we were out of this House for a few months, then came back and proceeded in a new direction. All we have been hearing from the Minister of Agriculture (Mr. Whelan) is talk. It was mentioned in the Speech from the Throne that there would be a number of things done in respect of agriculture. We have not yet seen introduced any of the bills in this regard.

Mr. Whelan: There is one in the Senate.

Mr. Schellenberger: We have not seen the legislation which was promised for the benefit of Canada. It is time these bills were brought forward so that we could see if there really is something in store for western Canada.

Bill C-14 is not new legislation. It has to do with legislation that has been in place for some time. This legislation is very important to farmers, small businessmen and fishermen of Canada. A number of the provisions of this legislation deal with housekeeping items such as increasing the period from 1974 until 1977. I am glad the government finally has come around to doing what the hon. member for Vegreville (Mr. Mazankowski) and the hon. member for Crowfoot (Mr. Horner) fought for the last time such a bill was before the House; that is, that the Treasury branches of Alberta be able to provide loans under the Farm Improvement Loans Act and the Small Businesses Loans Act.

This bank has been in place for a number of years and is in competition with the other banks and credit unions in Alberta. I think it is only fair that the farmers of Alberta should be able to go to the bank with which they deal in many cases in order to obtain a farm improvement loan. The main purposes originally for this legislation were the purchase of agricultural implements, new and used, the construction, repair or alteration of farm buildings, the purchase of livestock, the purchase of additional farmland, and general works for the improvement or development of a farm, including clearing and breaking of land, irrigation systems, farm electric systems, fencing and draining works.

When looking at these original purposes, I suggest the reason for the increase from $25,000 to $50,000 is abundantly clear. The price has not only doubled, but it has multiplied drastically in respect of most of these purposes. The price the farmers have to pay has in most cases increased several times. We might consider agricultural implements, for example. Most farmers have found that in the last five or ten years the price of tractors has doubled. In some cases the price has tripled. We find that the price many farmers in western Canada must pay for a tractor is $12,000.

Because of the inability to obtain labour, most farmers must face increased capitalization costs in order to purchase machinery. They can no longer obtain the necessary labour to move the hay off the fields, and therefore must buy automatic bale-stackers, and so on, in order to remain in business. Professional agronomists have stated that one of the most serious problems facing agriculture today is the lack of labour. It seems to me that this situation forces farmers to become involved in increased capitalization in respect of machinery, and the result is that farm improvement loans in an amount of $25,000 are inadequate today. Inflation plays a large part in this situation.

I am happy to see included in this bill a new provision that would allow farmers to use farm improvement loans to finance major repairs and overhaul of equipment. We have seen reported in the *Globe and Mail*—and many farmers have told me the same thing—that there are not—tractors and equipment available for purchase if the farmers wish to purchase them. In the past number of years many farmers were unable to afford the price of new equipment. This year, however, because of the higher prices for grain we find that some of them are now in a position to buy new equipment.

I have had reports from the west that equipment which had been ordered last fall still has not been delivered. What is the result? The old equipment used by the farmers will have to be repaired. I think it is time a provision was included in this legislation that would make it possible to

use the Farm Improvement Loans Act for financing repairs until such time as these farmers are in the position to obtain new equipment.

Even though this provision is included in the bill, I think we should look at the debate of April 2, 1974, when the hon. member for Meadow Lake (Mr. Nesdoly) brought forward a private member's motion which stated that many of the farmers of western Canada or of eastern Canada are not able to obtain repair parts for their equipment. We have seen examples of $12,000 or $14,000 combines and tractors sitting idle when they are required for the planting or the harvesting of crops. In the article which appeared recently in the *Globe and Mail* I noted that a good deal of the equipment necessary this year has been made from spare parts, and that in fact even in the United States there are increasing numbers of auction sales where new equipment is being sold at three or four times the list price. Because the farmers need it so badly, they are prepared to pay this amount in anticipation of higher prices for their agricultural products in coming years.

● (1640)

I think this is a serious matter, one which the Minister of Agriculture should look into. I know that he has spoken to them about it down there, but I think we should do everything in our power to see that parts are available for equipment this year and that new tractors and other new equipment will be available to meet demands in the future.

I see in the bill a clause which allows the purchase of livestock or beef stock. I assume that it also allows beef farmers to purchase equipment and make major repairs. I know that the hon. member for Peace River (Mr. Baldwin) will be happy with this clause. A large amount of the honey produced in Canada comes from his constituency, and perhaps farmers in that area will be able to purchase some equipment to keep the bears away, because that is their major problem at present.

In clause 2 we see an amendment to increase farm improvement loans from $25,000 to $50,000. The reasons for it have been stated. Inflation is the main problem. A number of applications had to be turned down because there were simply not enough funds available for farmers to make the necessary additions to their farming operations. Farming is one of the major industries in Canada which must depend upon lending institutions and upon credit to keep the operation going from year to year. We have no major worries regarding the increase from $25,000 to $50,000 and we hope the clause will be passed as quickly as possible.

The other clauses simply add time to the bill, from July 1, 1974, to June 30, 1977, and allow institutions to lend more money than they are presently able to do. I have only one more comment to add to my brief speech on farm improvement loans. It concerns interest rates. It has been my experience that many bankers are not willing, or not as willing as they should be, to lend money to farmers under the Farm Improvement Loans Act interest rates which, the Minister of Finance (Mr. Turner) said, averaged 8.4 per cent. I think the major reason for this is consumer credit which is in such demand today with the large number of Chargex and Master Charge cards. This type of credit carries an interest rate of 12 per cent or more. Surely any wise manager of a financial institution will look more favourably on loans if he can receive 12 per cent or 14 per cent interest than he will on loans that are guaranteed but are at an average rate of 8¼ per cent.

I hope that we can ask some more questions in the committee and that the bill will be passed. I also hope the minister will consider some of the suggestions that have been made regarding certain aspects of the Farm Improvement Loans Act.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this is a very unusual bill in which we put farmers, fishermen and small businessmen in the same package. I would suggest that the Minister of Veterans Affairs (Mr. MacDonald) has been remiss in his responsibility, because he should also have thrown in veterans so that the amount of loans could be doubled for them as well. This suggestion has been made in committee and would apply to the small holdings of veterans. That is what we have been asking about, and that is what the whole ball game is about.

This government does not seem able to do anything about the rising cost of commodities and inputs, the various factors that go into making up the requirements of these three sectors of our economy. The solution, therefore, is to raise the amount of money that can be borrowed by them. I think it is a sad commentary on our society that the best we can do is to say to the banks that these are not viable industries which can operate by themselves. Borrowing is not easy, therefore the banks will have to be assured of guaranteed loans or the money will not be made available for these purposes.

Since the Veterans Land Act holdings fall into the same category, I am surprised that the Minister of Veterans Affairs, the Minister of Agriculture (Mr. Whelan), the Minister of Fisheries (Mr. Davis) and the minister responsible for small businesses did not get together so that the four of them could bring in this piece of legislation, rather than only three. I would like to tell the Minister of Veterans Affairs that I think this provision including veterans would have been passed as easily as will the present one which concerns the other three groups, and we would have accomplished something that everybody feels is necessary.

I say that this is a very bad way in which to do business, for a number of reasons. The first is the fact that in these three vital areas the individual who is operating at the bottom of the line in the industry is in all cases in financial difficulty and has trouble raising sufficient capital for his needs. It is a fact—my colleague the hon. member for Saskatoon-Biggar (Mr. Gleave) pointed this out—that this can be highlighted in almost any field of agriculture where production costs have gone up so rapidly that there is no comparison between the input a year ago and the input now. He used the example of binder twine. I have discussed this with a number of farmers in my area. The day of coiling hay, using a hay-hook and putting hay loose into a barn or stack has almost totally disappeared from the Canadian scene. So it is vitally necessary for us to have binder twine, and if we cannot have it we must have a substitute in the form of plastic cord of one type or another.

I discussed this matter with a farmer the other night over the telephone. He told me that last year he bought binder twine through the farmers' union at $5.35 a bale. This year, the co-operative with which he is dealing told him it had no twine available. I am informed that binder twine will be available, but the price will not be $5.35 or, with the 10 per cent increase, $6.50. It will be between $22 and $30 a bale. The minister shakes his head. I hope that he can give some arguments to prove that this is not so. This is an input cost to a small farmer with 30 head of cattle which is very high. It is the difference between $225 and $650, a sizeable increase in his cost of production. I understand that you can do 500 bales of hay with one bale of twine. The farmer would normally use 30 to 35 bales. The minister can do the arithmetic. I am told that farmers today will be lucky to get away this year with paying $700.

I could give examples in almost every other area, such as the cow calf operation and the cost of raising calves. We could talk about land or about fertilizer. The previous speaker mentioned machinery parts. It is not only a question of parts but a question of whether parts are available at all. Last fall I intervened on behalf of a farmer who had a David Brown tractor which had been tied up for three or four months while waiting for a very small part—incidentally, a part that was a failure in every David Brown tractor of that type. There were no parts to be had. But after I raised the roof, a part was found in transit and sent to this farmer, allowing him to get his tractor back into service. The part cost much less than $100 but the actual cost to the farmer was considerably more. This farmer's large tractor had broken down at a time when he had to do the plowing. As a result, he had to use a considerably smaller tractor and therefore his costs were two or three times greater.

● (1650)

I am not blaming the minister for such situations. I have great personal affection for him. We both have sat on the same committees, including the farm machinery committee. At times we both have been rebels. He knows that decisions made by that committee were made by a predecessor to it and in fact dated back ten years. But those decisions have not yet been implemented. I am still waiting for the present minister to put them into effect.

Then there is the unnatural increase in the price of the commodities that a farmer must buy. In fact, a farmer gets a hosing when he sells and also when he buys. Farmers in my area have been selling their products through Community Sales, and I suppose eventually to the packers. Members of the public are paying $3 billion in subsidy to make sure the farmer gets a fair return, but I think it is almost impossible for the individual farmer in my area to get this 7½ cents and it is almost as difficult for him to get his 5 cents using the Community Sales method.

Who is making the profit? Canada Packers are ripping off great big gobs of it. As I say, I do not blame the minister. I am sure he is aware that Canada Packers are ripping us off and that all the other packers are doing the same. There really is not much that he can do until some of his colleagues decide to intervene in the middle, in the market place, and take away the unconscionable profit that part of the industry is making. I do not believe Canada Packers when they say they were losing money before and now they have to make up for the loss. If you look at their financial statement you see that they do not have to make up much. Their profits went up immensely over the last year or so.

The same applies to fertilizer. There really will not be any more fertilizer used this year than last year, yet the farmer has to pay considerably more money for it, that is, if he is going to get fertilizer, and in most cases he is not yet sure whether he will receive the amount of fertilizer that is necessary for the crop that he anticipates planting. In fact, the pattern of the western farmer may be repeated. For years the price of seed and of working the land, and all the other cost factors going into production, were so high and the price of the end product so low that the western farmer found there was no point in putting fertilizer on his land, and as a result did not reach maximum production.

I agree with the minister that all members of parliament, whether they represent consuming areas or producing areas, must be careful to ensure that agriculture gets the maximum return possible and that the commodity involved reaches the consumer with as little rip-off as possible. I am not suggesting that we get rid of all the in-between people. That is not possible. We operate in a modern society, using modern methods. There will always be middlemen and they will always have to make a reasonable profit. The emphasis is on "reasonable". Canada Packers and others involved must be allowed a reasonable profit. But when you look at Kraft, Mr. Speaker, their profit is not fair. It is unconscionable. They should be tarred and feathered for the profit they are making. They have developed a monopoly. One of my colleagues says we could boil them in caramel. Certainly we could boil them in Cheese Whiz if we wanted, or in any of the oil products left in the residues from Procter and Gamble and other such companies.

Mr. Knowles (Winnipeg North Centre): We are cheesed off.

Mr. Peters: And so is the consumer. Apparently our solution now is to guarantee the banks the right to lend farmers more money. I think a farmer borrowing more money may have to do the same thing as George Weston does. George Weston became interested in a small ice-cream plant in my area. In fact, I was approached in connection with a DREE grant and I was quite prepared to help get a DREE grant to expand the operation. But then the George Weston people asked a very simple question: How much profit does the plant make? When it was pointed out that it made only 4 per cent, the George Weston people said they were not interested and as far as they were concerned the government could go ahead and put whatever capital it wished into the enterprise. In fact, they said they were not interested in any industry which operated at less than 8 per cent profit.

As a result, that particular enterprise was sold to a small dairy in Timmins and is now run by a totally different group of people. The point I am making is that the farmer is not making 8 per cent on his operation or else he would not need to borrow this kind of money. If my brother were able to make 8 per cent on his business, which I suppose is capitalized at a couple of hundred thousand dollars, he

would have been paying a considerable amount in income tax over the last few years. But he has not, and neither have other farmers. They have found they have to put their money into their business and in fact have to borrow more and put that into their business too. The same applies to small businessmen.

I talked to a small businessman the other day. We discussed Kraft. He showed me the long sheets, page after page of print-out from a computer, sent to grocery stores from headquarters in Toronto. Some five or six of the pages were taken up with Kraft products that were going up in price. He has to remark and re-price the products which he gets that are on those price lists. The prices change almost week by week. I looked at three weeks of these printed sheets, particularly with respect to Kraft products, and in several instances the same product had increased in price in each of those three weeks.

● (1700)

The small businessman must also be in trouble. Most small grocery stores used to operate on the basis that if they kept ordering from National Grocers or Loeb's, they had a mark-up of 5 per cent or 6 per cent on canned goods, so much on meat and so much on fruit and vegetables. It was consistent and they marked up the product according to the invoice they received. That is no longer possible, because every commodity has a different mark-up which the manufacturer suggests. I am sure that is true in other fields as well. There are several plywood plants in my area, and the price of glue has increased so rapidly that one owner tells me that if the increase continues there is no point in staying in business. Every time an item used in the manufacture of plywood was re-priced, he had to re-work all his bids to customers and it was not worth the trouble. This kind of problem is arising all the time.

I am sure the cost-price squeeze is hitting fishermen too. It is a major factor in agriculture. I think it would be safe to say that most small businessmen in this country have been very independent in thought and in politics. In many cases they were selling their own personality and their own method of operation. This is true, to some extent, of the farmer as well who has been able to prosper by putting in a very long day and being very careful in his operation. He is no longer in that position, Mr. Speaker. He can no longer make decisions from week to week that will be to his advantage.

To take binder twine as an example, again, it cost $225 last year and this year it will run something over $700. How is he to recoup or take that into consideration? Does he ask for more money from the marketing board? We have gone from reasonably priced dairy rations at about 32 per cent protein to 16 per cent protein, and we are using urea as the main base of concentrates because it gives increased production. The farmer has changed his operation as far as he can, but there are many things over which he has no control. A farmer would be foolish to borrow $25,000 or $50,000 in order to expand his operation in the hope that he could solve some of his problems. Indeed, it is unlikely that his farm will produce enough to repay the interest, let alone the principal. He is likely to be involved with a large loan and yet his enterprise will show an unreasonably small profit.

Some farmers in my area are selling their farms for as much as $450,000, but I wonder about the person going into a dairy operation at that price and then borrowing another $50,000 for improvements. It is unlikely he can make a go of it because the margin is not high enough. He will have to put in some magic figure and find a way of overcoming rising costs in face of a relatively fixed income.

I suppose all hon. members will support this legislation, Mr. Speaker. Indeed, we have to support it. I strongly urge the minister to consider some of the problems that have been raised in this debate. There may be a better way to help the farmer than lending him money. I know the minister is a farmer himself and has gone to the bank upon occasion to discuss his business with the bank manager. Often the bank manager tells farmers that they are foolish to borrow more money when they cannot see their way clear to repay it. I congratulate the minister on knowing what the problems are and for taking the right tack. All we have to do now is wait and see if he can accomplish his objective. We must encourage farmers to stay in farming; we must make it possible for them to stay and to expand Canadian agriculture to the limit.

Some economists in the United States are saying that food will be so short there this summer that there will be riots. I do not know whether that is true, but I am sure there will be a great shortage of foodstuffs in the world this summer and that a large percentage of consumers in Canada will be affected. They will not have the money to buy the food they want. It is time that we took a stand with the food chains. If we are seriously aiming at being self-sufficient in foods, we must make a concerted effort in all areas. Perhaps most people do not realize it but even in sugar, which was mentioned this afternoon, we could easily be self-sufficient. At the moment we produce approximately 15 per cent of the sugar we use, but if the government guaranteed the forward price to the sugar beet producers and provided assistance for the re-establishment of refining plants in this country, we could easily be self-sufficient.

I know that the minister does not get much co-operation from the food processors in this country, but now he has a glorious opportunity to step in and put some controls on the food chains. Canada can be a major producer of agricultural products if we take the right direction. This can only come about with a healthy and viable farm population, and for that we must make available more money in the form of guaranteed bank loans.

* * *

● (1710)

MESSAGE FROM THE SENATE

[*English*]

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-9, an act to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act; and also Bill C-2, an act to amend the Fisheries Development Act, without amendment.

Loans Acts Amendments

THE ROYAL ASSENT

[*Translation*]

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received which reads as follows:

Government House
Ottawa, April 10, 1974

Sir,

I have the honour to inform you that The Honourable Louis-Philippe Pigeon, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, April 10, 1974, at 5:45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier-General
Administrative Secretary
to the Governor General

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the second time and referred to committee of the whole.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, in contributing to this debate I will restrict my remarks to those parts of the bill dealing with the Fisheries Improvement Loans Act. Although we welcome the amendments which will increase loans ceilings under the Fisheries Improvement Loans Act from $25,000 to $50,000, I doubt if they will be of real value to fishermen of the Atlantic area and some other parts of the country. Since the act was proclaimed in 1955, less than $8 million of the money provided for under the act has been lent in the Atlantic area. There are probably a good many reasons for the lack of interest in the advantages of the Fisheries Improvement Loans Act shown by fishermen of the Atlantic area.

The fact that all the Atlantic provinces have seen fit to establish provincial fisheries loan boards indicates to me that the act is not working properly in the Atlantic area. I understand that fisherman on the Pacific coast, in British Columbia, have shown more interest in loans under the act than has been the case in the Atlantic area. I understand that only 27 per cent of the moneys made available have been lent in the Atlantic area, most of the remaining funds being lent on the Pacific coast.

In the 17 years this act has been in effect, fishermen in Newfoundland have received only 1.7 per cent of the total funds made available by the government by way of guaranteed bank loans. The province has had to establish its own fisheries loan board. Established a few years ago, the board has lent about $6 million to fishermen and has processed 2,000 applications for loans. I suspect that the Fisheries Improvement Loans Act does not appeal to Atlantic fishermen because of the high interest rates charged on loans made under the act. That, at any rate, is one reason.

As my colleague from Edmonton West (Mr. Lambert) said earlier, it is not easy to find a way around the high interest rates being charged by banks for these loans. Surely if the Atlantic provinces can lend fishermen money at 3½ per cent, as opposed to 9¼ per cent which the banks charge under the federal scheme, it should be possible for the federal government to make these loans available at lower interest rates than those being charged.

The requirements of banks for security for loans have probably prevented Atlantic coast fishermen taking advantage of the act. As you know, fishing enterprises on the east coast are smaller in scale than those on the Pacific coast. The government should consider lowering the requirements for security for loans. Why, Mr. Speaker? If a small fishing operator loses his boat or fishing gear in a storm, he has lost his security. Thus, it is impossible for him to qualify for a loan under the act.

Also, fishermen in the Atlantic area have not availed themselves of the provisions of the act partly because of the attitude of the chartered banks with regard to lending money under the act. They do not want to lend money at rates of interest lower than those they are charging their regular customers. There is evidence to show that bank managers in my riding have been reluctant to entertain loan applications from fishermen. I suspect this holds true for the rest of the country. I suppose the reason for this is that, being in the business of making money, the banks prefer to lend it at higher interest rates than those made available under this act.

For these reasons the minister should consider establishing some system under which applications submitted by fishermen can be monitored by the department. When a fisherman submits an application to a bank for a loan under the act, a copy of that application should be sent to the appropriate government department. If that bank manager or that bank has refused to grant the loan, a government official from the appropriate department should ask the manager or the bank for an explanation. All too often when fishermen apply for loans, bank managers will impose restrictions which are not required under the act, and in many cases they prevent the fishermen from qualifying for loans. It is important for the government to keep a close eye on what happens to applications submitted by fishermen so that if there is any suggestion of banks being unfair to fishermen applying for loans something can be done.

● (1720)

As I say, we welcome the amendment whereby the ceiling on loans will be increased. However, I am not sure it will have the desired effect in certain parts of the country. Another reason fishermen have not taken advantage of the act is that in many small settlements in remote parts of the country there are no banking facilities. It is extremely difficult for fishermen to get to the areas where the lending agencies are established. Consequently, the government should establish some kind of mobile loan service to bring this service to the people. It should do everything in its power to encourage fishermen to avail themselves of these loans and improve their operations accordingly.

A serious problem arises from the inability of fishermen to get loans from the chartered banks. Because of the attitude of some bank officials, the fishermen are being driven into the clutches of the loan sharks. In many cases they are required to pay higher interest rates than those being charged by the banks.

Another suggestion I make to the minister is that his officials undertake a massive advertising campaign to advertise the act and explain how a fisherman should go about applying for a loan. It should state all the benefits that are available. I do not suggest that will be the entire solution to the problem. As I said earlier, the matter of interest rates being charged on these loans will have a very large bearing on whether the fishermen will want to avail themselves of this program.

I hope that the increased loan ceiling will not give the minister an excuse to reduce the amount of the federal subsidy on boat building. At the moment the subsidy amounts to 35 per cent of the actual cost of the boat. I understand that rate has not been set for the current fiscal year. I hope the minister will not attempt to reduce the amount of the subsidy by virtue of the fact he has increased the ceiling of the loans available.

I am sure there will be much more debate on this bill when it goes to committee. I look forward to questioning the minister on certain aspects of the amendments at that time. I am sure my colleagues will do likewise with regard to other aspects, namely, farm improvement loans and small businesses loans. I repeat, we welcome the amendments but are disappointed that provision is not made whereby the interest charged on the loans will be reduced.

Mr. William C. Frank (Middlesex): Mr. Speaker, I welcome the opportunity to say a few words on Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act. Colleagues of mine have spoken on the part that relates to farm improvement loans, and the hon. member who preceded me spoke about the part that relates to fisheries. I will dwell mostly on the section that relates to small businesses. This is a very important area of our economy, particularly in southwestern Ontario which is heavily populated with small businesses.

It is very important that special consideration be given to these amendments. I wish to inject a couple of ideas that will possibly improve the bill. The improvements listed in the bill are to make new businesses eligible for loans. They include loans made for the purchase of land necessary for the operation of a business as well as raising the limit from $25,000 to $50,000. Those are briefly mentioned in the recommendation. They are covered in more detail in the bill. These are fine and are very credible.

The key to small business and the progress of small businesses existing at the present time, as well as encouraging individuals with nerve and enthusiasm to launch into a new business venture, is working capital. Until now, only those who have gone through the small business exercise appreciate the lack of working capital. I have been through the small business exercise. Therefore, any comments or suggestions that I make are without any conflict of interest. I hope that at the present time my business is beyond what the act encompasses. Consequently, I am speaking without any conflict of interest.

I encourage the minister to increase the area of available working capital. I am not talking about the money referred to in the amendment which is to be used for buildings, machinery, and so on; I am talking about money to keep a business alive when receivables reach their limit of money available, as well as inventory. These two areas are the stifling points of small business. The bill refers to a limit of $1 million or less. I am thinking about businesses in the $100,000 to $200,000 bracket, or those starting from scratch.

I started my business in 1955 with practically no capital. When I think back, I must have been more mental than when I considered running as a member of parliament. However, at the moment it appears I made a success of my business. Time will tell how much success I have had as a member of parliament. When I started business I had only a few hundred dollars. When starting a new business you are brainwashed by those who sell you the material you require. They tell you, when you buy a load of equipment or feed, that you should receive the money for it before you need to buy another load. It does not work that way in the farm supply business. A farmer buys feed, fertilizer or equipment and in some cases he may have to wait for a large loan to come through from the Farm Credit Corporation, or wherever.

● (1730)

The small businessman is in the same category. He sells to farmers and to the agricultural trade, and in some cases farmers have to wait 2, 3 or even 6 months before their credit is approved, in some cases rightly so. Certainly loans from the Industrial Development Bank take a long time. Sometimes when they go to a bank to borrow money, even if they are willing, so to speak, to even put up their wives they have to prove they do not need the money before they actually get it. The smaller the business, the more this applies. I have gone through this, Mr. Speaker. They give it to you with one hand, and then ask you how much you can pay back with the other.

I have changed my bank several times. I remember one occasion in the late 1950s when one bank told me I could not have any more overdrafts because money was tight. I went to see another bank and put my cards on the table. I had been told by the first bank it just did not have enough money to lend, so having by now been approved by the new bank, I told the original bank I would have to move my affairs to a bigger bank. This is the kind of situation

small businesses are faced with. As I say, you have to prove you do not need the money before you can get it. I think the provisions of the act should be widened to permit more government risk capital. The act simply guarantees that if a loan goes sour, the government will back up the bank. A lot of individuals in this country have the idea that farm improvement and small business loans are government money. That is not so; this is bank money.

In his presentation this afternoon the minister claimed lending was at a high level. I believe this is true of farm improvement loans, but around the London area the banks have made no small business loans to speak of. The reason is that banks can lend their money at far less risk in other ways, and as a result they really do not care whether small businessmen receive loans or not. As suggested by one of my colleagues in the previous debate, one way of alleviating the situation is to oblige banks to lend this kind of money. Naturally, a ceiling would have to be placed on the extent of the loans and the banks would be obligated to reach that ceiling. Unless such a system is implemented, I can see no way to encourage the banks to make loans to small businessmen.

Perhaps it will be necessary to strengthen the government's guarantee to the banks. After all, the government is handing out money under LIP, OFY, or you name it, all of them credible in their own right. But the small businessmen of this country can become big businessmen. Let us not forget that all big businesses were at one time small. This is the sort of thing that has made Canada. During the first 100 years of confederation many small businesses grew. A man has a dream, thinks he can make something go, and armed mostly with enthusiasm, plus a lot of hard work, he builds up a business. Today there are many large businesses which 50 to 75 years ago were launched with a few hundred dollars. I have a feed business franchise that is in this category. Eighty years ago the founder of the business mixed his first bag of feed with a scoop shovel. Today the business is one of the top ten in North America. But, as I say, once it was a very small family business.

The point I am trying to make is that the government can afford to put up more risk capital to support small business. After all, even if a business goes under someone else may pick up the idea and carry it on. The banks should be made more aware of their obligations to the country and to the small business community. As I have said, I am sure some sort of a quota system for Banks to lend this risk money could be worked out. Take the case of the small business with $100,000 in receivables—which today is not a large amount—another $100,000 or better in inventory, and something happens to the economy which slows up revenue. Two or three years ago, for example, a lot of businesses literally went bankrupt as a result of a Post Office strike. These were businesses that depended on money coming in through the mails. The clients of these businesses no doubt in some cases took advantage of the situation. After all, who could prove that the cheques were not held up in the mail? Believe me, Mr. Speaker, I have gone all through this. I know all the answers and what to look for so far as trying to survive in business is concerned.

Our obligation as members of parliament is to encourage small business. I have lived this life of trying to survive in small business, Mr. Speaker, so I think I know what it is all about. Small business cannot be successful without a lot of thought, research and planning. However, rather than some of the band-aid approaches we have seen from this government, they should take some positive action that will show further results in the next 100 years. When the bill goes to committee I shall want to discuss some of the amendments and, hopefully, put forth some of the ideas I have espoused this afternoon.

[Mr. Frank.]

● (1740)

Mr. Bill Kempling (Halton-Wentworth): Like previous speakers, Mr. Speaker, I am pleased to see this bill now before the House as it is long overdue. Certainly it will help small business considerably as they go along their way. Small businesses play a very important role in the Canadian economy. They create over 50 per cent of Canada's gross national product and they pay close to 50 per cent of taxes collected by the government, while employing more than 50 per cent of the people working in Canada.

Small businesses provide the productive outlet for the energies of a large group of enterprising, independent people who attach great value to economic independence. In industries with optimum-size production units where the sales have been small, often the most efficient form of organization is provided by small business. For many reasons, because of closeness of management to operation they can effect economies which are not possible in larger businesses. Small businesses act as specialist suppliers to large companies, suppliers of parts and sub-assembly components at much lower costs than many of the larger companies. Small businesses add greatly to the variety of products and services offered to the consumer because they can flourish in a limited or specialized market which would not be worth-while or economical in many cases for large businesses to enter. In an economy which seems to be propelling itself toward larger, multiproduct companies, small businesses can provide competition both actual and potential and provide some check on the monopoly profits and inefficiency which monopoly breeds.

I am glad to see that the gross revenue allowable portion of this bill is being raised from $500,000 to $1 million and that the amount of a loan is being raised from $25,000 to $50,000. I cannot help but think back to the first session of this twenty-ninth parliament when the hon. member for Hastings (Mr. Ellis) had a notice of motion on the order paper to increase the small businesses loan limit to $75,000 and government members at that time talked out the motion. We are now in April, 1974, and we have not yet seen the 1973 report, although the minister in his opening remarks quoted from it so I assume we will be getting it in the near future.

It is interesting to look back at the 1972 report—it is the latest one we have—which indicates that in the whole of 1972 only 2,846 loans were made in Canada under this act. When one looks back to the beginning of this act in 1961, he finds that more loans were made in the first year than 11 years later, there being 2,977 loans made the first year. I find it difficult to comprehend why there are so few loans made to the small business community.

If you are involved at all with small businessmen or know something about their operations, it is interesting to listen to their stories about what happens when they go to the bank in an attempt to get a loan under the Small Businesses Loans Act. I listened to the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) tell us about the difficulties farmers in his area have in getting loans under the act. The same difficulties exist with small businessmen.

A month or so ago I sent a letter to all the small businessmen in my riding and quoted some of the facts, figures and statistics from the 1972 report. I am now beginning to get some rather interesting replies. It is interesting to note that the banks have not seen fit to change their tactics over the years, and I suggest this has a direct relationship to the small number of loans made under this act in the course of a year. Since the inception of this act the banks have not been able to grant more than 2,977 loans in any one year. They have never granted 3,000 loans in a year. Let me refer to a letter which is typical of the replies I have received from my constituents. This small businessman writes:

> Thank you very much for your letter regarding loans to small businesses. I read it with great interest as just at that time I was asked to guarantee to the bank a loan for purchase of a new truck by an independent trucker who works for our company.
>
> I phoned the bank manager who claimed that he has never heard of the Small Businesses Loans Act, and anyway he would not be interested in a loan at 8¼ per cent interest rate. After I pointed out to him that this is a federal statute, that the trucker needs $19,000 for the new truck and that he is selling his old truck for $4,000, the manager promised to check with the head office. The reply was that it is true that truckers qualify under Small Businesses Loans Act, but in this particular case the applicant is not eligible for a loan as he owes some money to his father and to another bank.
>
> I wonder how many businesses exist where young owners do not owe any money, whether it is to purchase furniture or a car. In this particular case the bank would gladly take over the other bank's loan without guarantee, loan $19,000 with our company's guarantee at 11½ per cent, but will not touch a loan with government's guarantee at 8¼ per cent.

Therein lies the difficulty. Other letters and telephone calls which I have received from small businessmen tell the same story. I have one here from a company in Burlington which states—

Mr. Speaker: Order, please.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of the honourable House in the chamber of the honourable the Senate.

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

● (1800)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

> Bill C-2, an act to amend the Fisheries Development Act—Chapter 4
>
> Bill C-9, an act to amend the Yukon Act, the Northwest Territories Act and the Canada Elections Act—Chapter 5

Mr. Speaker: It being after six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 6.04 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 11, 1974

The House met at 2 p.m.

HOUSE OF COMMONS

BIRTHDAY CONGRATULATIONS TO HON. ROBERT L. STANFIELD

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, our presence here today is sufficient proof that good intentions are not always sufficient to produce the desired result. It had been the hope of those of us in this party that this House would not be making demands today on the Leader of the Opposition (Mr. Stanfield), thus freeing him for leisurely activities more appropriate to this date. The fact that we are here, however, gives me the opportunity to extend to him our very best wishes and to tell him what we propose in order to mark this occasion.

The hon. gentleman knows that no statistics have emerged today which would be disturbing to him apart of course from his own accelerating annual adjustment over which the government has no control. We also continue to hold out the invitation to recess the sitting at an early hour. Finally, I wish to assure the hon. gentleman that we will understand completely should he decide to refrain from participating in the question period to enjoy a well deserved rest. But whatever his choice, the basic aspect of this message is not negotiable—we wish him a very happy birthday.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, there is nothing very much I can add to the humour the Prime Minister put into his best wishes, except to say that the Leader of the Opposition (Mr. Stanfield) has now reached the age where I expect him to join with us in seeking a reduction in the age of eligibility for the old age pension. As you know, Mr. Speaker, the Leader of the Opposition and I have been engaged for a year and a half—

An hon. Member: Engaged?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Explain.

Mr. Lewis: —and that the Leader of the Opposition has been seeking a marriage for the same 18 months. On behalf of my colleagues, I want to wish him the very best on his birthday and whether or not he participates in the question period today or any other day, to wish him many years of active public life with the same sincerity and pleasantness he has shown so far.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I hope we are not here today for the sole purpose of celebrating the birthday of the hon. Leader of the Opposition (Mr. Stanfield). However, I believe it is customary and I am very pleased to do so on behalf of our party and wish him a very happy birthday. We hope that since we are here the day will be fruitful for the Canadian people.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am almost overcome. I wish to thank the Prime Minister (Mr. Trudeau) and the leaders of the other parties who have expressed good wishes to me for the future. I am all the more touched when I realize how deeply sincere these wishes are, Mr. Speaker. I am, of course, pleased that everybody now recognizes why we are here today. The only thing I should like to make very clear is that, of course, the celebrations continue all next week.

Finally, may I say that I realize it would be very difficult for anybody, judging from my physical vigour, the rapidity of my speech in English and my eloquence in French, to believe that I have reached the sixth decade.

An hon. Member: The seventh decade.

Mr. Stanfield: Whether it be the sixth or seventh, I am sure it does not compare at all with the tenth. The only real warning I should give the Prime Minister and his friends, the Leader of the New Democratic Party and my friends in the Social Credit Party of course is that on this anniversary, the achievement of this great age, and with the recognition that the time ahead of me is that much shorter, I have become more hungry for power than ever before.

Some hon. Members: Hear, hear!

● (1410)

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

First report of Standing Committee on Finance, Trade and Economic Affairs in English and in French—Mr. Trudel.

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

[*English*]

GRAIN

PAYMENT BY GOVERNMENT OF ADDITIONAL COSTS TO FARMERS RESULTING FROM FAILURE TO DELIVER TO EXPORT POSITIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43 arising from the very serious situation which prevails in the grain industry, as critically outlined by the chairman of the Canadian Wheat Board, Mr. Vogel at the National Transportation Conference yesterday. I therefore move, seconded by the hon. member for Calgary North:

That the federal government take immediate steps to ensure that the Canadian grain producers will be relieved of all costs and charges caused by contractual default by the Canadian Wheat Board for failure to meet sales commitments, and further, that all abnormal demurrage charges be paid for by the federal treasury since Canada's transportation system has failed to move sufficient quantities of grain to export position.

Mr. Speaker: The motion requires the unanimous consent of the House. Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

[*Translation*]

HOUSE OF COMMONS

SUGGESTION GOVERNMENT SET FIXED DATES FOR ELECTIONS AND HOLIDAYS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, I rise under Standing Order 43, to ask the unanimous consent of the House to present a motion of urgent and pressing necessity.

Since nobody knows when elections will be held, that all Canadians are on the alert and that newspapermen are forever announcing elections I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the government consider the possibility of having elections and holidays on set dates so we may know where we stand.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

[Mr. Stanfield.]

[*English*]

VETERANS AFFAIRS

SUGGESTED FEDERAL FINANCIAL SUPPORT FOR WOMEN'S TRISERVICE MONUMENT, WINNIPEG—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, pursuant to Standing Order 43, to propose a motion in a case of urgent and pressing necessity, namely, that without federal support the sum of $20,000 for the construction of the women's triservice monument in Winnipeg cannot be raised. I therefore move, seconded by the hon. member for Victoria:

That the Prime Minister give federal support to the women's triservice veterans association in Winnipeg for the construction of a monument.

Mr. Speaker: The motion requires the unanimous consent of the House. Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED AID TO HOG PRODUCERS IN EASTERN CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 and request the unanimous consent of the House to discuss an important matter of pressing necessity.

As eastern producers are now losing $20 to $25 per pig, because of the very high cost of production, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the government study this very ticklish and urgent matter to prevent the producers going bankrupt and to keep them in production in the greater interest of both producers and consumers.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

[*English*]

CANADA ELECTIONS ACT

AMENDMENT CONCERNING NEGOTIATIONS FOR BROADCASTING TIME

Mr. Terry O'Connor (Halton) moved the first reading of Bill C-278, to amend the Canada Elections Act.

Some hon. Members: Explain.

Mr. O'Connor: Mr. Speaker, this bill is designed to clarify discrepancies in the timing of the negotiations which are required under the act to take the place between the parties and broadcasters prior to an election.

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

* * *

BROADCASTING ACT

AMENDMENT TO PERMIT REVIEW OF POLICY DECISIONS OF CANADIAN RADIO-TELEVISION COMMISSION

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-279, to amend the Broadcasting Act (review of policy decision of C.R.T.C. by Governor in Council).

Some hon. Members: Explain.

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, the purpose of this bill is to give the Governor in Council the scope to review and, where necessary, amend policy decisions made by the Canadian Radio-Television Commission. It does not affect the commission's independence, but will restore to the elected representatives of the people, a say in the broadcasting policy decisions of Canada.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR STATEMENT ON GOVERNMENT MEASURES TO CURB INFLATIONARY EXPECTATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. the Prime Minister, and I am sure that on this day of all days I will get a very full and satisfactory answer. Yesterday, the Minister of Finance said that one of the basic causes of rapidly rising housing costs is that Canadians are buying houses to "protect themselves against inflation". In light of this apparently belated discovery by the Minister of Finance who has been previously attributing inflation to international phenomenon and shortage of supply, I should like to ask the Prime Minister whether the government has any specific measure in mind to break this inflationary psychology to which the minister referred yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would refer the Leader of the Opposition to the statement of the minister. He indicated that this was one cause amongst many. It is reasonably well known that in inflationary times, and nobody denies that inflation is now higher than we would like to see it, people tend to go into commodities or into goods, away from money. The Minister of Finance added that they were choosing housing because of the exemption of capital gains on housing. That is a fair statement of the position of the Minister of Finance. In so far as specific measures are concerned, Mr. Speaker, yes, they are being contemplated by the government and will be announced in the appropriate manner.

Mr. Stanfield: A supplementary question, Mr. Speaker. Now, that we have this disclosure that inflationary expectations are an important factor in the increases in prices that are taking place, at least in some areas of the economy, has the Prime Minister prepared a new approach and has the government really got anything in mind to curb these inflationary expectations or is it just content to let things go on?

Mr. Trudeau: Mr. Speaker, much of our action has been an attempt precisely to kill this inflationary psychology but we cannot hide from the Canadian people the fact that inflation is also largely caused by events beyond the control of the Canadian government and people. To this degree, we can only point out to them signs of an easing of international commodities prices which are becoming evident. Wholesale prices of grain, cattle, hogs, wool and cotton have already turned down, some very significantly. Metal prices will remain at a high level but the prices of such commodities as coffee and sugar have levelled out recently after a sharp rise. We hope that people will notice this, rather than responding to the panic which is encouraged in some quarters.

● (1420)

Mr. Stanfield: Mr. Speaker, the Prime Minister would not be old enough to remember, but I am just old enough to remember that this is the way a lot of people talked in the thirties about prosperity being just round the corner. Seriously, Mr. Speaker, I gather from what the Prime Minister said to me that it is simply the intention of the government to wait and hope that this situation will straighten out. Since the Prime Minister's explanation of inflation is that too many people are trying to take too much out of the economy, and since he said recently that organized labour is not responsible for this, can he tell the House who is taking too much out of the economy and what he proposes to do about it.

Mr. Trudeau: Mr. Speaker, on the premise of the question to do with prosperity, I refer the Leader of the Opposition to the *Wall Street Journal* of this week, which says that the economy of Canada expands, outpacing most other nations, and that it is leading the pack.

Some hon. Members: Hear, hear!

Mr. Trudeau: We certainly agree with the opposition that everything is not perfect in the Canadian economy, but where we do disagree with them is that we think it is not bad to be best in the world.

SUGGESTED EXTENSION OF TWO-PRICE SYSTEM TO COMMODITIES OTHER THAN OIL AND WHEAT—GOVERNMENT POSITION

Mr. David Lewis (York South): Mr. Speaker, I am not going to ask questions about inflationary psychology and how to curb it, because I have never been able to understand what that phrase means and I suspect that those who use it do not understand it either.

Mr. Alexander: The Minister of Finance certainly does not understand what it means.

Mr. Lewis: It was the Leader of the Opposition who used it, Mr. Speaker. May I address my question to the Minister of Finance. As both he and the Prime Minister have rightly insisted that one of the causes of rising prices in Canada is the international shortage of some basic commodities and the international price increase of those commodities, including commodities produced in Canada in abundance for meeting the needs of Canadians, has the Minister of Finance given consideration to extending the principle and policy of the two-price system beyond oil and wheat, to cover other basic commodities produced in Canada, which should be made available to Canadians at a reasonable price rather than at the exorbitant international price?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think one of the topics which should be before the House at the moment is the psychology of the hon. member for York South and his followers. While we have a two-price system on wheat and, to a certain extent, on petroleum, this two-price system, if carried to great lengths and supported by export controls and other types of mechanisms which would be needed to reinforce it, might well be considered as a new style of protectionism whereby this country would seek to protect its own price and supply structure at the expense of other nations, developing and developed. In terms of international trade, as this nation depends for one quarter of its gross national product on its relationships with other nations, I am not sure that it would be an unqualified advantage to accept the suggestion of the hon. gentleman.

Mr. Lewis: Mr. Speaker, setting aside what the Minister of Finance has to say about my psychology, I cannot understand his logic let alone his psychology. My suggestion has nothing to do with controlling in any way prices outside this country. I did not suggest that we should interfere with or control the normal export market, so that there would be no interference at all with what goes out of this country. I ask the Minister of Finance to tell this House and the people of Canada why Canadians should pay more for their commodities merely because other parts of the world are pushing up the price on what they produce.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, let me try to get this on a logical basis. The hon. member and I will

then be on the same plane. If we are to have a two-price system on commodities whereby there is a lower domestic price than international price, then basic commodities would inevitably seek the higher international price unless we were to put export controls to ensure that that supply remains here. Export taxes or export control would be a new style of protection for our pricing and supply structure, which would be subject to retaliation by other nations, because it would be as potentially dangerous for Canada as an international trader as tariff barriers or invisible barriers were to protect our employment situation in the thirties.

Mr. Speaker: The Chair will recognize the hon. member for York South for a supplementary.

[*Translation*]

—I shall then allow the hon. member for Abitibi to put a supplementary, after which I shall give the floor to several other hon. members who wish to put supplementaries.

[*English*]

Mr. Lewis: Mr. Speaker, I will try to see if I can word this question so that Your Honour will not object to it as being debate. If there is any validity in what the minister said, will he explain to the House why he does not apply it to oil and wheat? Also, will he explain to the House and the people of Canada why protection for the Canadian consumer and the Canadian economy is something he rejects?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am interested in protecting the consumer and the Canadian economy, but in ways that will not jeopardize the long term trading interests of this country. The reason it was done for oil, of course, is that the price was not set domestically in Canada. It was set internationally by quasi-monopolistic practices in the Persian Gulf and by OPEC nations. Our two-price situation in oil was a defensive mechanism. The hon. member knows that full well.

[*Translation*]

REQUEST FOR MEASURES TO INCREASE PRODUCTION OF CONSUMER GOODS TO CURB INFLATION

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

At the present time, nearly all the papers published by the government say that the inflation is in part caused by the shortage of consumer goods. Since everything that has been done up till now has not been effective, could he tell the House if he has truly effective action to suggest to increase the production of consumer goods and reduce their cost?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, for once the hon. member and myself certainly share the same theories and if he refers to the Speech from the Throne, he will note that probably the most important legislation considered for adoption is the one aimed at ensuring a greater production of goods to fight against long term inflation.

Mr. Laprise: Mr. Speaker, I should like to put another supplementary to the Prime Minister.

Can he assure the House that the bill suggested in the Speech from the Throne will be introduced soon instead of making it an electoral promise?

Mr. Trudeau: Mr. Speaker, we believe that many years will pass before we have to make any more electoral promises.

* * *

[*English*]

EXTERNAL AFFAIRS

GOVERNMENT POSITION ON INFLATION AS EXPRESSED BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS AT UNITED NATIONS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. When the Secretary of State for External Affairs addresses the United Nations today giving the Canadian position on inflation, will he be expressing the same defeatist policy of the government enunciated yesterday by the Minister of Finance that inflation is inevitable and this government has neither the wit, will nor capacity to deal with it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs will certainly be expressing government policy, but fortunately not seeing it through the jaundiced eyes of the hon. member for Peace River.

Some hon. Members: Hear, hear!

* * *

● (1430)

THE CANADIAN ECONOMY

REQUEST FOR STATEMENT OF GOVERNMENT MEASURES TO COMBAT INFLATION

Mr. James A. McGrath (St. John's East): In view of the fact that the economy has been running a 9 per cent rate of inflation consistently for nine months, the highest such consistent rate since 1913, may I ask the minister what steps the government intends to take to break the mood of inflationary expectation in the country? The indications are there will be a series of strikes and a great deal of labour unrest throughout the country this summer.

Hon. John N. Turner (Minister of Finance): By trying to deal with the facts as I see them in a realistic way.

Mr. McGrath: The minister has had the facts before him for some time, now. May I ask him exactly when the Canadian people can expect some relief from this government, based on the facts presently before him and the experience of the last five months?

Mr. Turner (Ottawa-Carleton): I dealt with that question as fully as I could under the rules when I replied to the hon. gentleman yesterday.

ACTION TO HELP WORKERS NOT PROTECTED BY UNIONS OR LARGE CORPORATIONS TO FIGHT INFLATION—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): A further supplementary to the minister arising from a very serious situation which has developed. It is based on the fact that average weekly wages have risen by 7.4 per cent while inflation is now running at 10.4 per cent, a difference of three percentage points. Can the minister tell us what immediate plans he has to protect the workers, who seem to get further and further behind?

Hon. John N. Turner (Minister of Finance): The action we took last year and this year in increasing the disposable income of wage earners has worked, and in terms of disposable income workmen in this country have improved their standard of living.

Mr. Alexander: I am sure that answer is not acceptable to those who are trying to buy food, clothing and housing. The Steel Company of Canada, Westinghouse and Dofasco now realize that inflation is primarily domestically induced and they have looked after their workers. Can the minister advise us what specific plans he has in mind to help those who are not supported by big unions and big business?

Mr. Turner (Ottawa-Carleton): Since the beginning of the current rate of increase in the cost of living, the government has done its best to increase the disposable income of Canadians least able to protect themselves, and will continue to do so.

INFLATION—REQUEST FOR OPPORTUNITY TO TEST CONFIDENCE IN GOVERNMENT MEASURES TO COMBAT

Hon. George Hees (Prince Edward-Hastings): I have a supplementary for the Prime Minister. The Prime Minister having in the last two days expressed great confidence in the policy of the government as it affects inflation, I would ask the right hon. gentleman whether he is prepared to put those policies to the test in this House by allowing a motion of confidence next week or at the latest a week after.

Right Hon. P. E. Trudeau (Prime Minister): Yes, and no, Mr. Speaker. If the hon. member consults his memory he will appreciate that there were seven or eight such tests in the month just concluded and, of course, there will be something like 10 or 12 such tests before the end of June, compared to very few legislative days. The opposition was entitled to all the opposition days it had in March, but it must surely understand that the government would like to use some days for the purpose of governing. What surprises us on this side is the fear of the opposition with regard to letting the government present its budget, a budget which apparently the opposition is afraid will be good for the Canadian people.

Some hon. Members: Hear, hear!

Mr. Hees: The government is putting off the presentation of the budget until as far into the future as it can, and

since this is by far the most important question in the minds of all Canadians, I challenge the Prime Minister—

Mr. Speaker: Order, please.

Mr. Hees: There will be four extra days next week.

* * *

THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

Mr. Frank Howard (Skeena): Inasmuch as the Minister of Finance now has an extra week at his disposal, namely next week—the parliamentary timetable has been advanced by one week—can he tell us when the budget will, in fact, be presented?

Hon. John N. Turner (Minister of Finance): I cannot expand on the definitive answer I gave the Leader of the Opposition.

* * *

FOOD PRICES

ALLEGATION MEAT PROCESSORS RESPONSIBLE FOR HIGH PRICES—GOVERNMENT ACTION

Mr. Frank Howard (Skeena): Yesterday, the Minister of Agriculture indicated with respect to inflation that the farmer, as far as poultry, pork and beef production are concerned, was not the culprit responsible for the consumer paying high prices, leaving the implication that it is obviously groups such as Canada Packers and the meat processors—the recipients of the generosity of the tax cut allowed by the Minister of Finance and by members of the Conservative party—which are involved, will the minister take this indication that groups like Canada Packers, like Burns and Company, in the area of food processing, are really the thieves, and will he do something about this?

An hon. Member: Talk about logic!

* * *

AGRICULTURE

INQUIRY AS TO GOVERNMENT MEASURES TO INCREASE FOOD PRODUCTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a supplementary question to the Minister of Agriculture. It arises from a reply given yesterday by the Minister of Finance as reported on page 1335 of *Hansard*. The minister said:

> The only way of equalizing the forces of supply and demand is by increasing agricultural production and industrial capacity in the country and those are the responses we have made.

In view of the fact that intentions to plant, according to a survey put out by Statistic Canada, shows that in Western Canada the acreage sown to barley, grain and oil seeds is likely to decrease by comparison with what the government has projected, or requested, may I ask the minister what specific policies the government has in mind to increase the supply of food products in Canada?

[Mr. Hees.]

Hon. E. F. Whelan (Minister of Agriculture): As far as I am concerned, those figures do not tell the whole story. We do know that the acreage does not have to be increased very much to increase production substantially in Western Canada. We know that in Western Canada they are going to use 25 per cent more in fertilizer, so those same acres will be correspondingly more productive. If I remember the figures correctly they are not as bad as the hon. member is trying to indicate.

Mr. Murta: A further supplementary to the minister, in view of his failure to answer my first question. Since he is responsible for a beef subsidy which in the process of being applied has virtually ruined the cattle industry, and is responsible for a feed grains policy which is just about as bad for the grains industry in Canada, what specific proposals does the minister have in mind to increase the amount of food available to Canadians?

Mr. Whelan: The hon. member I am sure is aware of the measures announced in the Speech from the Throne in the area to provide security as well as incentives to agriculture, which would assure farmers of the necessary guarantees so they would increase production. We are working toward that end and I hope the hon. member will acknowledge our efforts by his actions in this House.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Lisgar is rising on a point of order. I see several other hon. members rising on supplementaries. I am quite disposed to spending the entire question period on this subject, if that is what hon. members wish. I hope, however, that there will not be too many points of order. To my mind many of the points raised are much more debate than questions. Questions asked of ministers as to what action is to be taken, and requesting ministers to announce policies, are normally invitations to a minister to make a statement on motions. I do not think they are productive in the sense of questions which ought normally be asked in the question period. The hon. member for Lisgar is at the moment seeking the floor on a point of order.

Mr. Murta: My point of order is that the Minister of Agriculture has had ample time during this session to bring in legislation pertaining to the stability of the industry in Canada. I further charge that the Minister of Agriculture and the government do not have an agricultural policy.

Mr. Speaker: Order, please. That obviously has nothing to do with a point of order and I do not think members should rise on alleged points of order to score points of debate.

[*Translation*]

REQUEST FOR STATEMENT ON MEASURES TO AID HOG PRODUCERS—GOVERNMENT POSITION

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

A few days ago the hon. member for Bellechasse asked the minister if the government intended to help the Canadian hog producers to save them from bankruptcy. He answered that he would take care of the matter today when he met with the representatives of the hog producers' associations. Could he tell us what has been done?

● (1440)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we received a brief in respect of what should be done about the plight in which the hog industry finds itself at the present time and we are considering it.

* * *

THE CANADIAN ECONOMY

INTRODUCTION OF LEGISLATION DIRECTED TO INCREASING FOOD SUPPLY—GOVERNMENT POSITION

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a further question in respect of the matter of the supply of food which I should like to direct to the President of the Privy Council. At a press conference immediately after the Speech from the Throne was presented the President of the Privy Council indicated that within two weeks legislation would be presented to the House for the specific purpose of encouraging the increase in the supply of food and I wonder whether the minister can now tell us the date on which this legislation will, in fact, be introduced?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, for what has been introduced the hon. member has a ready reference in the order paper. I am not in a position today to indicate precisely the future dates but I can assure my hon. friend that such legislation will be introduced.

An hon. Member: You just don't have any policy.

Mr. Hellyer: I agree, at this stage there is none of which I am aware. In view of the fact that many people in my constituency are having to pay 40 or 50 per cent of their income for rent, and the Minister of State for Urban Affairs has no effective policy to improve that situation, and now that we find food prices rising at an alarming rate, will the minister not guarantee to this House—

Some hon. Members: Order.

Mr. Speaker: Order, please. I was going to suggest to the hon. member that he should ask his question, and I think I interrupted him just as he was going to do so.

Mr. Hellyer: Mr. Speaker, perhaps, under the circumstances, rather than directing another supplementary to the government leader in the House, which I am afraid would result in a repetition of the answer he gave me the first time which was totally unsatisfactory to the House and to the Canadian people, I should direct my supplementary to the Prime Minister.

An hon. Member: And you will get the same kind of answer.

Mr. Hellyer: In view of the fact that no effective action has been taken in respect of either housing costs or increasing food prices, and that today small investors who invest their money—

Some hon. Members: Order, order.

Mr. Speaker: Order, please. Since the hon. member has had the floor for sometime, perhaps he should ask his question now.

Mr. Hellyer: Yes, Mr. Speaker. I really felt the preamble was necessary to lay the basis for the question. I will put the question directly to the Prime Minister. In view of this unprecedented inflation which is now squeezing the little Canadian, can he tell the House any logical reason, on the basis of morality, why he and members of his government should not be indicted for larceny?

Some hon. Members: Oh, oh!

An hon. Member: You are someone to be talking about morality.

Some hon. Members: Oh, oh!

An hon. Member: You tell us about morality.

Some hon. Members: Hear, hear!

An hon. Member: Impeach Trudeau; down with the czar.

Some hon. Members: Hear, hear!

* * *

FINANCE

REQUEST FOR IMPOSITION OF EXCESS PROFITS TAX OR OTHER MEASURE TO CONTROL PROFITEERING—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, if I can get his attention I should like to direct my question to the Prime Minister.

An hon. Member: Let's have a trial.

Some hon. Members: Order, order.

Mr. Speaker: Could we have order please.

An hon. Member: Impeach the government; we could have a hell of a trial.

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville has been trying for a few moments to ask his

question, and it is very difficult for him to do so with this noise in the House.

Mr. Nystrom: Mr. Speaker, my question is directed to the Prime Minister and relates to something that is not squeezing big Canadians, namely very high corporate profits. I should like to ask whether he can give the House a commitment that within the next two or three weeks there will be some action to curb excessive profiteering, whether in the form of an excess profits tax, a tax on wealth or something of that nature? Can he give us a general commitment that some action will be taken within the next few weeks in that area?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, surely the hon. member does not expect me to tell him what will be in the budget. All I am suggesting to the combined opposition parties is that if they have the courage to let us present this budget rather than trying to defeat us on some specious motion before that—

Some hon. Members: Oh, oh!

Mr. Nystrom: Mr. Speaker, I was very careful to draft my question in general terms, not asking him to be specific. What I want to know is whether he can give us a commitment that within the next few weeks there will be some measure, in the budget or before that, regarding excessive profiteering in this country. There is no reason he cannot answer that, Mr. Speaker.

Mr. Trudeau: Yes, I can give a very firm commitment that there will be a budget which will be good for the Canadian people and for the Canadian economy.

An hon. Member: When?

Mr. Trudeau: I think it is because the opposition suspects this that they do not want to let us present the budget.

Some hon. Members: Hear, hear!

Mr. Hees: Bring it down next week.

Some hon. Members: Hear, hear!

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

Mr. Lewis: Yes I am, Mr. Speaker.

An hon. Member: Lewis is going to call the election.

Mr. Lewis: On a point of order, Mr. Speaker, the Prime Minister has twice referred to a budget which he thinks will be good for Canada, and has made cracks about the combined opposition, or the opposition not wanting to face it because of that reason. What he has to explain to this House and to the people of Canada is why he is deliberately delaying bringing down the budget.

Some hon. Members: Hear, hear!

Mr. Lewis: If he is so sure that the budget will be good for Canada and Canadians in their present difficulties, then it is immoral of him to delay presenting it.

[Mr. Speaker.]

Mr. Hees: Little David speaketh true.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I again doubt very much that this is a point of order. The Chair will recognize the hon. member for Mackenzie on a supplementary question.

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REGIONAL ECONOMIC EXPANSION

COMMUNITY PASTURES—SUGGESTED INCREASE IN ALLOCATION OF FUNDS—GOVERNMENT POSITION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. The throne speech makes reference to incentives for the production of livestock, and the Minister of Finance indicated yesterday that the government was moving in that area. However, a look at the main and supplementary estimates would indicate that no amount of money is being allocated for the development of community pastures, even though representations have been made to the minister for several years. Does the minister intend to put some funds into that area which would be very helpful in providing incentives to increase production?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am not quite sure, without going over the blue book, which vote my hon. friend makes reference to, but certainly there are substantial sums both for the maintenance of community pastures, which have indeed been established over the last two or three years, and for extra ones. There is also a presentation under the PFRA presently in the final stages, which would have the effect of substantially increasing the amount of community pasture, particularly in my hon. friend's province. I would expect that the details in regard to that will be published in a very short time.

Mr. Korchinski: I have a supplementary question for the minister. Do the present amounts as allocated in the blue book represent the entire amount that will be spent, because this seems to be just for general improvement and certainly not for bulldozing, clearing and seeding.

Mr. Jamieson: Mr. Speaker, again I apologize to the hon. member in that I should like to go over the figures with him, but my recollection is that there is an adequate sum for an expanded program this year, but it might not necessarily be under the particular heading to which he refers.

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POST OFFICE

WORK STOPPAGE IN MONTREAL—EFFORTS OF MINISTER TO SETTLE GRIEVANCES OF EMPLOYEES

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, my question is directed to the hon. Postmaster General. Can he tell the House what is the latest status of the work stoppage in Montreal by his government mail

employees and, furthermore, what action he is taking to prevent a further disruption of that mail service?

[*Translation*]

Hon. André Ouellet (Postmaster General): Indeed, Mr. Speaker, we are now having some difficulties at the Montreal Post Office. However, I hope that things will get back to normal within a few hours. I would like to assure the hon. member that I find it most regrettable that a mere handful of employees can thus keep most of their colleagues from doing some good work.

● (1450)

[*English*]

Mr. Haliburton: I have a supplementary, Mr. Speaker. In view of the obvious decline in morale among postal employees across this country during the minister's term of office—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Would the hon. member kindly resume his seat. I really think hon. members should try to observe the rules. The hon. member who prefaced a question in this way ought not to be recognized for a supplementary, but I will recognize him and seek the co-operation of hon. members to ensure that questions and supplementary questions do not involve debate, argument and charges which merely invite responses which are not very helpful to all of us in our attempt to recognize as many questioners as possible.

Mr. Nielsen: On a question of privilege, Mr. Speaker. With great respect may I say that the accusations by the Prime Minister on two distinct occasions today should be equally referred to by Your Honour.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for South Western Nova.

Mr. Haliburton: Thank you, Mr. Speaker.

Mr. Trudeau: Mr. Speaker, on the same point raised by the hon. member for Yukon I feel I owe the House an apology, particularly the opposition. I am afraid I hit a raw nerve when I made those remarks.

Mr. Haliburton: Mr. Speaker, I want to assure you that it was not my intention to delay getting an answer to my question. I attempted to do it as rapidly as possible in the first instance. I must say there is a growing concern about the decline in morale within the postal service. Perhaps I may be permitted to say there is a growing question across Canada about the morale in the Post Office and about the speed with which letters are being delivered from one end of the country to the other. In view of that, I wonder whether the minister could tell us approximately how long it has been since he sat down at the table face to face with members of all the unions of the post office in order to discuss the problems which are facing that institution.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I wish to remind the hon. member that since my appointment, the collective agreements of all our employees have been negotiated without any strike action, which is an unprecedented feat in the history of the postal service.

I wish also to point out to the hon. gentleman that it is perfectly normal for an organization with some 50,000 employees to experience difficulties occasionally. For this reason I have regular meetings, nearly every week, with representatives of one or the other of the four unions of the department.

* * *

[*English*]

ENERGY

INQUIRY AS TO OFFERS TO PURCHASE ROUMANIAN OIL FROM GOVERNMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Supply and Services.

An hon. Member: Tar baby.

Mr. Diefenbaker: It has nothing to do with indecent exposure over the tar sands. I wish to ask him whether or not there have been any offers received for the purchase of the Roumanian oil. Have there been any offers?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, all avenues have been explored for making use of this oil and the government came to the conclusion that it was wiser to use it in its own buildings.

[*English*]

Mr. Diefenbaker: That still does not answer the question. Did the government receive an offer of 15 cents a gallon as reported and is the minister not aware of the fact that this oil is so full of sulphur that it cannot be used for home consumption—

An hon. Member: We will send some over to you.

Mr. Diefenbaker: —because it stinks. Might I suggest that it is not in that particular alone that this purchase stinks.

[*Translation*]

Mr. Goyer: Mr. Speaker, as usual, the right hon. member is basing his questions on hearsay. He will never change. I should like, however, to reassure him on the sulphur content. As I have already told the House, this content is 0.15 per cent while the tolerable rate can be as high as 1 per cent. So, the sulphur content of this oil is very low.

[*English*]

Mr. Speaker: The Chair will recognize the right hon. gentleman on a supplementary and then the hon. member for Vancouver Kingsway.

Mr. Diefenbaker: Mr. Speaker, would the minister kindly give the House the information concerning what offers he received and at what price, not generalities but facts.

[*Translation*]

Mr. Goyer: Mr. Speaker, when crazy offers are made to the government, they are, of course, turned down right away.

* * *

FOOD PRICES

POSSIBLE INCREASE IN PRICE OF PROCESSED VEGETABLES—REQUEST FOR INVESTIGATION BY REVIEW BOARD

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the threat by the president of the Food Processors Association that the price of processed vegetables will go up by 20 per cent to 30 per cent by this fall, will the minister see to it that the Food Prices Review Board makes an immediate investigation of the need for such a whopping increase, which will seriously affect the nutrition of millions of Canadians?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I read the same article as the hon. lady and I did not regard it as a threat. In any event I will draw this to the urgent attention of the board.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, will the minister at the same time see to it that the board investigates ways and means of getting these vegetable products to the consumer by some method other than the present profit-hungry food chain?

Mr. Gray: I will also draw this to the attention of the board.

Mr. Speaker: The hon. member for Frontenac-Lennox and Addington.

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AGRICULTURE

SHORTAGE OF HELP FOR MILK PRODUCERS—GOVERNMENT ACTION TO ALLEVIATE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I have a question for the Minister of Agriculture which arises from complaints I received from milk producers in my constituency who state that there is a critical need for help in that industry which is not available. Manpower offices are unable to provide qualified and experienced help for these dairymen and persons out of work will not apply for this work. Has the minister any plan for a solution of this problem.

Hon. E. F. Whelan (Minister of Agriculture): Well, Mr. Speaker, in our society as yet we do not indenture anybody into any position at all. All we can do is ask them, coax them and beg them. I think also, Mr. Speaker, the hon. member could point out some of the problems to his colleague from St. John's East and point out, that this fact is to some extent why some of the dairy products are going up in price.

[Mr. Diefenbaker.]

Mr. Speaker: Perhaps the Chair might be allowed to recognize the hon. member for Brandon-Souris for a supplementary, because I failed to see him a moment ago, after which I will call orders of the day.

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PUBLIC SERVICE

REQUEST FOR REVIEW OF PAY DIFFERENTIAL BETWEEN SORTERS AND CODERS IN POST OFFICE—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the President of the Treasury Board. It relates to the questions asked by the hon. member for South Western Nova and arises from the growing number of strikes in the public service. In view of the fact that the problems in the Post Office Department arise from sagging morale which is directly related to the emphasis on machines rather than men, as indicated by the difference in the pay classification between sorters and coders, would the President of the Treasury Board now review this discriminatory classification so that we might restore good morale to the Post Office Department.

● (1500)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I was interested in the analysis to which I just listened. It does not happen to correspond with the facts.

Mr. Dinsdale: In view of the fact that there is a wage differential in the classification laid down by Treasury Board of about 71 cents between sorters and coders, and the fact that this is like paying a person who drives an automated bus a lower wage than one who drives a manual bus, would the minister look into this very vital and important issue?

Mr. Drury: Unquestionably there is a problem. I am not sure I would agree with the hon. gentleman's perception of it, but we will look into it.

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

The House resumed, from Wednesday, April 10, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the second time and referred to committee of the whole.

Mr. Bill Kempling: Mr. Speaker, yesterday I had just started my remarks on this bill when we were interrupted for the purpose of going to the other place to attend some of their deliberations, and when we returned it was six o'clock. Therefore, I will continue my remarks now. As I recall, I had read a letter from one of my constituents in which he recounted the problems he had when he went to the bank to try to get a loan under the Small Businesses Loans Act. I believe I related the fact that I had sent a circular to all the small businesses in my riding acquainting them with the Small Businesses Loans Act and telling them that if they so desired they could get a loan from the banks at 8¼ per cent interest. Of course, when I did that I realized that no bank manager in my riding would be friendly toward me, but I thought that that information would be of assistance to small businesses in my community.

I found, on talking to businessmen, that chartered banks use various tactics to discourage them from borrowing money under the Small Businesses Loans Act. As I read from the letter I had received, one bank manager said he had never heard of the act. I found that some of the chartered banks use other tactics. For instance, in some areas they will assign one of the branches, perhaps in the most remote residential part of an urban area, to handle small business loans. The object, of course, is to make it as difficult as possible for the businessman, to put another obstacle in his way and to make him change the bank with which he deals.

We know that bank managers come back in a hurry and say, "We will lend you money at 11½ per cent or 12 per cent." We also know that some bank managers may be frightened of the risk and will direct the customer to the Industrial Development Bank, where a person will pay 11½ per cent, 12 per cent or 13 per cent. It is usually higher than the going bank rate. We must look into these matters carefully.

In the 1972 bank report, in the column setting out loans under the various banks, we find that the Bank of Montreal—which advertises on television that it helps people—made 433 loans in the whole of Canada under the Small Businesses Loans Act. The Bank of Nova Scotia made 134 loans. It seems that the Royal Bank outdid everybody and made 952 loans. The Toronto-Dominion Bank found it in their heart to make 181 loans. The Mercantile Bank of Canada made one loan, so it must have made a mistake there. The Canadian National Bank made 741 loans. The Provincial Bank of Canada made 41 loans. The Canadian Imperial Bank of Commerce made 358 loans. The Bank of British Columbia made 4 loans. Credit unions made one loan. This is a total of 2,846 loans in all of Canada in 1972 under the Small Businesses Loans Act. I submit that in any city in Canada with a population of 200,000 or more any one bank could have made 2,846 loans.

It is all very well for the government to make loans available at a low interest rate, but the fact is that banks have not been interested in this program. I have asked the Minister of Finance (Mr. Turner) many questions in the House and in the committee regarding this matter and I have always received one of his usual cryptic replies, the type to which I think we can almost assign a number—it could be called reply No. 27: I will take the matter up with the chairman of the Canadian Bankers' Association when we have lunch next week.

That is the type of practice that we would like to see stopped. We would like to see the minister and bank managers get together. I appreciate that one of the problems the banks are facing is lack of liquidity: they are short of funds. I am sure that if they have money to lend, they want to lend it at the highest possible rate of interest; and as a businessman I cannot fault them for that because it is the normal course of commerce. But the liquidity situation has not always been as it is today. If we go back to 1971 and 1972 and look at the statistics produced in the report, we see that the highest number of loans ever made under the Small Businesses Loans Act is 2,977, and that was in 1961. Eleven years later, in 1972, the latest report that we have shows the banks only made 2,846 loans. This makes me question the sincerity of the minister and of the banks.

Something should be done for small businesses in this country. I am sure that all hon. members recognize weaknesses in small businesses. Some of them are specialists in everything but financing. I also recognize that they have many problems. But, as I said at the beginning of my remarks, small businesses are the backbone of and provide stability to Canadian commerce. They create over half of Canada's gross national product and employ over half of the working people in Canada. They rarely have lay-offs; they rarely have strikes. They pay their taxes and they pay their employees. They are the ones who keep the country going when other things go wrong.

When you look at the facilities that are available to small businessmen in the conduct of their businesses, you understand that if the government is really going to make a meaningful contribution toward helping small businesses it will have to amend the Bank Act in the near future. One of the problems of small businessmen is acquiring working capital. Small businesses are not labour-intensive and are usually not capital-intensive. But they are working capital-intensive. This is particularly important today in a situation of tight supply of materials. I have discussions with many small businessmen regarding the supply of steel, for instance. We find that the standard angles, channels and shapes are not available in the normal course of events, and in part this is because wholesalers are using the shortage of supply and tight money situation to their own advantage.

● (1510)

The small fabricator finds that if he places a c.o.d. order with a supplier, he gets the material right away; but if he places an order under the normal terms, in most cases the warehouse tells him to call back tomorrow and they just might have something for him. This all relates to the problem of working capital. The small businessman cannot exist unless he has money available, and if the prevailing situation requires him to pay cash for the supplies he needs in order to operate, he is soon in serious trouble.

I am glad the suggestion made yesterday to deal with this bill in committee of the whole, rather than sending it to the standing committee, was adopted. This will ensure getting the legislation into operation sooner than if it

went to the finance committee, in view of the backlog of work of that committee. I hope the minister will read the remarks made by members of his own party regarding the difficulties encountered by fishermen, farmers and small businessmen when they apply for bank loans. It is all very well to increase the limit to $50,000, but with the present limit of $25,000 the average loan across Canada is only $9,500. I hope we will see a substantial increase in this respect and that many small businesses will be able to take advantage of the Small Businesses Loans Act provision for new businesses which is not available in the act as it now stands.

With those remarks I shall conclude, Mr. Speaker. I hope we can bring this debate to an end before whatever is going to happen, happens—I think you know what I mean—so that we will be able to pass on to the small business community whatever advantages will accrue to them from this amendment to the Small Businesses Loans Act.

Mr. Frank Howard (Skeena): Mr. Speaker, I just want to make a couple of very brief remarks with respect to this bill. Because it is divided in three, part of my remarks will relate to that section of it which deals with the Fisheries Improvement Loans Act. At the outset I should say that I wonder why the House is taking this tack and exerting its energy and consideration on something so insignificant and of so little value to fishermen as this bill. It just seeks to amend in a very slight way the amount of money that a fisherman may borrow from a bank or other lending institution for the purposes contained in the act. It seeks to extend from $25,000 to $50,000 the limit that a person can borrow. Anyone not familiar with the fishing industry could argue that this is a substantial alteration, but let me make a few comments with regard to the salmon fishery on the west coast for the sake of argument.

Five or six years ago the Minister of Fisheries instituted a licensing limitation program in the salmon industry. With the continual "early morning upon arising" changes that the minister announced respecting that initial program, to the point that very few fishermen knew what it was all about—because the change obviously was the result of a heavy meal before bedtime, which produced a rather nightmarish situation for the government—things have gradually cleared to the point that on the west coast there is a limitation on these licences: only a certain number are issued and no new ones are allowed. This has been the case in the taxi industry, in the forest industry and in every other industry where franchises are involved.

In the case of the fishing industry, the cost of the licence is more than the value of the boat to which it applies. The current selling price for a salmon licence on the west coast ranges from $3,500 and $4,000 per ton of fishing vessel. A very small troller of 36 feet to 38 feet which has a salmon licence can cost a fisherman from $65,000 to $75,000. He pays more for the licence than for the boat: the larger the boat, the greater its tonnage and therefore the higher the price. In that type of atmosphere a $50,000 limit under the provisions of this act is meaningless to the average fisherman. Therefore, it is hardly worth the House taking the time to listen to what the government has to say on the matter.

[Mr. Kempling.]

● (1520)

The other matter I want to mention is broader in application and relates to interest rates. All three of the acts being amended by this bill, the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, contain a provision relating to the rate of interest a financial institution or chartered bank may charge on a guaranteed loan. The rate may fluctuate. I do not know the current rate: one can ascertain this by 'phoning the bank. Probably the current rate is in the neighbourhood of 7¼ or 7½ per cent.

Because interest rates are limited, the government guarantees the loan. No matter whether the default is by reason of insolvency or any other reason, the loan is guaranteed absolutely by the government of Canada. Therefore there is no possibility of the bank losing any of the capital involved. Originally, I suppose, the saw-off came in this way; the government said to the banks, "If you will agree to limit the rate of interest you will charge on these loans, we will guarantee the loans unconditionally."

I would argue that we should limit interest rates on moral grounds rather than on financial grounds. What are these moral grounds? The people with whom these acts deal are probably in the most vulnerable position in the business world. Being farmers and fishermen, they are primary producers who are subject to a great deal of economic pressure. They have little control over the price they receive for their produce and no control at all over the price they must pay for materials, commodities and services which are necessary if they are to maintain their farming, business or fishing operations. In short, they are at the mercy of large forces in society and are caught in this squeeze. Somebody else dictates what they will pay for their supplies and somebody else dictates, to a great degree, the price for which they can sell their produce, whether it is the produce of the farm, of the sea or of our fresh waters.

The small businessman is in the same position. He is not so much a producer as a provider of services which involve, for instance, retail distribution and things of that kind. He is at the mercy of the large pressure groups in our economy. My argument is this: because these people cannot exercise much leverage in the economy, it behooves us to pay greater attention to their economic position. Therefore we should limit the interest rates they must pay. Because interest rates are limited, banks, other lending institutions and credit unions—which, although more sympathetic perhaps than chartered banks, are still caught in the cost squeeze for money—are reluctant in some cases to lend. Lending institutions say to themselves, although not in public, "Why should we lend money under the Fisheries Improvement Loans Act at 7¼ per cent when we can lend money to the fellow next door at 11 per cent?"—or whatever the going rate is.

If the prime bank rate is 9½ per cent, the most advantageous rate for a borrower would be 1 per cent higher. We are talking about a rate in the 10½ to 11 per cent bracket. The bank says to itself, "Why should we lend money under these acts at 7¼ per cent when we can lend it to somebody else at 10½ per cent? Why should we forgo 3 per cent interest?" Considering the fact that banks were estab-

lished in the first place to lend other people's money and not to provide any beneficial service except to themselves, one can understand that attitude. Why should they not operate on that basis? The person who suffers from that attitude is the individual fisherman, small businessman and farmer. The acts may guarantee loans and limit interest rates, but the farmer, businessman or fisherman finds it difficult to obtain money.

In a previous session, and again in this session, I brought forward a bill which would establish a different principle and concept with respect to lending under these acts. I submit that if it is public policy, and good public policy—which I submit it is—to limit the interest which lending institutions can charge, then we as the parliamentarians who have imposed that limitation must make sure that lending institutions do not discriminate against those entitled to borrow under these acts.

The bill I introduced contains a provision which ought to be incorporated in the bill before us. That provision is that lending institutions should be required to make available sums of money for lending under these acts which are not less than the average they have lent, say in the last five-year period. It really does not matter what period you use so long as you are consistent. That is to say, they should be required to make money available under these acts to potential borrowers, and they should not be allowed to refuse to lend money on the basis that they are not making a large enough profit on the loan. If an individual entitled to borrow under these acts goes to the bank, applies for a loan and on a logical and reasonable basis is refused a loan, that individual should have the right to appeal the decision of the bank to the Department of Finance or some structure within it. This body would assess the potential of the borrower and either say he was a poor risk and the bank was right, or he was a good risk and the bank was wrong, in which case it would direct the bank to make the loan.

● (1530)

It must always be kept in mind that these loans are underwritten and guaranteed by the people of Canada through the minister of finance and the government of Canada.

Unless we make some kind of effort in this direction we will find that the higher interest rates—and they will go higher—will work to the disadvantage of potential borrowers under these three acts. It will be more attractive for the banks and lending institutions to lend money at the higher going rate than under these acts.

At the moment, a number of banks are engaged in the practice of borrowing money from private individuals by means of term deposits. The banks borrow this money for a term of five or six years at an absolute guaranteed rate of 8½ per cent. There was an ad in yesterday's Ottawa *Journal* by some trust and loan companies. In letters six to eight inches high they guarantee an interest rate of 9 per cent for term deposits of up to five or six years. If lending institutions are going to commit themselves to carrying an 8½ or 9 per cent liability on money that they borrow for five or six years, they are also going to commit themselves to charging higher interest rates on the money they lend. This will be necessary in order to obtain the money with which to pay the high interest rate.

The longer this situation is permitted to continue, the more we will be looking at a continuation of potentially higher interest rates. The more that happens, the more the general public will suffer with regard to interest rates on loans for housing and other things. However, because this bill is before us we have to relate our concern to it. The more that happens, the more our farmers, fishermen and small businessmen will be disadvantaged. They are now disadvantaged more than any other group in the entrepreneurial field which produces by its own efforts. In spite of the limitation increase from $25,000 to $50,000 for fishermen—regardless of how little value that is with today's costs, the value of fishing boats and the like—they will still be disadvantaged by the banking and lending institutions.

I have not considered the bill in any detail. I will do that at the committee stage. Because of the recommendation of His Excellency which confines the area to be considered in committee, I am not sure whether procedurally we can move amendments. I do not know whether the concepts I have included in a bill now before the House, and which I advanced a moment ago can be fitted into this bill. If it can be done at the committee stage, or possibly at the report stage, I hope to introduce these types of amendment so that the House and the committee will have an opportunity to express a view about the concepts I have advanced. That is supplementing the morality aspect and the recognition this parliament is giving to the needs of farmers, fishermen and small businessmen by the guarantee procedure and saying they will not be disadvantaged because some loan shark thinks it is more profitable to lend money other than under this act. If I can fit those amendments into the committee stage or the report stage, I will certainly do so.

I hope that with that brief introductory comment, members will give some thought to the ideas I have put forward. Hopefully, something of this nature will be written into the legislation to further protect the position of people who borrow under these acts.

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I intend to speak only briefly on this bill. However, often when one intends to speak briefly he gets carried away. Certain aspects of this bill are beneficial. On the whole, it is legislation we can endorse in principle and I hope it will be speedily passed by this House.

I would echo some of the remarks of the hon. member for Skeena (Mr. Howard) with regard to lack of real content in the bill in terms of what it will do for the fishermen of Canada. This legislation was first put into place in 1955 with a lower lending limit to fishermen. That limit was increased, and is to be increased again so that fishermen may obtain a maximum loan of $50,000. I suspect that with the degree of inflation we have experienced in this country, that increase in the ceiling is not as beneficial as the amount was when the legislation was originally conceived, in terms of total buying power.

As the hon. member suggested, the limitation does not take into consideration the changing nature of the fishing industry since 1955. In this day and age, fishermen operat-

ing a $50,000 boat are really confined to the inshore fishery. By "inshore" I mean within about 15 miles of the sea coast. On the coast of the part of Canada from which I come, fishermen find it necessary to range 200 to 300 miles in order to make a year's pay in dragging and long-lining operations.

The Department of the Environment enunciated a program for the fisheries that seems to be at cross-purposes, to some extent, with the measures proposed in this bill. The department is attempting to encourage fishermen on the east coast to think in terms of more far-reaching vessels in order to fish off the coasts of Labrador, Greenland, the Flemish cape and in southern waters where there are species of fish available which are not being harvested to the fullest extent. Such a vessel costs from $1 million to $1.5 million.

A fisherman interested in engaging in the fishery that is now the major push of the Department of the Environment would be excluded from participating in it if he were to rely for his financing upon commercial banks lending money under guarantees authorized by this act. If the resources of the fishermen are limited and there are very few who can put up the difference in capital between what they can borrow under this act and what such a vessel costs, then to that extent they are precluded from owning such a vessels in which to fishing.

It is encouraging to see that this government which has been prone to regulating and restricting production and unable to assist farmers, fishermen and small businessmen, that has been so intent upon regulating the fishery to the point where it is very difficult to make a living or to have the diversification necessary, because of restrictions on licences, and so on, is at least thinking in terms of making credit a little easier for the fishermen to obtain.

● (1540)

There may be a substantial gap in the intent of the statute and the result it will produce. One of the members of the party to which I belong spoke yesterday of the success, if you like, of this plan as a means of financing fishermen in the Atlantic region. I would point out that each of the Atlantic provinces has its own loan board which advances money to fishermen at various rates of interest. In Newfoundland the rate of interest is very low. In Nova Scotia it is high in relation to the income a fisherman borrowing money under this proposal could earn.

In Nova Scotia there has been a dramatic increase in the amount of money lent to fishermen under this scheme in the past year compared to the previous year, but even in that province more than twice the amount of money was lent by the Nova Scotia fishermen's loan board to fishermen as was lent by commercial banks under this program. It has been suggested by speakers before me, and I think it is an easy conclusion to draw, that there are good reasons for this situation. One is that the banks are more willing to lend at a much higher rate of interest to other borrowers, or to fishermen borrowing on a straight loan. And, of course, as far as loans by the Nova Scotia fishermen's loan board are concerned, the arrangements are a little more realistic. The repayment term under this legislation is ten years, but a slightly longer term is provided under the Nova Scotia fishermen's loans act. The time during which the debt can be repaid corresponds more or less with the productive life of the fishing vessel.

[Mr. Haliburton.]

Under this legislation, though, only fishermen acquiring small boats, or prepared to carry out no more than minimal repairs, are able to borrow funds adequate enough for their purposes. Under the Nova Scotia fishermen's loan act a fisherman is able to borrow whatever money he needs, less 25 per cent. Thus, in the case of a vessel costing $1 million, if a fisherman is able to scrape up $200,000 or $250,000 he can purchase a ship capable of ranging in the offshore areas.

Under this scheme, if he arranged for a loan from the bank repayable in ten years, he would still be looking for a further $950,000. It follows that anyone who is interested in this kind of fishing would find such arrangements prohibitive. To give hon. members some idea of the costs involved in my area, let me say that the cost of a motor alone, of the kind commonly installed on an inshore fish dragger, is about $40,000. This alone would exhaust the amount one might borrow from a bank, even taking the present amendments into account. The provision of salt water cooling facilities in the hull of a vessel would account for $75,000 or more. A boat capable of fishing in a number of fisheries, sufficiently diversified to enable it to operate as a midwater trawler engaging in the herring and groundfish fisheries, would cost between $300,000 and $500,000.

Thinking in these terms, the act is obviously way behind the times. It will not help in any meaningful way fishermen such as I have just mentioned. I suggest it runs at cross-purposes with an objective which the Department of Fisheries' is seeking to achieve, since the act will not help our fishermen to compete with foreign vessels which are fishing in inshore areas and stripping our fisheries of their marine resources.

A striking divergence exists between amounts loaned under the act in various areas. Nova Scotia and British Columbia have fishing fleets which I assume are of approximately the same size. The value of fish landed is approximately the same in Nova Scotia as in British Columbia. Yet British Columbia fishermen had borrowed under this act, up to December, 1973, more than $2 million, while Nova Scotia fishermen had borrowed only $420,000—approximately 15 per cent of the amount of money loaned. Almost 80 per cent has been going to the coast of British Columbia.

Mr. Barnett: Would the hon. member permit a question on that aspect?

Mr. Haliburton: By all means.

Mr. Barnett: Is the hon. member aware that figures under the Fisheries Development Act, which is a grants program, show that the proportions of funds received as between Nova Scotia fishermen and British Columbia fishermen are reversed? In point of fact, most of the fishermen in British Columbia are not eligible to receive grants under the Fisheries Development Act. This may explain their resort to borrowing.

Mr. Haliburton: I thank the hon. member for drawing this to my attention. The point I was attempting to make in my timorous way was this: aside from any other legislation, the need to borrow on the east coast under guaranteed loan provisions is surely as great as it is on the west coast, yet for some reason fishermen on the west coast have been taking greater advantage of this act.

Mr. Barnett: British Columbia fishermen have no alternative.

Mr. Haliburton: I would suggest that the alternatives provided for the benefit of fishermen are not as numerous as they might be. It is encouraging that the government should be considering ways of enabling fishermen to finance the upgrading of their equipment and to purchase new equipment. It is, however, discouraging that the minister should have acted in such a penny-pinching way. The object should be to put into fisheries as much money under the provisions of this act as is currently being put into small businesses of other descriptions.

● (1550)

The concept put forward by the hon. member for Skeena would require the banks to lend money to the fishermen. That is an interesting concept. It would have an obvious difficulty in that it would require additional regulation, and it is apparent to everyone that the banks are reluctant to lend money under guaranteed lending schemes with fixed interest rates. Bank managers and the banking institution as a whole are reluctant to make such loans because they know low interest rates limit the amount of profit they can generate.

I suggest to the minister that in considering revisions to this act it would be worth while to consider making money available under its provisions for the purchase or upgrading of equipment used by fish dealers and small fish plant operators. I suppose they can qualify under this legislation, but such provision would seem to fall more readily, for administrative purposes, under the provisions of the Small Businesses Loans Act.

This bill does contain encouraging aspects and I hope it will be dealt with by the House in the manner suggested by other members of this party.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a few words on Bill C-14 which is divided into three parts and is designed to promote small businesses.

Mr. Speaker, I must say that small businesses like many other business enterprises, are in a most desperate situation. They provide many jobs for Canadians. I think that a high percentage of the labour force is employed by small industries which contribute a great deal to the transportation sector, because they are usually located rather far from large centres and have very high transportation costs.

Federal and provincial governments make fantastic amounts of money in transportation.

In my opinion, small businesses are needed and should exist. Moreover, I am one of those in favour of helping small businesses because they operate in all areas. You should see all the goods manufactured by small enterprises. At present, most small businesses are facing financial problems due to an imbalance in the economy.

As the cost of living increases and the cost of transportation and labour doubles or triples, small industries, like all other industries, have to raise their prices because they have to buy machinery and equipment. They must also double or triple their prices. Therefore, small businesses lack capital. Banks or financial institutions used to advance $25,000 to small industries under the legislation adopted by the government. Those $25,000 are not worth anything now because of the increase in the cost of living. About ten years ago, industries could buy machinery for $5,000 or $6,000, but today the same machinery costs $25,000. What can they do with a $25,000 loan? Because this small loan is granted to some industry by a bank, guaranteed by the government and by a first mortgage, the industry is cornered and can no longer operate, because $25,000 are not enough. Since it is a first mortgage, the industry can not borrow more and is caught by this very system. In the past, the $25,000 loans system for small business was better than nothing. It was convenient then for small businesses, but today it is ridiculous, it is clearly inadequate because if a man wants to buy one single piece of equipment for $15,000, $20,000 or $25,000, he will have to settle for second best. One single piece of equipment can cost that much and we know that an industry needs more than one.

The bill proposes to increase the loans to $50,000. Once again it is better than nothing, but it is inadequate for small businesses would need loans of at least $100,000 because everything is so expensive. What can anyone build with $50,000 when employees are paid $8 or $9 an hour and materials sell for prohibitive prices? Thousands of dollars do not last long. With four or five employees, any building can cost $25,000 to $30,000. What can you do with that? Mr. Speaker, some small businesses will be crippled with loans of only $25,000.

All hon. members and all Canadians know that small businesses are not allowed capital stock. Businesses with capital stock can operate because there is no need in this case to repay interests. We do not have to pay back but 75 per cent of small industries in the province of Quebec are unable to issue any capital atock. So they have to borrow, pay interests, and pay back. This paralyses them.

Mr. Speaker, this type of loan should be increased to at least $100,000 and should be payable over a period of 20 years at an interest rate lower than 3 per cent since the government backs them up and it is for the good of the people of this country.

Mr. Speaker, all sorts of measures are introduced, such as the Opportunities for Youth Program and the Local Initiatives Program, millions and millions of dollars are spent to subsidize useless things, and 75 per cent of those amounts are being wasted. Some industries could use them and hire young unemployed students who want to earn money. But no, they are given loans and grants of $1,000, $50,000 and even $100,000, Mr. Speaker, which in 80 per cent of cases are simply being wasted and do not benefit the economy.

This does not create any asset for the economy whereas if those monies were given to small and medium industry

to hire those people, show them how to work, make men out of them, small industry would benefit from it and working people or students would be learning something. We would be building something for this country, we could have cheaper products and consequently bring prices down.

If interest rates in small industry were only 3 per cent we would not have today an unprecedented increase in the cost of living, daily increases in all sectors. What I ask for small industry I also ask for farming and all sectors of society because if funds were made available at low interest rates they would produce a lot, and more cheaply. Society would then feel much better and we would enjoy price reductions as well as a lower cost of living instead of incurring price increases.

In connection with inflation, Mr. Speaker, it is easier to have a full purse than pay more at each purchase.

Price increases hurt, but a well-lined purse is nice. We should keep alert and one day set up a system which would enable the citizens to be self-sufficient in a wealthy country.

We are told it cannot be done because there is a shortage of commodities. If there is a shortage of commodities at the present time in various sectors of the economy, strikes and unions are crippling production. This is why there is a lack of goods and the cost of living is increasing. At the present time, unions are going too far and it is the duty of the government to cope with those conditions.

There are no longer any limits, Mr. Speaker. It is quite well to increase wages, to increase this and that. It is quite well to say the boss is making money, but 75 per cent of the bosses earn less, while working 10 to 15 hours a day, than some of their employees. The bosses earn less despite all their responsibilities.

Mr. Speaker, those small industries are providing the federal, provincial, municipal and school funds. Small firms are overtaxed to the extreme by school boards and municipalities alike.

● (1600)

A large number of municipalities entice small firms with promises. No sooner are they established that they are choked by taxes. A few years later, they are forced into bankruptcy.

Moreover, Mr. Speaker, small firms are being exploited—nobody mentions this, so I will tell you myself—by insurance companies. They are forced to mortgage their assets to buy insurance. These insurances choke industrialists and small businessmen alike. The premiums are much too high, Mr. Speaker. Nobody cares to say anything about this. We behave as though this was a trifle, like financing or 10 to 12 per cent interest rates. This seems somewhat sacred. When there is an increase in interest rates, nobody bats an eye. This seems somewhat sacred too. Mr. Speaker, there should be a limit to the exploitation of society.

We know that our ten Canadian financial institutions made more than $15 billion. This year, the increased their assets to more than $15 billion apart from another $15 billion which was concealed in some reserves. So we can say that our financial institutions increased their assets

by some $30 billion. No one says a word about that. The NDP particularly does not say anything. They wish to cut the throat of producing corporations that make profits but they have nothing against the financial institutions which are fleecing Canadians and make excessive profits.

So, Mr. Speaker, in order to balance our economy we need certain fair standards because there must be some justice. Everywhere, in every part of society we are exploited to death to such a point, that I could foretell, even if I am not a prophet, that if our present system continues to operate as it does now, terrible disasters are bound to occur within ten years. It will surely break somewhere if we do not act to stop inflation, reduce interest rates and the cost of living to allow Canadian to have a decent living. If we do not act, the present system will not survive a long time. The debts and the deficits we are now accumulating cannot past for ever. Out of 20 years of administration, all governments, whether they were red or blue, did finish two fiscal years with two small surplusses and 18 years with deficits. This year, and the Minister of Finance (Mr. Turner) knows it very well, we will have another deficit as usual. And in order to balance the government's budget we have to debalance the budget of taxpayers and then, in order to balance a little the budget of taxpayers we debalance that of the government. This means that our economy is badly organized and directed. This means also that in all sectors of society, we ought to apply remedies, and we have been suggesting some for a long time. And as long as the Minister of Finance does not find anything other than what we have now, things will keep on getting worse. Our economy keeps on tumbling down. Indeed, there is no balance in it.

Mr. Speaker, Canada is like a big company. We are all shareholders in that firm and we have to participate in it through taxes. But we are pressurized by taxes and our company is always in the red. Are there any private firms or financial institutions which would work this way? I do not think so. If we have a company into which we keep on investing money and which never shows any profit and if we keep on showing a deficit, our society is sick and needs some remedies. Mr. Speaker, we have suggested several adjustments: lower interest rates, compensated discounts on prices, on transportation, discounts for farmers, compensated discounts on tractors, on railways. To pay for this, Mr. Speaker, to give these compensated discounts on prices, we would have to collect the money from the profits of large companies and large financial institutions.

When we have an overproduction of $25 or $30 billion, we are certainly able to provide compensated discounts to distribute this overproduction which belongs to everybody. Since Canada belongs to the people to each Canadian should receive his share of the assets that nature and the work of man have produced.

The small business sector needs many reforms. Even with a $50,000 loan to the small industry, we will not be able to save it. It would provide a certain stimulus, it would help the small business, extend its years of operation, but it would not solve the problem. The small business would still be in stagnation just like agriculture is in stagnation.

A few years ago, the hon. Mr. Duplessis had saved agriculture thanks to farm loans and the federal govern-

ment had also saved agriculture thanks to its farm loans, assistance plans and subsidies of all kinds.

More than ever today, agriculture is in stagnation. Industry faces the same problem. Since big business can automatically finance its operations by issuing shares or social capital, small business has much difficulty in competing against these large corporations. They need the help of politicians because otherwise, they will close down, which will increase the number of unemployed in our country by hundreds of thousands.

If we want the people to work instead of just receiving unemployment insurance or social assistance benefits, if we really want to have them work logically, loyally, to have them build what has to be built throughout the country, to demolish what no longer works, we will modernize Canada.

We need loans at very low interest rates. This government can grant those loans, if it so wishes. Instead of accepting higher interest rates as we can foresee now, it can make them go down. Why does it not guarantee a 3 per cent interest rate for our industries and other sectors of our economy? We would then have a new boom and the economy would be better balanced. There would be more motivated people willing to build more than to demolish, as is the case today.

[*English*]

Mr. Turner (Ottawa-Carleton): I rise on a point of order, Mr. Speaker. Pursuant to discussions I have had with certain members of the House, I wonder whether we might return to motions for two minutes so that I might table a document.

Mr. Deputy Speaker: The House has heard the suggestion of the Minister of Finance (Mr. Turner). Is this agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

TRADE

TARIFF PREFERENCES FOR DEVELOPING COUNTRIES TO BE IMPLEMENTED JULY 1, 1974

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Secretary of State for External Affairs (Mr. Sharp) in announcing this afternoon before a special session of the United Nations in New York that Canada will implement the Canadian system of tariff preferences for developing countries on July 1, 1974.

Under the terms of Standing Order 41(2) I wish to table documents setting out the details of the system as developed under the legislation approved by parliament last year.

Mr. Deputy Speaker: I take it there are no comments on the announcement by the Minister of Finance (Mr. Turner). Accordingly, the House will return to the business that was interrupted a moment ago.

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACT

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the second time and referred to committee of the whole.

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I am pleased to take part in this debate on the amendments to the Farm Improvement Loans Act. This act has been of great benefit to the farmers over the years as a source of readily available money. It has been accessible to the farmers through the banking and other lending institutions in every area.

● (1610)

Everyone would agree with the amendment raising the amount of a loan from $25,000 to $50,000: it is just keeping up with inflation and farm input costs. The price of tractors has gone up from $10,000 to as high as $25,000. The same is true of combines. It does not take very long to eat up the present maximum of $25,000. Also, the amendment to the act will allow farmers to borrow for the overhaul of tractors and farm machinery. It will be welcomed by many as the cost of overhauling large tractors is sometimes in excess of $2,000.

Other amendments allow the removal of limits and permit a person to borrow the whole amount on land and use it in the way he sees fit. This might create a problem because if each farmer can borrow up to $50,000 on the purchase of land, a tremendous amount of money will be funnelled into the purchase of land and there will be a heavy drain on the money supply. Since the inception of the act nearly 30 years ago, $3 billion have been lent and in the next 12 months, if the money is made available, $1 billion could be lent. In fact, the $1.1 billion which the government will guarantee to banks could easily be used up before June, 1977, the date mentioned in the bill.

I see a conflict between borrowing under the Farm Improvement Loans Act and under the Farm Credit Corporation Act, and I am pleased that the government has seen fit to bring in this legislation before its other very high priority, football legislation. I would rather have seen amendments to the Farm Credit Corporation Act brought in first and then the Farm Improvement Loans Act amendments to add to the farmer's credit requirements. I think there will be a heavy drain on this fund for land because at present under the Farm Credit Corporation Act

money can be lent only on the appraised value of land, which amounts to about 60 per cent or 65 per cent of its actual market value, and under the Farm Improvement Loans Act money can be lent on 75 per cent of the market value.

Therefore, all these people who are refused loans under the Farm Credit Corporation Act will be heading back to the banks and other lending institutions and demanding loans under the Farm Improvement Loans Act for the purchase of land. This may have the effect of increasing the cost of land, which is rising rapidly as it is, and the result could be disastrous.

One of the shortcomings of the legislation is that one does not know where the money will come from. I cannot see banks or lending institutions advancing money for the purchase of land at 8¼ per cent or, for the other purposes outlined in the act, at 8 per cent. I have spoken to quite a few banks and credit unions in my area. They are not having any trouble lending money for equipment and quite a variety of things to farmers at 10½ per cent or 9½ per cent, which is the prime rate. The government is guaranteeing loans by banks at 8¼ per cent, and banks are lending all the money they can at 9½ per cent and 10½ per cent. Banks and credit unions in Saskatchewan are offering depositors a return of 8½ per cent on their deposits and the government agrees to back loans at 8 per cent. It does not seem possible that banks will make money available at these low interest rates.

In discussions with various chartered bank managers in my area I have found that some of them have been discouraging FILA loans and some have been reserving the money for certain of their customers. Some banks are not even willing to lend money under the FILA. It is easy to see why, since they can make a loan on equipment at a much higher interest rate. Farmers have the equipment in their possession and the banks are not worried about security. So guaranteeing loans at 8¼ per cent is not advantageous to the banks.

The hon. member for Saskatoon-Biggar (Mr. Gleave) suggested that this bill would be doing a great favour to the banks, but quite a few of the bank managers to whom I spoke did not see it that way at all. In fact, they thought quite the reverse. One of them suggested that they would probably require $100 million in the next 12 months to make loans which people would request in that short time. The bill suggests that loans be made for cattle purchases. Of course, in Saskatchewan under certain conditions farmers are able to borrow for the purchase of cattle at a 7 per cent interest rate. I do not expect many farmers will borrow money under FILA at 8 per cent if they can get it at 7 per cent.

● (1620)

I agree with the amendment, Mr. Speaker. I can see that it removes some of the problems, but I am afraid the money will not be made available unless at a higher interest rate, which is probably coming anyway.

One reason for the heavy drain on money is the cost of machinery and labour and the shortage of people on the prairies trained in the repair of machinery. If more labour had been available in my area in the past there would not have been such heavy expenditures of capital. In France, for example, there are about three million migrant workers, and in Switzerland one million. If the government is anxious to help farmers and small businessmen they can do it by helping overcome the labour shortage on the farms and small businesses in the west.

[Mr. Horner (Battleford-Kindersley).]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I want to add just a few remarks to the debate on Bill C-14 which amends the Small Businesses Loans Act, the Fisheries Improvement Loans Act and the Farm Improvement Loans Act primarily to allow for increasing the maximum amount of loans to $50,000 from the present $25,000. Nobody can quarrel with the amendment, but I have been very concerned about government guaranteed loans as they apply in my province. The increase in the maximum amount of the loans to half a million dollars is all very well, but my province is not receiving any benefit from this. I should like to quote from the latest reports. For example, under the Fisheries Improvement Loans Act in the period October 1, 1973, to December 31, 1973, Newfoundland received 14 loans amounting to $35,000. So what difference does it make whether the maximum amount is $25,000 or $50,000? Even Prince Edward Island received 40 loans amounting to $89,000. Something is wrong, Mr. Speaker, and I know what it is.

According to the latest report of the Small Businesses Loans Act for the period October, 1973, to December, 1973, Newfoundland received two loans amounting to $50,000; from January, 1973, to December, 1973, there were six loans. There must have been a good bank manager at that time. Under the Farm Improvement Loans Act, for the same period, Newfoundland did not receive any loans, and from January to December, 1973, there were three loans amounting to $8,788. In 1972, Newfoundland received four loans under the program, amounting to $6,500. The reason is that the agency responsible for carrying out the programs, the chartered banks, did not trust the small man to whom these programs are directed. I have evidence to show that they steer fishermen, farmers and small businessmen away from government loans because of the preferred rate of interest and, instead, guide them toward conventional loans which carry a high rate of interest.

Just recently I gave the Minister of Finance (Mr. Turner) an example where a fisherman, having taken his loan over three years, started out paying 8 per cent interest. In the half-year adjustment the rate of interest dropped to 6½ per cent, but he was charged 8 per cent for the duration of the loan. I can name 18 or 20 loan programs designed either by the federal government or the provincial governments, or under the auspices of both on a co-ordinated basis, directed toward the farmer, the fisherman, the sawmill operator, storekeeper or small businessman—and all they do is cause confusion.

Just a few days ago we gave first reading to a bill introduced by the Minister of Industry, Trade and Commerce (Mr. Gillespie) to establish a new federal bank. It apparently is going to take over from the Industrial Development Bank. Industrial Development Bank loans are a last resort. If you cannot get anything from the mean bank manager, you go to the Industrial Development Bank. But before you can get a loan there—and you spend two or three years in the effort—they want to take your wife and

family and everything else as security. So you give up in frustration.

Under the federal and provincial governments a new corporation was recently formed in Newfoundland, called the Newfoundland and Labrador Development Corporation. It was also designed to grant loans to small businessmen. It has a big staff, a board of directors and offers consultative services and management advice, the same as the Industrial Development Bank and, I am sure, the new bank proposed by the Minister of Industry, Trade and Commerce. All that happens is that the borrower becomes more frustrated, and in the end he gets a letter saying that he does not qualify for a loan. These programs are there just because it is politically advantageous at some time or other to announce them.

An agricultural capital assistance program was announced recently in Newfoundland, where a prospective farmer can borrow up to $6,000 plus $200 per acre of eligible farm land and money for other purposes. This is another program just to confuse the issue. Under agreement with the federal government and the province of Newfoundland, there is the rural development loans program under which a small businessman may borrow $10,000 interest-free. Under the general development agreements there are many other programs and development incentives, all substantially directed to the small businessman, the farmer and the fisherman; but still most applicants are told that they do not qualify for any loan. I wish the government would consolidate all these programs that are directed toward the one borrower, instead of designing so many different ones. Banks should be made to realize that they have a duty to Canadians.

This is all I have to say on the bill, Mr. Speaker, because many of my colleagues have dwelt on other areas. I counted 18 programs, all with the same purpose but all working against each other to the detriment of the persons they are supposed to help. The government should examine their programs very carefully.

● (1630)

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, as I learned we are not going home I thought I might as well make a speech. My remarks will be as brief as I can make them. Being the ninth or tenth speaker in this debate it is safe for me to assume that if pertinent points have not been made, they have at least been implied. It is important for those representing smaller communities in which there are farmers, fishermen and businessmen, to take an interest in this bill. There are sizeable numbers of such people in my constituency and therefore I am interested in the sort of federal assistance which is suggested by this bill.

I was in the House when we debated in the fall of 1968 the Farm Improvement Loans Act, the Fisheries Improvement Loans Act and also, I believe, the Small Businesses Loans Act—that troika of bills designed to assist people who do not have resources for self-help and need to rely on government programs. I was interested in the remarks of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). I feel that he illustrated very well the basic difficulty with this troika of assistance to small businessmen, farmers and fishermen. He suggested that, sure the legislation is before us, but few people ever get the loans. I think most of us have had the experience of constituents writing and asking about the kinds of services, the kinds of programs which are available to meet their particular needs. You write back and send them a whole portfolio of pamphlets dealing with ARDA, AIDA, PAIT, the IDB, and so on. You search through this great plethora of programs and when you want to find out if they are eligible, too often you find that they are not. You search through this great maze of programs in order to find out if there is one under which they qualify.

In my office we have a volume of pamphlets describing these programs, which we call the "money book". If somebody writes and asks about grants of one kind or another, we thumb through the "money book", fish out the relevant material, the advertising pamphlet promoting the program which best suits the constituent's needs, and send it out. I do not recall one of my constituents ever getting one of these grants, but at least we send out the literature. That is not good enough. If these programs are not to be mere tokenism, a mere pretense for helping the small businessman, farmer or fisherman, they ought to be consolidated as previous speakers have suggested. Further, the government should, like CMHC, make direct loans. This program should be handled as loans are now being handled by provincial corporations and the Farm Credit Corporation, rather than by way of guaranteed bank loans. Direct lending might help many people who need the service, because those who make use of these government programs are people without the kinds of resources which are needed for guarantees: the government acts as their guarantor.

In theory, this program works out nicely except when an individual goes to the bank and tries to take out a loan under the Farm Improvement Loans Act, the Fisheries Improvement Loans Act or the Small Businesses Loans Act; then he is usually deflected away from such a loan by the bank manager. I can understand this. The bank manager explains that the banks have only so much money to lend, and so on. Naturally, the bank prefers to lend at the higher interest rate of 12 per cent for a personal loan than at the guaranteed 8 per cent rate under this legislation. So the bank manager steers the prospective borrower to one of these higher-priced loans and away from the guaranteed loan as described in Bill C-14 because the bank is in the business of making profits.

My party has suggested that some of the funds of financial institutions should be devoted to mortgages at 6 per cent. That proposal was not embraced enthusiastically or affectionately—I think the latter word is preferable—by the Minister of Finance (Mr. Turner). He is not embracing anybody affectionately at the moment but seems to be consulting himself in dark seclusion.

Mr. Howard: He is on the side of the profiteers.

Mr. Rose: As the hon. member for Skeena (Mr. Howard) suggests, he is not on the side of the angels but on the side of the profiteers. Let us not kid the public about this program. It does not really matter if you raise the guaranteed ceiling to $50,000 for the period 1974 to 1977, if the banks will not lend money. And we are not speaking only of the banks. Something very interesting came to my attention when the fisheries committee was holding hear-

ings in Vancouver in 1969. I will not name the particular institution. Representatives of a credit union run by fishermen came before us. Do you know what their chief complaint was? This is a credit union which accepts deposits from fishermen, is run for the advantage of fishermen and makes loans to fishermen, presumably in the interest of fishermen. Their chief complaint was that the level of interest they could charge under the Fisheries Improvement Loans Act was too small to permit them to pay the kinds of dividends their depositors wanted. This happened with an institution which lends to fishermen. I do not know the situation with regard to the Alberta Treasury or the near-banks, or whatever they are called, in that province; I am sure, nonetheless, that the same thing happens with other financial institutions authorized to make loans under these acts.

We say that if we are to provide this money, why not provide it through a Crown corporation such as CMHC, or lend it directly as is the case with the Farm Credit Corporation? At least there should be a provision in this bill demanding that financial institutions make available some portion of their funds to people who apply for loans under these acts. If we do not do that, what will we have? We will have filled this chamber with hot air for another afternoon and passed another bill—but nobody will really benefit. What is the use of the bill if the banks decide they do not want to lend money under the act?

The hon. member for Humber-St. George's-St. Barbe gave us an explicit breakdown of the scale of lending in Newfoundland under the Fisheries Improvement Loans Act over past years. If what he said was not a devastating attack on the futility of the nonsense, I do not know what is. Here we are, ready to deal with this bill in committee of the whole this afternoon. We think that if we pass it we will really have done something. But we will really not have done anything. That is what upsets me, because it seems that we are debating irrelevancies. Merely because we have provided guarantees does not mean that the banks will lend.

What happens if a borrower is not eligible for a loan from the banks under ARDA, AIDA, PAIT or any other provincial or federal corporation? We say, "Why do you not visit the friendly bank of last resort, the International Development Bank?" Instead of lending the borrower money at 8 per cent, in all probability it will charge between 10½ and 12 per cent because the risk is greater. Why can we not limit the risk with regard to loans made by the IDB in the same way as we limit risks with regard to ordinary loans made under this program? If we can guarantee loans made under this program by private banks, why cannot we enlarge the idea and extend the same sort of guarantee to the Industrial Development Bank?

Perhaps my last remark reveals my naïveté and lack of familiarity with the workings of the IDB, but the question is pertinent. The banks, of course, prefer to lend at higher interest rates. Even if the interest rate were increased, the banks would prefer to steer borrowers to higher-rate-of-interest personal loans or to revolving credit accounts at 18 per cent. I think it is essential for us to come to grips with this question. If there is a trend in this country and in the country to the south of us, it is the trend of bigness.

[Mr. Rose.]

We see it in many aspects. We see it when we fly in 747s. We see it when large supermarket chains come into a town and put the small grocery stores out of business.

● (1640)

Someone once said, and I cannot confirm whose words they are, that if you nationalized all businesses in this country having over 500 employees, after the nationalization or takeover most people would still be working for small businesses. Therefore, small businesses are a much larger employer in this country than large businesses. If we cannot stimulate small business in this country, we are destroying an opportunity to stimulate employment. I assume that is an objective of the government, although I sometimes wonder about it with unemployment running around 600,000 people, or 6 per cent, for the past year. Whether another government could do anything about that, I do not know. However, it seems that if it were possible to stimulate more small businesses, and if the logic that small businesses are the greatest employers of people in Canada is correct, we would be doing something to assist the unemployment problem.

I am not particularly dazzled by this legislation. I do not think it will do much good. It certainly will not do any harm. I think the agreement we reached to pass this bill by ten o'clock tonight is very good.

Mr. John Wise (Elgin): Mr. Speaker, it is indeed a pleasure for me to join other hon. members in this debate on Bill C-14. This bill introduced by the Minister of Finance (Mr. Turner) does one basic thing: it raises the maximum of ceiling on the amount of money that chartered banks in this country can loan to small businesses. This includes loans to fishermen and farmers for improvement and possible enlargement of their respective enterprises.

I welcome this piece of legislation because it appears to be one of those rare occasions when this government recognizes the need for assistance and attention to these important segments of our economy. Small business establishments are, without question, the very lifeblood and backbone of our communities, our provinces and indeed our country. I am deeply concerned that so little consideration has been given to such an important group who not only individually but collectively contribute so much to our economy and social well-being. I have tremendous respect for these businessmen and businesswomen. Upon investigation, you will find the best managerial skill, the greatest efficiency and real determination, dedication and initiative in this group. Most of these people established their businesses over the years, not with government assistance or grants but with faith in their communities, faith in themselves, faith in their country—and few dollars.

My main criticism of this bill—and I am certain it is a criticism shared by many other hon. members—is that the ceilings, although increased, are still far too low and unrealistic. They are unrealistic, Mr. Speaker, when you take into account the serious financial difficulties being experienced in these areas and the tremendous increases in the price of production equipment, buildings and machinery. Small businessmen in Ontario, as well as elsewhere in Canada, in part because of present government

programs, have been increasingly discouraged from investing, expanding and establishing new enterprises. In many cases, taxation policies have encouraged businessmen to pull up stakes rather than solidify or enlarge their base of operation. Small businesses particularly have been looking to government to provide the help and incentives to not only compete but to grow and thrive. When one examines the bankruptcies and rapidly dwindling numbers employed in these segments of our economy, it becomes apparent that government action has been lacking and is greatly needed now.

If we read the minister's press release on these three loan acts dated Wednesday, November 21, 1973, we note that the Small Businesses Loans Act which came into effect in January, 1961, lent from that time until September, 1973, approximately $283 million. This appears to be a lot of money, and indeed it is. However, upon looking a little closer we find that about the same amount was lent this year as was lent last year, that is, about $15.5 million. Fewer loans were granted. Indeed, quite an insignificant number of the 268 loans made between April and September of 1973 went to the province of Ontario. The Fisheries Improvement Loans Act which came into effect December, 1955, has lent from that date to the end of September, 1973, $29.5 million. Since the amount of money lent nearly doubled from $2.5 million to $4 million during the April to September period from 1972 to 1973, it would appear that this program more adequately meets the financial requirements of the fishing industry than it does small businesses.

One begins to wonder just how useful the program is when no loans were granted in five of Canada's ten provinces and total loans granted amount to only 577. The province of Ontario, which has a sizeable inland fishing business involving nearly 2,000 people and some 106 million pounds valued at $13.5 million, was granted only eight loans. In fact, the inland fishing industry experienced a 12 per cent decrease in volume of catch and a 7 per cent decrease in value of stocks taken in 1970 over 1969.

The $50,000 ceiling place on the Fisheries Improvement Loans Act by Bill C-14 is unrealistic by today's standards. Fishermen are a breed of their own. I am certain that my friends in this House representing ridings in the Atlantic and Pacific regions would agree. I have the pleasure of representing some of these fishermen in the Lake Erie area of Port Stanley and Port Burwell. Fishermen are a hardy group. They are hard working and are willing to risk their lives in the everyday pursuit of their duties in order to provide food for Canadians and to secure a very modest income for themselves and their families. They, too, have experienced increased input costs in their industry for boats, diesel engines, buildings, refrigeration and other equipment necessary for continued operation of their business enterprises.

When we study the performance of the Farm Improvement Loans Act we find that significantly more loans were granted and considerably more money was lent. Since its inception in March, 1945, until the end of September, 1973, nearly $3 billion has been lent and a marked increase is noted, from $105.5 million in 1972 to $125 million in 1973 during the April to September periods. However, about the same number of loans were granted during the year 1972-73. The real information that is lacking from all three of these government programs is the total number of applications and inquiries made to the chartered banks and the number refused for various reasons. I would be willing to admit that some of the applications were rejected for good reason, but this information should be available if we are to develop the kinds of programs and policies that will best meet the needs and financial requirements of these industries.

It is a well known fact that people, and in particular young people, are leaving these segments of our economy. Most noticeable are those leaving the fishery and farming areas. I am sure that, along with other reasons, this is the result of the difficulty they encounter in securing the capital necessary to enter or continue these businesses. It is true that to some extent the shortcomings in loan programs have in recent times been remedied by amendments to the Farm Credit Corporation Act.

● (1650)

I welcome the fact that small businesses are now defined as businesses worth up to $1 million. No doubt the current rate of inflation played its part in the consideration leading to this decision. I am reminded in this connection of a remark of my hon. friend from Mackenzie (Mr. Korchinski), "Thank God for inflation: we shall all be millionaires!" A number of sound recommendations were made in the brief of the Canadian Federation of Agriculture presented to the cabinet and to opposition parties. Realising the need for an increase in the ceiling level, the federation recommended a maximum of $50,000 in respect of farm machinery and land, and a total maximum of $100,000. In my opinion, this is certainly in order. Taking into account the fact that a similar situation confronts both the fishing industry and those engaged in small business enterprises, I submit that if Bill C-14 is to have any effective impact, corresponding increases should be made in amounts available under the programs designed to assist small businesses and the fishing industry.

Mr. J. R. Ellis (Hastings): Mr. Speaker, I am pleased to be able to speak on Bill C-14 for a few minutes toward the close of this debate. I am sure the fact that I introduced a private member's motion on January 22 of last year, shortly after the opening of the session, asking that the ceiling under this legislation be increased from $25,000 to $75,000 in no way influenced the government in reaching its decision. I am pleased to find, however, that the government is only 15 months behind the thinking of the people of Hastings county.

The idea of an omnibus bill is probably a good one. I should like to say two things with regard to the portion which deals with loans for farm improvement. Specific allowance is made, now, for those acquiring new businesses, but I should like to point out that no one can start in the farming business with $50,000. In fact, a man cannot start in southern Ontario with $100,000; he probably needs $150,000.

Second, there is a crying need to revise our conception of the term "farmer". Some provision ought to be made to enable a young man to work at a job which provides cash for his everyday necessities while still operating a farm. Surprisingly enough, despite all the criticism of young

people which we hear today, there are still many in my area who are prepared to work at jobs which provide the dollars indispensable for their daily needs while preparing for a future on the farm. They wish to be farmers, and I think the rules ought to be changed to make this possible.

I propose to devote the remainder of my remarks, in the limited time available to me, strictly to the small business aspect of the legislation before us. The reasons for the amendment are more valid today than they have ever been. Since 1961, when the legislative machinery was first set up, costs have risen to such an extent that it is not sufficient to substitute a ceiling of $50,000 for $25,000. What piece of construction equipment can a man entering the construction business buy for $25,000? If he is engaged in manufacturing, raw materials alone would cost in the neighbourhood of $50,000. In the wholesale business one can hardly get a decent stock of cigarettes and chocolate bars for less than $50,000. Take transport: with the big highway rigs it costs more than $30,000 for the tractor alone, quite apart from the trailer. So there is very little one can do with $50,000 in the way of starting a small business in Canada these days.

The Industrial Development Bank, which supposedly should be looking after these areas of concern, has not been doing its job. I have spoken at some length on this subject on other occasions. The intention was that it should lend in areas of high risk at a somewhat higher interest rate. Well, they charge the high interest rate but they rarely get into the high risk area. As a result, businessmen have to rely on legislation such as we see before us.

I am pleased it should now be possible to buy land under these provisions. I am interested in finding out how this section will work, because it will really amount to a form of mortgage and with interest rates as they are today I am curious to know what arrangements will be made with the first person who borrows money under these terms. I am pleased that new businesses are now covered. These are changes which are beneficial. The Small Businesses Loans Act was intended to be of help to businessmen. The increase in the loans ceilings and in the size of eligible companies constitutes an advance, but the government has not gone far enough. While we are disposed to pass the bill, I urge the ministers concerned to reconsider these measures in the near future.

Mr. Speaker, I see it is close to five o'clock, and since I know we wish to move forward I will resume my seat.

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

Mr. Knowles (Winnipeg North Centre): Five o'clock.

The Assistant Deputy Chairman: Shall I call it five o'clock?

Mr. Baldwin: Call it six o'clock, if you like.

An hon. Member: Call it Easter.

Progress reported.

[Mr. Ellis.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—Possible opening of mission by Saudi Arabia in Ottawa and Canadian embassy in Iraq; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Pensions—Railway employees—Inquiry as to appointment of commissioner to conduct inquiry.

[*English*]

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

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

MATERIAL RESULTING FROM FIRST MEETING OF VLA SENIOR MANAGEMENT TEAM MARCH 26-29, 1974

Mr. Jack Marshall (Humber-St. George's-St. Barbe moved:

That an order of the House do issue for a copy of all material resulting from the first meeting of the VLA senior management team convened by the Director General of the Veterans Land Administration in Ottawa from March 26 to 29 as follows (a) operational plans in the periods before and after the March 31, 1974 deadline for new loan applications (b) further implementation of MBO as the VLA style of management.

He said: Mr. Speaker, there must be something radically wrong here.

This is the second time I have risen to my feet—I think that is the first time it has happened in six years—to speak twice on the same day. At least not everybody has gone home.

I missed one thing when I was talking on the Fisheries Improvement Loans measure. The hon. member for Winnipeg North Centre (Mr. Knowles) reminded me of it. He said I should have asked the Minister of Finance (Mr. Turner) whether he would increase the maximum loan ceilings under the Veterans Land Act to $50,000.

● (1700)

The debate today is the result of my notice of motion for the production of papers requesting a copy of all material resulting from the first meeting of the Veterans Land Act senior management team which was convened by the Director General of the Veterans Land Administration in Ottawa from March 26 to March 29, and also the operational plans in the periods before and after the March 31, 1974 deadline for new loan applications, and in respect of fur-

ther implementation of MBO, whatever that is, as the VLA style of management.

It is very difficult for me to understand why the production of these papers was denied. It is a well-known fact that as a result of a notice of motion introduced by an hon. member of this party the government, even though it was reluctant to recognize the wishes of the majority of veterans, said it was prepared to phase out certain parts of the veterans' charter on the basis of the fact that nine years ago, in 1965, the parliament of Canada agreed that it should be phased out. My only comment in that regard is: so what? I should like to ask members of the House how many amendments to legislation have come about over the years, and how many changes have had to be made because of changing conditions?

I am sure the members of the House of Commons who were here in 1965, and agreed with the decision to establish deadline dates, now realize that this was a wrong decision. Is that not why we are sitting here in the House of Commons as members? We are sitting here to legislate, and to change legislation for the benefit of the people we represent. To use an argument such as the one used by members on the other side of this House is ridiculous and even un-Canadian.

In dealing with this motion for the production of papers, I think it was yesterday I was told by the minister that since the papers for which I asked were confidential documents they should not be produced. I wonder how ridiculous that is, and what was so confidential at the meeting of the Veterans Land Act Administration that we, as members of parliament, should be denied the right to know the operational plans for the period before and after the March 31 deadline for new loan applications, and in respect of further implementation of MBO as the Veterans Land Act style of management?

Now that the government has extended the March 31, 1974, deadline is it not that much more important that veterans know about the operational plans of this administration? That seems only to be commonsense. This debate allows me to place on the record the attitude which has been taken by government members opposite in respect of extending the deadline for one year.

During a TV program last week the Prime Minister (Mr. Trudeau) was asked about the vast increase in government expenditure, and gave as an excuse the fact that the extension of the VLA deadline had contributed to this increase in government expenditure. Let me refer to the transcript which indicates that the Prime Minister, in response to a question, said that just last week the government was trying to phase out a program for veterans which had been brought in after the second world war, and applicable to the Korean veterans, according to a schedule determined many years ago by parliament, but when the government acted on phasing it out people said it should be prolonged for another year.

The Prime Minister went on to say that another reason was the result of pressure groups supported by the opposition, and he added that by extending the program it would cost several millions of dollars. Another misconception which should be corrected was in relation to a statement made by one of the newsmen that there are 10,000 civil servants in this department. There may be 10,000 civil servants in the entire Department of Veterans Affairs, but there are fewer than 500 administering the Veterans Land Act.

Having regard to the pressure groups referred to by the Prime Minister, this used to be referred to as involvement and participation by the people of Canada. Now these have become pressure groups. When it suited the government to invite Canadians to get involved in government, this was known as involvement and participation, but now these people are "pressure groups supported by the opposition".

Let me take a few moments to answer the questions about the cost of operating the Veterans Land Act administration. The best way I can do that is by reading from questions and answers reported in the Proceedings and Evidence of the Standing Committee on Veterans Affairs, Issue No. 4 for April 4, 1974. I said:

—I would like to go on to the estimates. I think I was questioning Mr. McCracken about the budget, and I hear certain figures bandied around. I want to clarify in my own mind and in the mind of the Committee, the Veterans' Land Administration expenditures for the operation of the Veterans' Land Administration Program. Am I correct in assuming that the amount in the estimates is $11,570,423?

Mr. McCracken answered as follows:

Yes, Mr. Chairman. That includes an amount of about $4,400,000 which is a reserve that is set aside every year to meet the conditional grant benefit of the loans that are made to veterans, so that at the end of 10 years, there is an amount available from this reserve in the case of a veteran, for instance, who has a small holding loan.

He has a $1,400 conditional grant of the first $6,000. At the end of 10 years when he has fulfilled the terms of his settlement contract, $1,400 is taken from the reserve and it is applied in effect to his debt. So of the 11 million and some odd dollars, $4.4 million of that is an amount that is set aside and it remains fairly constant... It is set aside each year to build up this reserve so that we can write off the conditional grants at the end of the 10-year period.

I then asked:

So, in other words, the cost of operating a department is not $11 million, it is more like $7 million.

His answer to that was:

The actual operating costs *per se* are about $7.2 million, yes.

I then asked:

—if the deadline in the Veterans Land Act was not extended, you indicated at the last Committee meeting that the Veterans' Land Administration would remain intact at least until 1977, and you went on to say there would have to be some semblance of a Veterans' Land Administration in the year 2000.

In other words the Veterans' Land Administration would not be phased out even if the deadline had not been extended. Mr. McCracken went on to say:

There would have to be staff somewhere and I conceive it remaining as a unit whether it was in the Department of Veterans Affairs or some other department, where the staff involved would be handling the loan management workload, the agreements of sale, conveyances and this type of thing. The people and the staff in the regions would be there in regard to matters of collections and this type of thing. Loan management workload is the name we normally give to it.

I then asked:

In other words, even if the extension of a year was not imposed or agreed upon or brought in, that staff would still remain and the cost would be the same?

Mr. McCracken replied:

Some staff, yes. I envisage that in about three years' time, we would be down from about 490 now to around the 400 mark.

Let us then correct the misconception that there are 10,000 civil servants operating the Veterans' Land Administration, as there is a staff of less than 500 which will be down to 400 by the end of the year. I then asked Mr. McCracken:

Therefore, from what I can see there would be no great increase in cost to maintain the present staff to take care of the extension of the deadline for a year; there would be no undue, unreasonable cost to the public.

Mr. McCracken said:

Well, I am not going to comment on the question of whether it is undue or otherwise. I can say this: that relating to the amount we have in the estimates for 1974-75, I anticipate an additional requirement of not less than $1 million this year.

In other words, to satisfy what they suggest will be another 10,000 veterans by extending the deadline by one year, this will cost $1 million. So let us correct that misconception. I then asked Mr. McCracken:

For what reason?

Mr. McCracken said:

Increased operating costs.

To confirm that again I asked:

It would be just $1 million?

Mr. McCracken replied:

A minimum of $1 million.

● (1710)

Then the deputy minister said:

Mr. Chairman, may I interject? The estimates were prepared on the assumption that the act, as it then stood, would continue to apply. That is to say that during the fiscal year that has just begun, loans would not be made. Since the act has been amended, As Mr. McCracken said, there is an additional expense involved.

Certainly there is an additional expense involved, but it is only $1 million and not the many millions quoted by the minister, the Prime Minister (Mr. Trudeau), and many others who do not know what they are talking about. I then asked this:

Mr. McCracken, in the short time since the legislation was passed, have you had any information from your district authorities indicating that there is an influx of applications?

He said he did not because he did not think there was enough time.

Then I asked him if he was getting a rush because the deadline was approaching, and he said that that would be putting it mildly. I said:

It has been indicated by the department or Veterans' Land Administration that of the 140,000 veterans qualified only between 5 and 10 per cent would seek applications under the act. Up to the March 31, 1974 deadline, has that proven true?

Then Mr. McCracken said:

Mr. Chairman, I think that would be about right. Since October 1968, new establishments have been running around 3,000. I think we hit 4,000 in 1968-69, if my memory serves me correctly, but it has been running around 3,000 to 4,000. This year the number of loans actually approved for veterans who were seeking establishment, exclusive of the backlog we have, would be around 5,500. That would work out to around the 20,000 mark, somewhere in that area.

Just because there was agreement nine years ago in this House of Commons that the deadline would be established does not preclude the possibility that it was the wrong decision to make. Since the nine years have passed the facts are clear, and the chairman of the Veterans' Land Act administration, an honourable and very capable man, has told us what the situation is. We have performed a service for at least a few thousand veterans over the next year who will be able to take advantage of the legislation. Let me say once more that it will not cost the millions of dollars mentioned, but rather $1 million.

The staff will be in existence at least until 1977, so the necessary staff will be available either through the Department of Veterans Affairs or through some other department up until the year 2000. I do not know where the suggested heavy expenditure comes from, because it certainly will not be due to the extension of the deadline. I think it could be shown in respect of a cost-benefit analysis of the value of any government agency that the VLA is as good an example as any of proper government spending.

There are many other areas in which spending could be cut but not in the area of the veterans charter. In order to show the type of amendments my party suggests—and in this I include the hon. member for Winnipeg North Centre (Mr. Knowles)—I should like to refer to a motion I introduced before the committee, which for some reason or other was not acceptable. This amendment stated:

That this Committee recommends the government consider the advisability of introducing legislation to provide:

1. That Section 31 of the Veterans Land Act be repealed;

2. That the mortgage loan ceiling be increased to $30,000 from the present $18,000 to meet realistically today's needs;

3. That the minimum lot requirement be reduced from the present one-half acre less 20 per cent, or 17,424 square feet, to a lot commensurate with CMHC requirements, for those veterans desirous of acquiring building lots in urban areas;

4. That the down payment be equated to 5 per cent of the loan ceiling; and the Chairman be instructed to report this recommendation to the House later this day.

For some reason or other my motion was not considered correct and was turned down. However, the government and everybody here know that these factors I have mentioned are consistent with the extension of the deadline. We will continue to press for this over the next 12 months. I am sure all members on the other side now realize this is the only justifiable and proper thing to do for the veterans.

When we introduce a motion in a new form I hope these amendments will receive approval, and will not be considered out of order under the rules of the House. In the meantime my motion for the production of papers should be answered, and the papers should be produced so that what the veterans administration management team does will be within the knowledge of each member of this House who has veterans in his district, and who represents veterans' organizations, so that those veterans may be helped rather than kept in the dark as they have been for so long.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, this motion for the production of papers put by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) gives us another opportunity to bring new matter to the continuing debate on the veterans' land program.

We had several occasions, Mr. Speaker, to consider the requests, perhaps legitimate requests of certains veterans associations concerning the extention of the implementation period of the program announced in 1942, to provide veterans returning from the front mortgages at easier terms than those offered in 1945.

As was said before, Mr. Speaker, the spirit prevailing at the time was to provide veterans with a mortgage market which was non-exiting from 1945 to 1952 and greatly different from the present market where, as soon as a worker gets a steady job, he can apply to the Central Mortgage and Housing Corporation and benefit from a very advantageous mortgage program well known throughout Canada. This enabled the government to have construction started on no fewer than 260,000 housing units in 1973.

This debate, Mr. Speaker, gives us nonetheless the opportunity to refute some points raised only a few minutes ago by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), when speaking of the cost of the amendment he wished to move in committee. Therefore, since he has opened the debate on what happened in that committee, I will also take leave, Mr. Speaker, to discuss the proposed amendment.

The hon. member talked of a cost of $1 million and has quoted at length from the proceedings of the April 4 meeting and he quoted Mr. McCracken as having said that the extention of the program would cost about $1 million only, that is to say what it would cost to keep a staff of 490 and carry on other obligations.

But to be honest, I must say that this sum of $1 million does not include the requested benefits. If the ceiling of mortgage loans were raised from $18,000 to $30,000, it is quite sure, as one can figure out by very simple calculations, that such a program would not be possible with only $1 million.

Besides, one has to consider that as many as 110,000 veterans have a certificate and that they could probably use if it the benefits were increased from $18,000 to $30,000.

Then, after calculations, we must conclude that since 1967 approximately 20,000 veterans took advantage of the government's proposal, of whom 99 per cent are said to have first chosen the settlement or university training programs.

They have repaid what they had already received from the government to accept the offer made to them in 1967. Some 110,000 have done this since 1968 and no fewer than 20,000 have used their certificate to take advantage of the veterans' land program.

Of course, if the ceiling were fixed at $30,000 rather than $18,000, it is most certain that a great number of the remaining 110,000 would come to the Veterans Affairs Department to benefit from this program.

Anybody who will try to convince me that this kind of program would cost no more than $1 million yearly cannot be taken seriously, because he is not good at figures. As to the administration costs, and I am sure the hon. member agrees on this, they would be of about $1 million, according to Mr. McCracken, director of the program. But if the ceiling were to be raised, program costs would greatly exceed $1 million; indeed, a figure of $50 million has been suggested. I am not in a position, Mr. Speaker, to see whether that $50 million is correct, but I trust those who figured it out and consider that it could in fact cost as much as $50 million.

Another point I should like to raise in this debate, Mr. Speaker, is that certain innuendoes were made in this House and elsewhere that about March 12, the hon. member for Edmonton West (Mr. Lambert) said, and I quote:

> ... I have heard reports from some of them that they are finding an extraordinary working-to-rule in some VLA offices with regard to this matter.

He went on:

> I hope those reports are wrong, because I think this House would severely castigate any officials of VLA who in any way dragged their feet in order to have this deadline pass and applications thus disqualified.

And later on, Mr. Speaker, on March 28, similar allegations were made in committee by another hon. member, namely that it was rumoured that the staff was still working to rule in receiving and processing applications. Mr. Speaker, there could not be anything more untrue than such allegations. I am told by the administrator of the program that the 490 persons working in the Veterans' Land Act administration are honest civil servants, honest employees of the department. The great majority, 75 per cent of the employees, are veterans themselves, and about 100 per cent of them are male employees. Mr. Speaker, to give you an example of their dedications to their work, I should quote the words spoken on March 23 by Mr. McCracken, which are published on page 114 of the committee proceedings, and I quote:

● (1720)

[*English*]

> In a management decision last year, we agreed that in the months of January, February and March of this year there would be no holidays for field staff, district managers, and others so that we would have a full complement of staff available to take care of the anticipated increase in loan applications that we would receive in that period. We anticipated that we would have an increase in the number of veterans who would be coming in for counselling purposes.

[*Translation*]

In my opinion, Mr. Speaker, this intention and these steps taken by department officials to ensure that all applications would be considered in time to meet the deadline of March 31, 1974, clearly demonstrate that there had been absolutely no decline in effectiveness of department employees who did not even hesitate to sacrifice their winter holiday to which they were duly entitled to ensure that all veterans' applications would be processed in time.

This is another statement which causes us to question the seriousness of those who came forward with these figures, statements and unfounded information.

The minister was even accused of not having done the utmost to contact all Canadian veterans so that they could take advantage of the benefits made available to them.

Mr. Speaker, in 1967, Mr. McCracken fully explained all the measures that had been taken that year and gave them intensive publicity, mainly in the newspapers, for the sake of the veterans. For instance, in the Canadian Legion

bulletin and in all the veterans newspapers. Posters have been displayed in many Canadian legions across the country, in post offices, in public places familiar to the veterans to inform them of the new provisions, the extension date of the applicability of the act which they were granted and the new provisions covering the extension of their benefits. As a consequence, Mr. Speaker, no fewer than 140,000 veterans took advantage of this offer and reimbursed the benefits they had already received to obtain the new publicized ones.

So, how far do we have to go? In Europe, and in France, for example, in early June every year they celebrate the liberation anniversary date, and so will they this year. In early June, they celebrate Europe's liberation by the allied nations.

This year European countries, and especially France, decided that after 30 years it would be proper to commemorate in a special way that 30th anniversary of the liberation of Europe but that in later years that event would be much less important for the good reason that after 30 years it is becoming more and more difficult for veterans to participate in the commemoration of that major event in our history and especially that of Europe.

When one considers that veterans are 58 or 59 on the average, naturally, it is becoming more and more difficult for them to go back to the battle fields and recall the difficult hours they went through 30 years ago.

It is not any easier, Mr. Speaker, for a man of that age to make plans and I say so as a man who discussed this with his former brothers-in-arms. Since I too attend quite regularly the meetings of my local Canadian Legion I am in constant touch with veterans who agree with me and say: Well, listen, after so many years those who wanted to go into farming, those who wanted to settle have already done so, and at our age—58 or 59 on the average—it has become quite difficult to make such plans.

For those reasons, Mr. Speaker, the government decided to extend the provisions of the Veterans' Land Act for another year. New facts might prompt the government to extend that cutoff date. Those are facts that we are yet to discover. In this debate and others those facts might be brought to surface.

● (1730)

[*English*]

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, the motion for the production of papers now before the House once again gives us an opportunity to review the legislation to which it pertains. We have heard the mover of the motion suggest the amendments that he would look for, and several of us, speaking previously on the same subject, which seems to be repeating itself so many times in this session, have suggested that the legislation should have been phased out long since and, if necessary, different legislation introduced for our veterans. However, in order that we may make an assessment before voting on this motion it may be well to review the subject. I think it would be relevant to quote the following parts of the preamble to the act:

Whereas many men now serving in the active forces of Canada have recorded their desire to settle on land or engage in farming when hostilities cease, and it is desirable that suitably qualified veterans be encouraged to seek rehabilitation in the agricultural industry;

And whereas part time farming coupled with other employment is an increasingly important aspect of rural and semi-rural life in Canada;

And whereas it is in the public interest as a measure of rehabilitation to assist in acquiring the ownership of farm homes by qualified veterans—

In relation to the purpose of assisting to rehabilitate veterans in civilian life, as hon. members know every veteran has had at least 20 years to make his application, and most have had as long as 30 years. The other two alternative rehabilitation plans were concluded quite some time ago. I think it is clear that the orientation of the Veterans Land Act was directed principally to those veterans interested in agricultural utilization of farm land in rural and semi-rural areas. The financial provisions of the act were founded on this type of settlement, and I think we should not lose sight of those basic factors when we discuss the act.

When we look at some of the facts we see that in the eight fiscal years up to March, 1973, after the lending deadlines and revised loan ceilings were established in 1965, approximately 32,000 veterans were settled under the provisions of the act. In the majority of those eight years the annual number of new establishments has been less than 5,000. In the current fiscal year, however, and more particularly in the last six months, there has been a significant increase in the number of loan applications. It is expected that the number of veterans who will have been settled this year will approximate 5,500—and there are a further 1,400 loan applications on hand awaiting appraisal.

It was in the light of this data on comparative settlement activity and the increased interest which veterans have shown in the current fiscal year—due undoubtedly to recognition by them of the scheduled lending deadline—that I reached the conclusion that an extension of one year, as has been approved by the minister, would be appropriate. In my analysis of the facts it became evident that some well-intentioned veterans would have been deprived of a right, which they had so gallantly earned, if the March, 1974, deadline had been final.

When there is a reasonable doubt, we should not hesitate to decide in favour of the veterans. We must not forget that, some years ago, they did not hesitate when the survival of freedom was in doubt. The extension that has been granted will provide many veterans with an opportunity to take advantage of a program which was designed for them.

The Veterans Land Act was designed neither as a program of urban housing nor as part of a retirement program for persons reaching the end of their productive careers. Its basic purpose was to provide loans for the purchase of agricultural land, to be used on a full or part time farming basis by veterans who were interested in this form of rehabilitation program on their return to civilian life following wartime active service.

It was recognized that many veterans would neither wish nor find it practical to settle under the Veterans Land Act. Two other programs were enacted: university training under the Veterans Rehabilitation Act, and re-establishment credits under the War Service Grants Act. The benefits under all three programs were alternative

one to the other. Each veteran had the right to choose whichever plan he considered would best serve his needs and desires.

The department's university training program was concluded in the 1950s; and October 31, 1968, was the final date for veterans to use re-establishment credit benefits.

In 1965 parliament established deadlines to phase out VLA lending operations in a reasonable and orderly manner. Almost 30 years have elapsed since the end of World War II, and 20 years in the case of the Korean conflict. In the context of a rehabilitation measure to assist veterans to pick up the thread of civilian life following wartime active service, those genuinely interested in land settlement assistance have had ample time to find properties suitable for this purpose.

Mr. Speaker, there have been suggestions, by hon. members reading such implications into the motion, that possibly the government's concern for veterans is lessening. Surely nothing could be further from the truth.

Mr. Paproski: Then what are you talking it out for?

Mr. Herbert: The hon. member wants to know why we are talking it out. With the number of members there are in the House I think the issue could very easily come to a vote to decide the question right now.

Mr. Paproski: Why don't you stop then?

Some hon. Members: Question, question!

Mr. Herbert: Mr. Speaker, it is interesting to note, when we discuss whether we are still concerned about veterans, that Bill C-148, passed last March, authorized a 25 per cent increase in war veterans allowances rates and ceilings for single recipients, and a 28 per cent increase for married recipients. In addition, Bill C-202, passed last June, provided an increase of 24 per cent in basic rates under the Pension Act. May I also remind hon. members that the recently tabled estimates of the Department of Veterans Affairs for 1974-75 amount to $597 million compared with $480 million in the main estimates for the past year. This indicates clearly that the government's commitment to veterans is not reducing but is growing.

● (1740)

I think the problem is that in spending many days debating the Veterans Land Act we have been using the poor veterans for our political purposes and motives. We have done that instead of coming to grips with the question and recognizing that, possibly at this late date, veterans legislation should be introduced to take care of veterans now reaching retirement age. I feel, because of their service to their country, that there should be programs in which they can participate which will enable them to settle in retirement with benefits somewhat above those available to the average citizen.

This is a debatable point. The consensus of opinion seems to be that a little more should be given to the veteran in view of the service he has performed for his country. I do not oppose that. We are calling for these extensions to an act which should long since have been phased out. The allegation which is made that by calling for the conclusion of the act we shall do something which is against the interests of veterans is hypocritical. We should face the issue. In lieu of inadequate legislation we should introduce legislation that we feel is necessary and which will benefit veterans who are now reaching retirement age.

I feel that the motion before the House, like all similar motions, is the type of probing motion designed to make public confidential departmental papers. These, like all similar confidential papers, will become absolutely valueless once they have been made public or tabled. I cannot imagine it being possible to provide confidential reports, or to receive meaningful reports from departmental officials, if the authors of the reports must word their work in such a fashion as to guard themselves from criticism in the event that at some later date their reports are publicized.

That situation would render the reports completely meaningless and a minister, in that situation, could never be in the position to use and trust the materials provided to him. I will go a little farther. We may find ourselves in this position because if a civil servant does not know for certain if any of his material is likely to be publicized in future, he will find it extremely difficult to put on paper any comments for which he, as an individual, is likely to be publicly criticized later. For that reason I oppose this motion for the production of papers.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall be brief. After the House of Commons—not the government or the minister—had passed the bill extending the Veterans Land Act for another year, we had discussions in the Standing Committee on Veterans Affairs on other changes and improvements which might be made. For example, we pressed strongly for the lifting of the deadline of October 31, 1968, the date by which qualification certificates had to be secured. The Minister of Veterans Affairs (Mr. MacDonald) assured us in the committee that this would be considered. Other points have also been raised, which have also been met with the response that they will be considered.

I make the plea, Mr. Speaker, that if other changes in the Veterans Land Act are being considered, we are entitled to have all the information there is about the administration of the Veterans Land Act. That is what the motion before us today is all about. A study has produced certain material. I suggest that Members of Parliament in general, and members of the Standing Committee on Veterans Affairs in particular, at this time when matters relating to the Veterans Land Act are still being considered, have a right to that material. As I say, that is what the motion is all about, and I think the House ought to pass it.

The last speaker referred to the act and to the way in which it satisfied him. He says that it was set up to enable veterans to go on the land, and not for the purposes of housing or retirement. I remind him that if he was here on November 9, 1973, he was party to a unanimous decision of the House of Commons that the minister be asked to consider extending the provisions of the Veterans Land Act, even if the main purpose of most of the older veterans now applying for loans under the Veterans Land Act is to meet their housing requirements. After all, the situation affecting veterans today is not what it was 30 years ago.

We think these other changes we are seeking are thoroughly justified.

I said I would be brief, Mr. Speaker, and I shall conclude my remarks. I stand very strongly for the changes in the Veterans Land Act which we have asked for in the Standing Committee on Veterans Affairs. I hope the consideration of the minister, still going on, relating to this question will produce favourable results. In the meantime I think we are entitled to all the material available and that is why, in the name of democracy, I ask for an affirmative vote on the motion for the production of papers moved this afternoon by hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

Mr. S. Victor Railton (Welland): Mr. Speaker, I am glad to have this opportunity to speak on this important matter. The hon. member for Winnipeg North Centre (Mr. Knowles) described the motion of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) as a motion for the production of papers. This is really not a motion for the production of papers; this is a request for a record of conversations and quiet discussions in which members of the Veterans Land Act administration took part. I have talked to those people and I understand that in any event this demand for material would not have elicited anything significant.

We must realize that an important principle of democracy is involved. The hon. member for Winnipeg North Centre talked about democracy. It is about time we gave some democratic expression to the idea of protecting people who work in the civil service and who engage in such conversations. They advise and talk to the minister, and it is up to the minister to accept or reject recommendations made in this way.

I went to the trouble of discussing the matter of the production of papers with the President of the Privy Council (Mr. MacEachen).

On March 15, 1973, the House resumed consideration of a private member's motion moved by the hon. member for Winnipeg North Centre for the production of certain papers. In the debate that day the House heard of suggested guidelines governing the production of papers. For instance, Guideline No. 10, as approved by the President of the Privy Council, reads:

> Papers relating to negotiations leading up to a contract until the contract has been executed or the negotiations have been concluded.

● (1750)

No. 14 reads:

> Papers that are private or confidential and not of a public or official character.

No. 15 reads:

> Internal departmental memoranda.

If you read this exemption list you realize the motion should be out of order without even debating it.

Mr. Knowles (Winnipeg North Centre): Were those exemptions approved by this House?

Mr. Railton: I believe they were.

Mr. Knowles (Winnipeg North Centre): Oh, no!

[Mr. Knowles (Winnipeg North Centre).]

Mr. Railton: I will not make that claim. You should know much better than I. I think it was the proposed list. What was done with it I cannot say, but I think it is very well worked out. I subscribe to the content.

I referred earlier to Section 15—internal departmental memoranda. If you run a department you should certainly have the right to send private notes to and receive the same from a certain section, such as the director of the Veterans Land Act. I do not see any reason why these private slips of paper should be brought out. They deal with the minister and his directors working out a program. Until the program has been decided on, it is no one else's business.

There is plenty of opportunity in the committees to dig out all sorts of official documents. That is done all the time. Nobody can object to that. However, the idea of looking for private memoranda between a minister and people in his department is abhorrent. The word democracy should be used in its proper context.

Although I may feel strongly about that one point, I have nothing but praise for the two members who brought in the original suggestion regarding the extension. The hon. member from Newfoundland and the hon. gentleman from Manitoba are to be congratulated. I think there are 50 veterans in this House. They are all behind these two members in trying to get the best possible deal for veterans.

On the other hand there is something to be said for phasing out the operation. The advice the minister received from the Royal Canadian Legion, and I am sure it was correct, was that they did not think there would be any real reason to continue it. I think there were isolated branches, isolated letters and other representations about which these two members spoke, which made them feel it was not that important.

I took this matter up with the minister and the Prime Minister (Mr. Trudeau). I agreed with the idea that it was not the time to phase out the Veterans Land Act. I will stick to that.

I have a letter, which I am sure all members have seen, from Senator Hazen Argue. He thought we should continue the program. He suggested it might be changed, or put under different auspices such as the Farm Credit Corporation or Central Mortgage and Housing Corporation. I think that is worth considering.

Credit must be given to the old Veterans Land Act. It was really the springboard from which came legislation for the Farm Credit Corporation. This matter was raised by the hon. member for Timiskaming (Mr. Peters). I could read some of the good arguments he made about the legislation. He said that prior to that time the legislation for farm credit was so bad, and the Farm Loan Board got into so much trouble that the ideas behind the Veterans Land Act were applied to new legislation for the Farm Credit Corporation. He also pointed out that there was a lesson in the Veterans Land Act on small holding legislation that could be applied to housing legislation.

All those are things of the past. It was a good act, but it must be revised. We have a year to do that. I certainly feel there will be further discussion in committee among members representing all parties. We either have to amend the

act, or see that some things we want done are done by some other agency. Sometimes it is good to tear down a building and put up a new one. Sometimes it is worth renovating the old one. That is what this is all about.

I do not think there is any doubt that this parliament will make changes that are proper and that will assist veterans. I feel veterans can change their minds. They may be 55 to 58 years old on the average, but what is the difference? I think things should be left open in some way. There must be modifications. These should be discussed, either as amendments or a new bill. I am sure these will be brought before the House in a few months. We should either have a new bill or amendments, or else extend the cutoff date.

The Acting Speaker (Mr. Boulanger): Order, please. Before calling it six o'clock possibly the House will permit resumption of the committee of the whole. Is this agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

The House resumed consideration in committee of Bill No. C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act—Mr. Turner (Ottawa-Carleton)—Mr. Boulanger in the chair.

At six o'clock the House took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On Clause 1.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. I realise we are in Committee of the Whole and that the matter I wish to raise can only be dealt with when Mr. Speaker is in the chair. However, I thought I should mention it now so that there would at least be time to think it over.

As hon. members are aware, there have been negotiations about whether the House should sit next week. I believe those negotiations have been concluded, and that we are sitting. What I now suggest would not interfere with that decision, and that is why I waited until now to make it. I wonder whether there could not be agreement later tonight for an order of the House that we not sit on Monday, having in mind that it is a government holiday and that it would be a courtesy to our own staff. I say this as one who will be here. I offer the suggestion now, and perhaps before ten o'clock tonight we can settle the matter.

Mr. Bell: I should like to support that suggestion. At least I say we would consider it very seriously and, I hope, favourably, having in mind consideration for the staff.

Mr. Reid: We would not be prepared to say yes at this time. We would, however, be prepared to sit down and discuss the whole matter. As I say, we would not be prepared to make any arrangements of an interim nature at this time.

The Assistant Deputy Chairman: As the hon. member for Winnipeg North Centre has said, this is a matter which can only be settled when Mr. Speaker is in the chair. For this to be done someone would have to move that I report progress. Until such time as that is done, I suggest we continue the study of Bill C-14.

Mr. Knowles (Winnipeg North Centre): May I simply add that perhaps there could be some discussions about the matter during the evening.

Some hon. Members: Agreed.

Mr. Gillies: To return to the bill, Mr. Chairman, we on this side of the House have little quarrel with these measures in general. We welcome the bill. We support it. We recognize the need for increases in the size of the loans because of the inflation which is taking place in the country. We welcome these proposals to extend aid to the fishermen, farmers and others, and to broaden the base upon which the relevant acts will operate.

We have certain reservations with regard to the revisions related to land acquisition, but by and large the position of the Conservative party is that this legislation is much needed, and we support it.

Mr. Whelan: Mr. Chairman, I wish to say a few words on this bill. I want to thank the Minister of Finance for being so responsive to all the requests which have been made to him on behalf of the small businessmen, the farmers and the fishermen of this nation.

Some hon. Members: Hear, hear!

Mr. Whelan: A number of misleading statements have been made about this bill, so I think I should state for the record that the amount of money lent by the Farm Improvement Loans Board last year was $230.1 million.

The suggestion has been made that the price of farm machinery has gone up by between 100 and 200 per cent. Our inquiries show that this is not the case. We would really not have very much to complain about if the price of everything else had gone up as little as the price of farm machinery expressed in terms of a percentage of the income farmers receive, the extra horsepower provided, and so on.

It seems to me as though some hon. members have their facts and figures mixed up. From the checks the department has made, we know the price of farm machinery has risen. But we also know that greater horsepower and added convenience have made these machines much more

efficient. Bearing these factors in mind, the increase in price has not been as great as some people claim.

It was also stated that the farmers of this nation were not going to produce and supply more food, as we had asked them to do. This is not so.

● (2010)

That is why we value this bill so much, why we are asking that it be passed so quickly, and that is why I do not intend to take very much time of the committee. However, I should like to put on record certain figures in respect of agricultural production this year. It was stated earlier that farmers are not going to increase production. Let me make it clear at this time that acreage to be put in cereal grains in this nations this year will be increased by 2.5 million. It is estimated that growers will use 25 per cent more fertilizer than last year. This will mean an estimated total increase in acreage of 4½ per cent, and will result in the greatest cereal crop we have ever had.

I will not hold up the committee any longer but I thought I should put those facts on the record. I could of course take much longer to outline the facts in detail in respect of farm machinery, in order to correct some of the things that have been said.

Mr. McKinley: Following what the Minister of Agriculture has just said in respect of farm machinery, Mr. Chairman, let me point out that as a result of inflation the price of sugar in Canada has increased by 30 per cent in the last month. The minister gave some indication about a year and a half ago that he was prepared to initiate the establishment of a sugar industry in southwestern Ontario. That created quite a furore. What was needed at that time was an agreement, on the part of the government, to guarantee a fair price to the sugar beet producers in order that they could carry on these operations over a sufficient period of time that would warrant the purchase of the necessary equipment.

The price of sugar has now reached a point where such a policy on the part of the government to establish that industry and to guarantee production is no longer necessary, but what we do not know now is whether the situation will remain the same or worsen because of rising inflation, so that farmers are still not in a position to know whether the industry would last in order that they would be warranted in purchasing equipment.

The increase in the limitation in respect of loans under this legislation will help to some degree in the establishment of such a sugar beet industry in southwestern Ontario, but after this little resumé by the minister about the benefits of this legislation to farmers, will he now tell us what has happened to his proposed sugar beet industry as a result of the increase in the price of sugar by a full 30 per cent in the last month?

Mr. Whelan: Mr. Chairman, I should just like to say that I did inform the House several weeks ago that a world sugar agreement was the subject of consultation and active consideration, so we are making progress toward the adoption of a real sugar policy for this nation which will benefit the sugar beet industry in Canada.

[Mr. Whelan.]

Mr. McKinley: I thank the minister for the reply, but he has not told us very much about the progress being made toward the establishment of a sugar beet industry in southwestern Ontario. Is that project any further off the ground than it was when the minister asked the farmers in that area of Ontario to make a commitment in respect of the number of acres they would be prepared to put into sugar beets?

Mr. Whelan: I would say it is very much further off the ground, Mr. Chairman.

Mr. McKinley: Just how much further? Can the minister give us any definite indication as to whether there is a plant in the offing, and whether this will be initiated under the auspices of the federal government within the near future?

Mr. Whelan: Mr. Chairman, I made a commitment that we would be on the way to establishing a full-fledged sugar policy, and re-establishing a sugar industry within two years. I made that commitment about a year ago, so I still have a year.

Mr. Korchinski: Mr. Chairman, I should like to make a few brief comments about this bill. There is no doubt that there is need for the extension of greater credit in the farming community and in the small business community, and this has been caused by inflation, as stated a few minutes ago by the hon. member for Don Valley.

During meetings of the Standing Committee on Agriculture we discussed this matter with representatives of the Federation of Agriculture, at which time everyone seemed to agree that because of the increase in prices there was a need to increase the limitation in respect of the amount of loans available. It was generally agreed that $15,000 was a ridiculously low figure, and that credit to the extent of at least $25,000 must be made available to farmers to cover production costs as well as the cost of machinery. Hon. members will realize that the price of machinery has been skyrocketing in the past few years, and it is generally understood that the cost will go up another 25 per cent in the next year. This is horrifying to the farmers.

During our discussions about this matter I ventured to state, with tongue in cheek, that as a result of inflation we will soon all be millionaires. This is exactly what will happen within a very few years. None of us will be worth any more or own any more property, but perhaps we will all be millionaires. This puts me in mind of stories about the people in Germany having to push a wheelbarrow full of marcs to the store to purchase a loaf of bread. That is the point we are rapidly moving toward at this present rate of inflation.

Because the land a man might have purchased in the 1930's for $500 would now cost $25,000 many people seem to think that all farmers are rich. Let me point out that the same acre of land produces no more food. Perhaps I should correct that by admitting that greater production is now possible through the use of fertilizers that were not available in the 1930's. We are able to produce a few more bushels of crop per acre, but this increased production is soon gobbled up.

In my experience I have never met a farmer who has purchased his machinery with cash. I was the reeve in a municipality for about six years, I am in my seventeenth year as a member of this House, and I can honestly tell hon. members that I know of not one farmer who has purchased machinery with cash. They have always had to go to the bank first to make arrangements for the money. Perhaps they do not do this because they want to, but it seems that savings are a thing of the past nowadays. I think the younger generation has the right idea; that is, use somebody else's money and live off the fat of the land. This is what causes the inflation. I believe there is a need for this type of loan for those who are left on the farm and who provide the needs of this country and other countries.

● (2020)

The minister has been making some strange noises in the last couple of days. He has been suggesting that if the farmers wish to be treated like everybody else they should pay high interest rates such as 10 per cent or 12 per cent. I am referring to the Minister of Agriculture (Mr. Whelan), not the Minister of Finance (Mr. Turner).

Mr. Whelan: Get your facts straight. I never said that.

Mr. Korchinski: I have all the minister's speeches in front of me. I also have the records of the Standing Committee on Agriculture. When the minister appeared before the committee he suggested that the interest rates should go up because he wants the farmers to be treated equally. Although I am directing my comments to the Minister of Agriculture, the Minister of Finance must listen to this also because he may be forced to bring in legislation along this line.

I suggest to the Minister of Agriculture that he should look very carefully at the situation, and realize that he should not make a speech suggesting that the farmers should have greater profits and a higher return, and then turn around and suggest that these farmers should pay a higher interest rate because they want to be like their city cousins. This is nonsense. If we are to keep costs down we must keep the interest rate at the lowest level. The government should not take the position that this is a high cost economy and that the solution is to do something for the farmers by way of subsidies.

The Minister of Agriculture pours millions of dollars into the dairy industry, for example, because he knows everybody drinks milk. Then because the government assumes everybody eats bread a subsidy is placed on wheat. The idea is to leave the impression that the farmer is being subsidized while the consumer is being helped, If the government wants to help the consumer this can be done by cutting down the cost to the lowest level. The same principle applies to the home builder. The government could help him by cutting down the tax on building materials and so on. The cutting down should begin at the lowest level so that everybody does not get on the gravy train.

Although there has not been too much discussion about the interest rate I suggest to the Minister of Finance that that rate should be maintained at a very stable level. I understand that interest rates, like everything else, are going up, but I think there is a time and place to do something about this so that everybody in the country does not get in on the 10 per cent act as we go along.

I ask the Minister of Finance to be very careful not to listen to the speeches of the Minister of Agriculture as he travels throughout the country suggesting that everyone wants to pay high interest rates. This is nonsense. No one wants to pay high interest rates. The Chairman of the Standing Committee on Agriculture also knows this. I suggest that the Minister of Finance should attempt to establish a lower level of interest rates. Because of the fact that farm improvement loans carry a low interest rate many bankers do not give farmers the advice they often require.

The banker asks the farmer to come to his bank. The farmer is sucked in, just as people are sucked in who assume that the local grocery store has the cheapest prices. All of a sudden people realize that perhaps the banker across the street can give them a better deal if given a chance. I have advised some of my people not to be taken in by a banker because he is nice. He is a nice guy because he wants their business.

So long as one beats a path to a banker's doorstep one will be taken in and will have to pay the price. So long as you keep on paying the price the banker will smile more broadly because he thinks you know no different. I suggest that farmers should shop around when dealing with banks and bankers. Incidentally I have a brother-in-law who is a banker. I have had many arguments with him.

Mr. Turner (Ottawa-Carleton): Many of your best friends are bankers.

Mr. Korchinski: Sure, and I have had arguments on that score. The point I am making is that many bankers will not allow a farmer a farm improvement loan for farm equipment repairs, for example, which I believe are essential to his farming operation. I believe a part that is required for a piece of equipment should qualify for a farm improvement loan. A banker, however, will not tell a farmer this. He will tell the farmer he must obtain a loan at an interest rate of 10 per cent. I suggest that this applies to many things, including fertilizer.

A banker will never tell a farmer that he is entitled, under the provisions of this legislation, to obtain a loan at a reduced rate for these items. I am glad the Minister of Agriculture is here because I believe he has a certain responsibility. He makes so many speeches I wonder how he finds time to be here. I think there is a responsibility on both the Minister of Agriculture and the Minister of Finance to ensure that the farming community is informed on this subject. Perhaps it is time the minister made one more speech to farmers to tell them that they are entitled to loans for repairs and various other items at a reduced interest rate.

I operate a farm, and when I send in a payment to the bank the banker applies it to the farm improvement loan rather than to my regular loan because that way he receives an additional 3 per cent in interest. Of course I play the game with him. I give him a tongue-lashing. I suggest that if there is to be a campaign in respect of this legislation it should be carried on by the Minister of Finance, because it is his legislation, and I am sure he wants to take full credit for it.

● (2030)

If there is a reduced rate, let the minister go out and sell that to the farmers. Let him tell them where they are entitled to get the reduced rate. Let him tell them of their rights, and what they can put into their banks. Let him send out a few civil servants to instruct farmers on the banking business. Banking has become a tremendous business. What struck me recently was that during the depression years in the farming community, when incomes were low, all the new banks throughout the country were opening up because that was the healthiest time for banks. That is when they flourished. They were making profits, and they were putting up buildings in all the small communities.

All those banks such as Toronto-Dominion, Bank of Commerce, Bank of Montreal, Bank of Nova Scotia—you name them—all have new offices, and these new offices are paid for. When you look at the statistics you find that their profits today are higher than they were ever before. For them to say that they cannot give us a lower interest rate, that they cannot do so with respect to certain sectors of the economy—at a time when we are so concerned about inflation and everybody here badgers the Minister of Finance or badgers the Minister of Agriculture about the cost of living—is ridiculous, because if we did not have to pay such high rates of interest our cost of living would not be so high.

I suggest that this is one area where the government can act very forcefully without injuring anybody. Banks will continue to exist.

Mr. Nystrom: You are a socialist.

Mr. Korchinski: I am not a socialist, I am a realist.

Some hon. Members: Hear, hear!

Mr. Korchinski: I did not suggest that banks should not be making any profits. Does the hon. member, my friend and my neighbour in Saskatchewan, think for a moment that I would enjoy seeing all businesses closed down? Maybe he would. I like these little communities. They are great places. I myself come from such a little place "numbering 175 hunting dogs." This is the way you describe the size of the population there.

To come back to what I was saying, let me point out that banks would be able to survive even under the difficult conditions and restrictions that the government might impose. I am sure that these are very difficult times for the government. The minister speaks about external problems and external costs. Let me say to him that this is an area in which he can act very forcefully. He can keep the interest rates down. I ask the minister in all seriousness: was it necessary, at a time when we could not sell grain, when many of the farmers were selling out, dropping out of the business, for the banks suddenly to come out with new, flashy buildings, with all this comfort at the expense of the farmers?

Every farmer realized, as he walked past such a building—because he could not go in there to make his payment—that it was his money that was paying for the building. It is not that we begrudge the people who work in these buildings the normal comforts that everybody else has, but the people who constructed these buildings were denying farmers their livelihood in order to have the buildings.

There are times when one is generous, and there are times when not everyone can move as fast as his neighbour or as fast as the Joneses.

I think the Minister of Finance realizes that he can do certain things for certain segments of the economy. Because of the fact that food is so essential, and that everyone is so concerned about inflation, he should be wary of the advice that the Minister of Agriculture is giving him, advice which was contained in his speeches as well as in what he said at meetings of the Standing Committee on Agriculture when he said that interest rates should go up. I suggest to the Minister of Finance that he should keep them down.

Mr. Whelan: Mr. Chairman, I just want to put on the record a couple of things to clarify some of the things that the hon. member said. Never have I said that interest rates should be at 12 per cent. We kept farm credit interest rates at 7 per cent for over $400 million in loans last year when all other loans were at a much higher interest rate. The bill that the Minister of Finance is bringing in at present actually cuts the interest rate from what it was the year before.

Some hon. Members: Hear, hear!

Mr. Whelan: I am sure that the hon. member would want me to correct the implications in his remarks to the House.

Mr. Korchinski: I would accept the fact that the minister did not say 12 per cent. At least we know the rate will not go up to 12 per cent, or above it anyway. This much we know now. At the same time let me point out that he did mention that farmers wanted to be treated the same way as all other segments of the economy are treated, and he did mention the fact that interest rates should be the same as those applied by CMHC.

Mr. Whelan: I did not.

Mr. Korchinski: We have a record of that in the proceedings of the Committee on Agriculture. The Minister of Agriculture suggested this in his speeches. I have copies of them stacked up just waiting for me to show them to the minister one day. He suggested—and I will try to paraphrase him—that he does not know how long they can keep the rate at that level. Is he trying to suggest that it was 7 per cent? The former government increased the rate, and the Minister of Agriculture will increase it still more. Can he assure me that the rate will stay at 7 per cent?

Mr. Whicher: No, he will lower it.

Mr. Korchinski: You cannot be sure of anything. I want the Minister of Agriculture to answer me.

Mr. Whelan: We all know that at present the interest rate on farm credit is 8¼ per cent. But we also know that the income of farmers has gone up, especially in the area from which the hon. gentleman comes. At the time when the interest rate was 6 per cent you could not even get rid

of your wheat or other cereal grains, vegetable oil seeds, or anything else. The programs we have initiated, and will initiate in the future, will put farmers on the same level as all other people, and farming on the same level as other industries. They will not have to worry about the interest rates they pay once we get our agricultural policy really working.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Rose: Mr. Chairman, I wonder if I can heckle in the middle of these speeches? I did not quite hear the figure given for farm improvement loans. I think the Minister of Agriculture said it was $231 million.

Mr. Whelan: $230.1 million.

Mr. Rose: Could the minister tell us over what period that was?

● (2040)

Mr. Whelan: Mr. Chairman, for the calendar year 1971, $147.4 million, for the calendar year 1972, $181.1 million and for the calendar year 1973, $230.1 million.

Mr. Rose: Mr. Chairman, since I am a bit confused about the recommendation of the Governor General which stated that the limit, from 1974 to 1977, was going to be something like $60 million plus another $10 million, I wonder if the Minister of Finance or the Minister of Agriculture could explain how this figure has been exceeded, as it has according to the figures given by the Minister of Agriculture?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think that the hon. gentleman has to look at the limit on the present act as $1.1 billion for a three year period, so it is within the limits.

Mr. Rose: Mr. Chairman, I have one further observation. With respect to the figure I got of $31 billion, according to the hon. member for Bruce, as the total amount loaned by the chartered banks, I think it is fair to point out that farm improvement loans amount to less than 1 per cent of the total lending. This indicates support for the position that someone took this afternoon, that it is frequently difficult for a person applying for a small business loan or farm improvement loan to get it from a bank.

This program covers less than 1 per cent of the total borrowing of the country. I am certain that many of the people who are borrowing are farmers, small businessmen and fishermen, and they are not borrowing under this particular plan but under personal note, or some other plan encouraged by the banks which bears a higher rate of interest.

I have one further observation, Mr. Chairman. A number of people in my riding, and certainly in others too, are very interested in the new trout farming industry. In order to get start-up funds or expansion funds, if they apply for fisheries improvement loans they find that they do not qualify because, according to the Fisheries Department, they are farmers, and when they apply under the farm improvement loans scheme they do not qualify because they are fishermen. Has any consideration been given to this new and growing industry?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think there has to be some way that they qualify under one or other, or all three acts. Perhaps the hon. gentleman will bring some details to my attention so that we can look at the problem, which I think is an administrative one.

Mr. Rose: I will be pleased to do that, Mr. Chairman, and I thank the minister for his offer. Unfortunately, we have been through this a number of times, but not with the Department of Finance. As someone observed, these people are neither fish nor fowl and that is their problem.

Mr. Turner (Ottawa-Carleton): It might be a bird of a different colour! We will look at it.

Mr. Whelan: Water fowl!

Mr. Peters: Mr. Chairman, I wonder if the minister in listening to this debate that has taken place for several days—

Mr. Whelan: That is too long.

Mr. Peters: It may seem long to the minister but the point I am—

Mr. Turner (Ottawa-Carleton): A point of order, Mr. Chairman. Since I have my colleague, the Minister of Agriculture, who is in fine form, here tonight, I wonder if the hon. member would specify which minister is interjecting.

Mr. Peters: Mr. Chairman, I am particularly interested in the agricultural aspect of this, so I was not really reflecting on the Minister of Finance. The Minister of Agriculture has been listening to the debate, but it would seem that all he got out of it is the fact that horsepower has increased in farm machinery and that larger equipment is necessary. Surely he has missed the whole point, Mr. Chairman. The reason farmers have to buy bigger farm equipment is because they cannot make a living off the land these days the way they could 20 years ago, and so they have had to expand.

The minister indicated that more fertilizer will be used this year, but he must know that that is not necessarily so. Less than the optimum amount of fertilizer will probably be used because it is so expensive. In order to get satisfactory results in Canada, fertilizer should be applied for a number of years. This has not happened, so the maximum production cannot be achieved.

The minister must be aware that the input to agriculture has been higher than ever before. Every time there is an increase in price he finds himself faced with expenditures beyond those he had anticipated.

A good example of this is the changes that took place in the Ontario dairy industry. As soon as farmers were able to enter the industrial milk market where there was a guaranteed price, they had to buy bulk tanks and a new type of milking machine. They also had to upgrade their buildings. Usually they had to get a loan, which ate up any profit from the expanded operation.

I hope the minister is not as satisfied as he appears to be that there is no problem in the farm machinery industry. I hope he is not satisfied that there is no problem in the fertilizer industry. I hope he is not satisfied that there is no problem in the binder twine industry, the fencing industry, to say nothing of the basic problem that faces all farmers, the cost of land. Whether it is purchased outright, or through ARDA, or rented, it is still expensive. I hope the minister is not satisfied that the inputs have to be left alone and that, if we pass this legislation, a satisfactory solution has been found for agricultural producers.

I have found that farmers are in almost the same category as workers, Mr. Chairman. When the cost of production rises or the worker's cost of living rises, then either his standard has to be reduced or his production has to be reduced. The farmer has to curtail either his production or standard of living, or he has to borrow more money.

I suggest that the problem is not so much one for the Minister of Finance as it is for the Minister of Agriculture. The Minister of Fisheries should also be involved, I think, and so should the minister responsible for small businesses. The reason the Minister of Finance is being asked for this kind of legislation, and the reason the government is answering the call of the farmer, the small businessman, and the fisherman to increase the amounts of the loans, is that in order to stay in business these people must modernize; they must put more in to get more out.

● (2050)

As production costs increase we must raise lending ceilings to enable farmers to keep up and extend production. It is the case with almost every commodity, but whereas farmers have increased their production, their returns have decreased. Take the case of grain, a matter with which I am not overly familiar. The western farmer found that the price of his product rose almost overnight from $1.95 to about $6.00; yet the futures market in the last two or three months has dropped $1.50. If the farmer operates in a totally uncontrolled free enterprise market, he must consider carefully any move to increase production because, unless the government guarantees a floor price for his product, he may find that he is overproducing, that his return has decreased, but his expenses have not been reduced in line with his decreased return.

I am sure the minister does not really believe that it is enough to provide extended financing to farmers to enable them to expand their operation. He does not believe, I am sure, that farmers across Canada are using enough fertilizer. I am sure he knows that many farmers growing wheat in western Canada were only able to keep production costs down by using less than the optimum amount of fertilizer. I am also sure he knows that many farmers who grew corn in his area and sold it for reasonable prices were not applying adequate fertilizer.

In addition, I am sure he knows that although one segment of the farm industry has grown, and although it could be claimed that the price per horsepower of machinery has not increased significantly, this does not correct matters.

The government has advocated, in the last five or six years, the acquisition of larger farm units. It has suggested that we need to develop viable agricultural farm units.

[Mr. Peters.]

This has meant that the farmer has had to buy his neighbour's farm. He has bought more land and expanded. Because he has expanded he has had to increase the machinery horsepower at his disposal. Unless the minister pays attention to methods of reducing input costs he will be doing the farmer a disservice. Only in that way can we strike a reasonable balance between the price at the farm gate and the price to the consumer. If we do not lower input costs, which include the cost of borrowing money, we will not have served well the farmers of this country.

Mr. Hargrave: Mr. Chairman, I want to make some comments about the Small Businesses Loans Act. First, I suggest it was well worth while to include as lending agencies the Treasury Branches of Alberta. Also it was good to raise lending ceilings, for obvious reasons. It has been my experience, from talking to borrowers and bankers, that the Small Businesses Loans Act has not been used as much as it might have been.

It seems people genuinely interested in getting a small business loan have been talked out of it, and put off, by the bank manager, who obviously is pushing other types of bank loans which carry a higher rate of interest. I wonder if the minister could comment on this. If this practice is to continue, this legislation will be of doubtful benefit. I think the small businesses loans provisions should be used far more than they have been hitherto. Can the minister comment on this? Are these funds really available, or is the banker using a legitimate excuse when he pushes other types of bank loan?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we have just issued a quarterly release having to do with these three programs. During the last quarter of 1973, $8,506,000 odd was lent under the Small Businesses Loans Act, compared with $7,459,000-odd in the same period of the previous year. The volume is still up, and money still appears to be available. The total figure for last year was $30.3 million.

Mr. Hargrave: I do not doubt that the volume of loans has gone up. In view of prevailing business conditions in the last year and a half, if the total had not gone up something would be seriously wrong with the program. I still maintain that the program is not being used to its fullest extent. Perhaps there is something inherently wrong in the approach that is evident when the borrower goes in and talks to the banker. I think more use should be made of the program.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think the program announced by my colleague, and now before the House, the Federal Business Development Bank, and the Department of Industry, Trade and Commerce, should diversify and decentralize these services across the land.

We are adding the management counselling service. One of the best pieces of advice I suppose one could give a businessman is that this legislation is available on a decentralized basis. I think the hon. gentleman's comment was relevant.

Mr. O'Sullivan: Mr. Chairman, I want to add to the comments made earlier by my colleague and, hopefully, hear the minister's response. I congratulate him for

improving the Small Businesses Loans Act, an act first brought in by the government headed by the right hon. member for Prince Albert. My concerns are similar to those of the hon. member for Medicine Hat. Businessmen in my constituency are not aware of the provisions of the act or, if they are aware of them and approach the banks, they are, in the words of my colleague, "put off". The minister suggested that decentralizing the activities of a certain government department will help to correct this condition. I am sure the minister knows, from dealing with businessmen and others, that people in this country are under the impression the federal government is far too centalized, far too big and, once you start dealing with it, far too bureaucratic.

● (2100)

Therefore, they are not at all willing to come to the government looking for assistance, if for no other reason than it runs against the grain of the free enterprise system and those involved in small business in this country.

I wonder if the minister can comment on the situation, which I am sure he will admit exists and on whether, as part of the condition in which the government enters into agreement with the banking institutions across this country, it might be made mandatory for these banking institutions, which have just reported record profits, to advertise and get out and push this act as one of the services they are providing in co-operation with the government of Canada. I wonder whether the minister would comment on that.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I agree with the thrust of the hon. member's remarks. The Department of Industry, Trade and Commerce and the new federal development corporation will have as part of their mandate within the proposed statute, decentralization of functions of this type of government service. I agree with the hon. member. I think there has been too much centralization.

When I was Attorney General of this country I decentralized the Department of Justice. I opened regional offices across Canada. There is now one in virtually every provincial capital to bring the services of the federal government and parliament closer to the people. I will ask one of the page boys to bring a little pamphlet I have here to the hon. member. We can stock him up with it. It is published by the authority of the Minister of Finance and that other great institution, Information Canada. It is entitled Small Business Loans and is in two languages. Every bank in the country has this on the counter.

Mr. Gillies: At least under the counter.

Mr. Marshall: They hide them in Newfoundland.

Mr. Korchinski: Does it have your picture on it?

Mr. Turner (Ottawa-Carleton): I knew the cynical member for Mackenzie when he was a bachelor.

Mr. Korchinski: Those were the days!

Mr. Turner (Ottawa-Carleton): I want to assure him that these pamphlets are available in the banks of this country without the minister's picture, and with no signature. I am prepared to send this over.

Mr. Oberle: Mr. Chairman, I just want to make a few general comments. This will allow the minister to relax somewhat because I will not be confronting him with direct questions. Anyway I do not think he would be ready this evening to implement the suggestions I will be making to help farmers and small businessmen in Canada.

I am one of that group who grew up in the small business world. I even have a small farm. It is big in land mass, but small in turnover and profit. I became a politician through the many experiences I gathered going to the bank and convincing my banker that he should make me another loan.

It usually happens in this way. You have an idea. You think it is great. You think it is going to make you rich. You go to your banker and tell him it will cost $15,000 to get you going. Your name is pretty good and your face looks alright, so the banker says he has the authority to loan you $15,000. Three months later you go back to the bank and tell your banker that if he wants his $15,000, you need another $25,000 because that is what you need to make this thing really viable.

The banker phones the regional office in a distant city and gets the approval to loan you another $25,000. Usually a small business makes a profit after the first year. This is contrary to big business. They do not make profits for generations.

In April of the following year, the small businessman invariably goes to the bank to borrow money to pay his income tax. He then wonders where all the profits went. At that time the bank knows the chances of success. The banker then decides whether you should close your doors or whether he should loan you the additional money.

I started quite a few small businesses. A lot of them are still going. In fact, some of them are now big. I ended up with very little for my share. Most of them were pretty sensible and pretty successful. I have analysed some of the programs the government has for helping small businessmen and farmers. I wonder about the reasons for some of these programs, and whether these people would not be better served with other programs that would make more sense.

Earlier this year I listened to the Minister of Agriculture talk about the farm succession legislation. In order to preserve the family farm he wanted to be sure that the poor son taking over the farm did not have to pay income tax on the capital investment. When I listened to the minister I wondered whether the act was designed to preserve the family farm or to expedite the death of the farmer.

The Farm Improvement Loans Act and the Farm Credit Act are wonderful. I want to congratulate the minister for making the Farm Improvement Loans Act more sensible, more in tune with our time, more in tune with inflation, and a little more meaningful. I am certainly in favour of it. It is all we have to work with. However, I wonder whether it would not better serve these people if the act, more ambitiously and in a more meaningful way, provided farmers with a means of getting their product to market.

Farmers do not like big statistics tables. They use practical statistics. I came across a statistic the other day which stated that 20 per cent less boxcars were loaded in Canada in 1973 than in 1972, and that in 1973 the production of alcohol in Canada went up by 15 per cent. That proves only one thing: There were more people loaded in Canada last year than there were boxcars! Did I miss something?

An hon. Member: Five per cent.

Mr. Oberle: Was it 5 per cent? It does not make that much difference. I think we would be better served if our government would provide us with transportation facilities to get our products to market, and storage facilities whereby we could store a year's production of grain.

I learned that in small business you cannot sell from an empty shelf. That is what the marketers have been doing in Canada. When they travel around the world they either sell from an empty shelf or one that is running over. Either they have nothing to sell, or they have to sell at firesale prices to get rid of the production because there is no place to store it.

Instead of all these so-called subsidies, we would be better off if the government provided us with a transportation system. We would also be better served if the government would recognize the need for a proper place for the farmer to sell his product. By that I mean that sooner or later the farmer will have to get paid for what he produces and he will have to get paid a decent price.

Many of my colleagues have touched on statistics regarding other parts of the world. They have pointed out that some people have to pay up to 50 per cent of their disposable income for food, whereas in Canada we pay less than 20 per cent. The time has come when the government must decide whether we should allow the same situation to exist in Canada, or whether we should subsidize the farmer in another way. We hear from the government benches that it is not feasible to implement some kind of wage and price controls in Canada. Well, the farmer in Canada has lived with price controls on his commodities for the past 25 years, yet no one has ever controlled his input cost. I think it is high time we decided either to subsidize the farmer or to allow him to charge for his products what they are really worth.

● (2110)

If we are serious about decentralization and moving away from big and cumbersome urban centres, one way of helping the farmer would be to rid him of the burden of property taxes. After all, people who live in cities are helped to surmount the high cost of urban transport and so on. We could devise various ways of helping to improve the quality of rural life by building community facilities, town halls, roads and so forth. A program of this nature would, in my opinion, be more meaningful than anything the minister has laid before us to date.

Another way of helping farmers would be to make available to them, or to community organizations, or regional districts as they are called in British Columbia, a per capita grant comparable with the grants provincial governments pay in respect of citizens living in municipalities. Farmers and others living in rural areas do not benefit from such assistance, nor do they benefit as a result of proper representation on municipal or regional governments.

If we could find a way of placing the farmer on an equal basis with Canadians who live in towns and cities we would be doing a great deal to preserve the rural way of life with all its importance to our economy. Property taxes are the means by which institutional facilities such as hospitals and schools are paid for. The time to remove this burden from farmers is long overdue, and the federal government could play a definite role in assisting the provinces to take action along these lines. The Prairie Farm Assistance Act is a good act, but its terms are not broad enough—too few people are eligible to participate and, besides, it is not sufficiently regional in character.

Parts of the rural area I represent are in an early stage of development. None of the programs under the minister's jurisdiction are available to those who are just starting out to be farmers—those who derive a major portion of their income from some other source. They are all dreamers. For the time being they are working as lumbermen, or on oil rigs, or in sawmills. But eventually they would like to be full time farmers. An official of the Farm Credit Corporation will, nevertheless, tell such a person that he is not eligible because he is not a farmer. Nor will he ever be, unless we recognize that there is a need for a change in the legislation.

Were it not for the pioneers, the farm community would not be as well developed as it is today. I believe the act should be amended so as to allow such people to share in some of the benefits of these programs. I realise I am digressing at this point, but for the record it must be said that there are many people in Canada desirous of starting a small business, or upgrading their farming activities, who do not have access to these programs because they are not committed on a full time basis.

Mr. Marshall: Strangely enough, Mr. Chairman, there are farming communities in Newfoundland. On second reading I spoke of the benefits of the wonderful loan plans available to farmers, fishermen and those wishing to enter business, or expand their existing businesses. However, I am wondering whether the Minister of Finance can explain why we, in the Province of Newfoundland, cannot get the benefit of such programs and there are many such programs, about 18, I believe, directed to the small businessman, whether he be a farmer, a fisherman, a hotel operator or a storekeeper.

I can only draw attention again to the reports which have been issued in connection with these loan programs. In the period between January and December, 1972, of loans made in the ten provinces amounting in all to $181 million, four only were made in Newfoundland to a value of $6,546. From January to December, 1973, only three loans were made in the Province of Newfoundland to a value of $8,788 out of a total of over $230 million. And I would remind hon. members that there are areas in my province which have great potential for agricultural production, land which can produce almost all the food requirements of the isolated province of Newfoundland.

I have suggested, Mr. Chairman, that the minister carry out an investigation to determine why bank managers,

who are responsible to the Canadian public for carrying out this program, are performing that task in such a way as to produce figures of the kind I have drawn to your attention, with far fewer of these loans going to the province of Newfoundland than to any of the other provinces of Canada.

Hon. members may care to look at the latest report of the activities carried out under the Small Businesses Loans Act. In the period from October to December, 1973, only two loans were granted in Newfoundland amounting to $50,000. From January, 1973, to December of the same year, six loans were granted in the amount of $77,000. And back in 1972, five loans were made to the amount of $58,000. Something has to be wrong, Mr. Chairman. I am sure the minister has received representations from other members of the House, beside myself, pointing out that these loans are not being directed to Newfoundlanders in anything like the proportion allocated to other Canadians. I need hardly add I have no wish to deny to other Canadians the advantages they may derive from this, or similar legislation.

The fishing industry is the mainstay of the Newfoundland economy. But even when it comes to loans under the Fisheries Improvement Loans Act we in Newfoundland are at the bottom of the scale when compared with other coastal provinces. In the period from October to December, 1973, only 14 loans were granted in an amount of $35,000, a sum which does not even reach the maximum figure which the amendment to the act seeks to establish. Even the province of Prince Edward Island, in which the agricultural industry is of major importance, secured 40 loans in an amount of nearly $90,000. In that province, in the period from October to December, 1973, there were 40 loans amounting to $89,000, and in 1972 there were 32 loans amounting to $59,000.

● (2120)

I am hoping that the Minister of Finance, even though he does not listen to the appeal we are making, will realize that something is wrong. I suggest again that this is the fault of the agents who are making these loans, and they are in effect the managers of the branches of the chartered banks. They could not care less for Newfoundlanders. Somebody has to give them a slam over the head, or a kick in the behind, to remind them of their responsibility to Canadians. I hope the minister will take my words of advice and direct that this action, so necessary to the people of Canada, is taken.

Mr. Turner (Ottawa-Carleton): I'll tell you what we are going to do. I'm going to send Claude Passy here, who is chief of the guaranteed loans administration, down to St. John's on Wednesday to find out what's going on. However, in respect of fisheries the provincial fisheries loan program guarantees loans at 3½ per cent. That is a highly subsidized program and it is pretty hard to compete with that type of subsidization. I realize that fishing is an important industry in Newfoundland, perhaps the main industry as the hon. member has said, and I understand his concern.

In terms of the Small Businesses Loans Act I cannot understand the figure being so low in Newfoundland. I cannot understand there only being two loans in the amount of about $50,000 for that period the hon. member mentioned. Mr. Passy will be going down on Wednesday to find out what's going on there, but I might make a suggestion to the hon. member that we both have a duty to try to publicize this federal program in Newfoundland, and I hope I have his co-operation.

Mr. Neil (Moose Jaw): Mr. Chairman, I should like to make one or two very brief comments in connection with the amendments to the bill as they relate to the Farm Improvement Loans Act. The increase in the ceiling on loans from $25,000 to $50,000 will be particularly welcomed in the west, as well as the fact that there is no restriction in respect to the use of the money as between land and machinery. I know of many instances when farmers would have welcomed the opportunity to borrow up to $50,000 for the purchase of land, but because they have been tied up with the Farm Credit Corporation they were not able to negotiate a further loan from that source. This will be of considerable help.

One thing that has been brought to my attention from time to time, and this was referred to by the hon. member for Mackenzie and others, is the fact that bank managers seem to discourage the borrowing of money under the Farm Improvement Loans Act. It has been brought to my attention on a number of occasions that when a farmer goes into a bank to borrow money, by the time the manager is through talking to him there are so many obstacles in his way that he borrows the money on the bank's regular plan rather than taking advantage of the lower interest rate available under this act.

As the minister has suggested, it is important that we as members advertise this program, bringing it to the attention of the people concerned. As was suggested by the hon. member for Mackenzie, we should bring the provisions of these acts to the attention of the farmers. Goodness knows, the minister travels from coast to coast and makes I don't know how many speeches a week. As a matter of fact, notes on speeches sent out by the minister's office cross my desk with as much regularity as the daily newspaper from my own constituency.

I would suggest to the minister, when he is speaking around the country, that he point out to the farmers that they can utilize the provisions of these acts. He should go into detail rather than just talk in generalities, as he did in respect of the savings to farmers as a result of changes in the Income Tax Act. He promised to circularize a list of these savings among members, but as yet that has not been done.

I hope that active steps will be taken by the Minister of Agriculture and his colleagues to publicize these programs, and perhaps to bring to the attention of the bank managers that it is their responsibility to encourage borrowing by those eligible under these provisions.

Mr. Towers: Mr. Chairman, I think there are one or two points that should be cleared up, some of which were touched on by the hon. member for Moose Jaw. I should first like to know what constitutes a major repair. Will this be open to debate between the borrower and the manager of a bank, or is there to be a certain figure established? Having regard to the $50,000 which an individual can borrow in respect of land and machinery,

does this mean that an individual can borrow up to $50,000 to be used entirely for the purchase of land, or can it in turn be used entirely for the purchase of machinery?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think I can answer those two questions very quickly. Major repairs will be defined by regulation as over $400 when this bill receives the approval of this House and the other place. In respect to the second question of the hon. member, the $50,000 can be used in any way within the purview of this act. The sub-limits are deleted.

Mr. Reilly: Mr. Chairman, at the outset I should like to congratulate the minister for proposing amendments to this act. One thing that appeals to me is that for the first time this will allow businessmen to enter the money market with the expectation of a certain amount of government assistance. One thing loans under this act are to be used for is the acquisition of land necessary to carry on. At first blush it looks as though this measure might enable the Toronto Northmen, for example, to acquire a football playing field and thus frustrate the desires of the minister's colleague in the Department of National Health and Welfare.

There are a couple of anomalies that have struck me. Several days ago Bill C-20 was introduced to set up the Federal Business Development Bank under the aegis of the Minister of Industry, Trade and Commerce. According to Clause 4(1) of that bill the objects are as follows:

> The objects of the Corporation are to promote and assist in the establishment and development of business enterprises in Canada by providing, in the manner and to the extent authorized by this Act, financial assistance, management counselling, management training, information and advice and such other services as are ancillary or incidental to any of the foregoing.

● (2130)

Then Subclause (2) states:

> The Corporation in carrying out its objects shall give particular consideration to the needs of small business enterprises.

I must say I began to be curious because there is no discernible link between this bank which is set up to give assistance to business—as the bill says to give particular consideration to the needs of small business—and the bill which we are now being asked to consider which changes in some respects the Small Businesses Loans Act. I would be pleased if, at the conclusion of my remarks, the minister would clear up what would appear to be an anomaly in the government's approach to small business.

There are other programs which apply to small business. There is a multiplicity of such programs. I shall list some of them. The Federal Business Development Bank, which I have just spoken about, is to take over at least two existing programs.

One is the counselling assistance for small enterprise, the acronym for which is CASE. Another is the business management training program now under the manpower department. It will be taken over by the Business Development Bank. In addition to those two programs there are a few others which are not perhaps widely known to the community. One is called GAAP, the general adjustment assistant program. It was set up to help companies to take advantage of tariff cuts during the Kennedy round of negotiations. It has now been expanded to include all companies which wish to improve their competitive international situation, or which are faced in the domestic Canadian market with stiff foreign competition.

Under the government's program to broaden aspects of GAAP it has undertaken in some cases to become a partner in the GAAP assistance projects and to take a considerable amount of risk in the process.

There is another program called the program for export market development. Under that program the Department of Industry, Trade and Commerce will provide up to half the cost of forming a consortium of small businesses to trade in foreign markets, as well as some of the initial operating costs. It hopes to get the money back through a share of future sales.

I have outlined just a few programs which apply to small business. One of my colleagues said earlier there were something like 18 in all. I suggest through you, Mr. Chairman, to the Minister of Finance and to his colleagues that despite the fact that he was kind enough to send to my colleague, the hon. member for Hamilton-Wentworth, an attractive and concisely articulated pamphlet, this is a pamphlet which never sees the light of the day in any branches of the chartered banks which I have visited, and that the small businessman in this country is confused by the multiplicity of programs administered by a variety of departments, ministers, deputy ministers and departmental assistants. What is really needed is a rationalized approach by the establishment of a department of small business under a minister who would administer all the variety of programs which are directed toward the assistance of small business.

When I say "small business" I am talking about medium or smaller enterprises, and it must be remembered that three-fifths of the people of this country, 60 per cent of the working force, work for medium and small business. In the aggregate this is a large sector of the economy. I think the time has long passed when the people who trade in the market and pass as small business should have their relations with the government recognized through the establishment of a separate department. Lord knows how many different departments and ministers they have had to deal with for a long time. I think they deserve a special minister, ministry or department. Our party has pledged that it will set up such a department when we form the government.

I hope, Mr. Chairman, that the exuberant members across the way, who dined well earlier this evening, are having a chance to get it all out.

Mr. Chairman, the breakdown of loans granted in the various provinces during the period January, 1973, to December, 1973, shows that there is no coherent approach to the manner in which the federal government gives assistance to small business. For example, in the provinces of Nova Scotia, Prince Edward Island and Newfoundland there were during that period 163 loans for a total of $1,605,000. That is for three provinces. That compares with $12,587,290 in the province of Quebec, $6,324,986 in the province of Ontario, and $5,268,859 in the province of British Columbia, the three richest provinces in this country. I suggest that there is no per capita justification for this discrepancy.

I am not suggesting that there are as many small businesses in the Atlantic provinces as in the other three provinces, but I do suggest it appears, as several of my colleagues have pointed out, that perhaps the government has not done as efficient a job as it might in making small businessmen aware of the facilities and services available to them.

It may very well be that the proper approach, as I have suggested, is a department of small business. I urge this as a consideration for the minister. These are all my remarks except that I would like an explanation from the minister concerning the apparent anomaly I mentioned at the beginning, that is, the connection or lack of it between this bill and the business development bank measure which was introduced a couple of days ago.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I should like to respond. The difference in the scope of this bill will become more apparent when the new Federal Development Business Loans Corporation gets underway. It is meant to split off the Industrial Development Bank, as the hon. gentleman knows, from the Bank of Canada. It will be a more active concern than the Small Businesses Loans Act, which has merely a guarantee function for the chartered banks and other financial institutions. The Federal Business Development Corporation will be making larger loans, and loans of longer term. It will be making loans involved with perhaps an equity participation in the interests of the small businessman.

I recognize, as does my colleague, the Minister of Industry, Trade and Commerce, that there must be co-ordination between these loan programs and the information programs for small businessmen. The decentralization under the Federal Business Development Corporation, and the field staff of Industry, Trade and Commerce throughout the country will be co-ordinating these programs under the management counselling service of the department. I think the hon. gentleman's points have a lot of merit, and the Federal Development Corporation will try to meet them.

Mr. Reilly: Mr. Chairman, would the minister agree that what he has just said goes at least part way toward meeting what I contend, which is that there is a demonstrable need perhaps to put these under one separate department, and perhaps a separate minister?

● (2140)

Mr. Turner (Ottawa-Carleton): One could have a separate department for youth, one for sports, one for small businesses. But I will say this to the hon. member: I agree that the small businessman has a legitimate grievance in this country. He has seen that big government deals with big labour and big business, and he really does not have a segment of the government looking after him. The hon. member mentioned that 60 per cent of employment in this country is supplied by small business, that is, by firms employing around 100 employees. He is quite correct in this—they are the ones that make up 60 per cent of employment in this country.

Mr. Hamilton (Swift Current-Maple Creek): Mr. Chairman, I would just like to draw the minister's attention to the fact that in the area of the country I represent government loans, no matter how generous, work against that part of the country. The effect of these loans has tended, over the years, to depopulate that region. You still have to pass the banker's test to be able to qualify under this legislation; and the more generous the loans are, the more generous the government programs are, the easier it is for established persons to take advantage of them to the detriment of the younger fellows trying to get into business. I would like to see the government consider some scheme to induce younger people to take part in those programs.

I think that more stress should be put on character, and a little less stress on collateral. I am thinking of a situation where a young chap could get four or five of his neighbours to sign a statement saying that he is of good character, and this would be all that was required when he approached a bank manager for a loan.

This $50,000 limit is very welcome. I would just like to point out that now farmers are dealing with very large sums of money. One hopper car of flax returns about $35,000 to the producer. There has been some talk about box cars in the House. I wonder whether the Minister of Agriculture could tell me whether the Chief Commissioner of the Canadian Wheat Board was expressing government policy when he suggested that farmers buy 4,000 hopper cars out of their proceeds in the Wheat Board.

Mr. Turner (Ottawa-Carleton): I want to respond briefly to the hon. gentleman. I agree with him. A generation ago bankers, both in towns and in the rural parts on the country, used to lend money on the strength of good character rather than on the amount of collateral. I think they are getting a little cozy on the collateral and rely more on how big his barn is, and such things that add up to quantity. When my colleague and friend, the Minister of Agriculture, brings in amendments to the Farm Credit Corporation Act, the hon. member will find that this is part of the tone of that bill.

Mr. McCain: Mr. Chairman, while this bill is intended to take into consideration the inflationary tendencies which have been evident for a little while, it seems to me that it is virtually out of date before it can be implemented. I know this is not new—it has been said before.

There are a couple of other weaknesses in the bill, as I see it, and one of them as has been pointed out by the last speaker from the opposition is the lack of inclination on the part of banks to consider properly the type of individuals who apply. There is the fact that banks are not obligated to accept all applications for farm improvements, fisheries improvement or home improvement loans, and to forward them to the government. The government therefore has no idea how many loans the banks may have declined to make. Therefore the principal behind the loans is not being properly exercised by the banks, and the government does not necessarily know what is going on under the provisions of this act.

In the community in which I live it happens that there was a bank manager who said that under no circumstances would he make home improvement, farm improvement, or any other comparable type of loan because of the difference that existed between interest rates on the free market and interest rates under government guarantee on

this type of loan. What policy does the government have in mind so that it will know how many loans are refused, what type of loans are refused, and what banks are refusing to make loans, because perhaps their earning opportunity may be restricted by the ceiling on interest imposed under the act?

Mr. Turner (Ottawa-Carleton): One of the advantages of this program is that it does not have a great deal of bureaucracy tying it up. If we are going to get a list of every refused application, the implementation of the provisions under the act would be much slower, and the whole process more cumbersome. I suppose that the best way to know what is going on in terms of refused applications is for members, when they are approached by their constituents regarding refused loans, to inform me of these complaints, and I will make inquiries directly from the bank concerned to find out what the reasons were for the refusal. I am prepared to do that on a continuing basis.

Mr. McCain: This is a statement which needs a great deal of publicity, because I want to emphasize again to the minister that a bank manager in New Brunswick utterly and totally refused to make home improvement or farm improvement loans because he said that the interest discrepancy was such that his little branch could not afford it, and that even the parent bank could not absorb it. He made great excuses, but no loans. Without some reasonable obligation imposed upon the bank, this is not going to work.

Another thing that I would like to point out is that if one were in the feed business for instance, in 1970, one might have been in real business, but a man who is in the feed business today who is not selling $1 million worth of feed is not selling very much. If a man is in the automobile business today and does not have a $1 million turnover, he is probably not doing very much. It seems to me that this particular aspect of small business loans is not realistic in the light of today's normal sales and that $1 million will not make many sales for small businesses.

This bill is pretty restrictive. Unless the next bill which will divorce IDB from its present parent is very effective and includes the business structure from $1 million up, on a much better basis than in the past, there will be a gap here. I implore the minister to try to create some kind of communication between the applicant, the bank, and the department so that there cannot be discrimination by individual bank managers against those who make applications for any of these loans.

Mr. Turner (Ottawa-Carleton): I think a better way is not to build up bureaucracy but to have the individual member of parliament, when he recieves a complaint from his constituent, bring it to my attention and I will get in touch with the bank concerned. That is what I do, and it is the general policy of all chartered banks to promote these guaranteed loan programs. There may be a manager of a bank who is not implementing that policy and, if so, I would like to know about it. That is our business as members of parliament. I would be glad to hear the specifics in the case mentioned by the hon. member.

[Mr. McCain.]

• (2150)

Mr. Towers: Mr. Chairman - I have a question about the appeal. Is this going to be the only type of appeal that the applicant will have?

Mr. Turner (Ottawa-Carleton): It is not really an appeal, Mr. Chairman. A bank has jurisdiction to make, or not make a loan, but I would like it drawn to my attention if an individual bank manager, in the opinion of a constituent of the hon. member, has not treated him fairly. I would be prepared to look into that for him.

Mr. Towers: I have a further question, Mr. Chairman, with regard to the small business loans. Is this going to allow for the operation of the business, or is it strictly for the purchase of property and machinery?

Mr. Turner (Ottawa-Carleton): It is not for working capital, Mr. Chairman.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

[*Translation*]

Clauses 8 to 10 inclusive agreed to.

[*English*]

Title agreed to.

[*Translation*]

The Assistant Deputy Chairman: Shall the bill carry?

[*English*]

Mr. Barnett: I am sorry, Mr. Chairman, but the interpretation was not keeping pace with you and I was waiting to hear you call clause 9. Before I could get to my feet I heard you call clause 10. Under the circumstances I should like consent to deal with clause 9, which has to do with fisheries.

The Assistant Deputy Chairman: Do hon. members agree to revert to clause 9?

Some hon. Members: Agreed.

On clause 9.

Mr. Barnett: Mr. Chairman, I realize there was some reference to the proposed amendment to the Fisheries Improvement Loans Act in the general discussion under the Farm Loans Act, but I thought the point I should like to raise could be more appropriately dealt with whilst dealing with the specific proposal to amend the Fisheries Improvement Loans Act.

I have one or two questions which I should like to address to the Minister of Fisheries, but as he is not here I will put them to the Minister of Finance. The question of the applicability of the assured lending program under the act for use by fishermen in re-financing loans that they already have, has been raised before.

Generally speaking, as I understand the operation of this act, the lender, in effect, requires a chattel mortgage on a fishing vessel even though there is an assured loan. I have never been able to understand why a fisherman, who may have had an unfortunate financial transaction, should not be able to take advantage of the assured lending

program which this act provides, in order to refinance his boat under more favourable terms which he may be able to secure through a bank or credit union.

If the minister would turn his mind to some earlier discussions on this subject he would recall the concern expressed by the hon. member for Skeena and myself. Long before this act was passed, the fishermen of British Columbia in many cases were almost perpetually in debt to the fish processing and manufacturing companies because of the type of lending agreement which tied them to those companies.

Since we are now opening up this act I should like to ask the minister whether this matter has been under consideration, and if the regulations will be changed to give more flexibility to this program, so that fishermen who wish to get out of an unfavourable agreement through refinancing, can do so under this program.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the purpose of the legislation, of course, is to facilitate and encourage by direct financing and private lending, term loans for fisheries improvement. That is the way the guarantee functions under the bill. Refinancing of existing debts or working capital are not eligible under this bill, or the farm improvement loans bill or small business loans bill. I will look at it and get in touch with the hon. member privately, but certainly it is not covered under this program.

Mr. McCain: I would like to ask the minister if he has any influence with the banks so that working capital loans could be considered as separate and apart, and would not be influenced by an improvement loan under this act?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this bill does not provide any accommodation for working capital.

Mr. McCain: If the bank, having made the improvement loan, reconsiders the working capital loan which it may have made to the operator and is inclined to downgrade the amount it is prepared to lend to a businessman or fisherman for operating purposes after having made the improvement loan, is this still the case?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman, that is a separate loan. There is no way we could exercise leverage over the bank in that case.

Mr. McCain: Do the best you can.

Mr. Turner (Ottawa-Carleton): You bring the incident to my attention and I will.

Mr. Barnett: The hon. member for Carleton-Charlotte raised the question on which I thought the minister was confusing working capital and capital for construction of boats. I am not suggesting that we enter into a situation where it should include working capital. I agree with the minister on that point, but a few moments ago the minister said that this parallels the Small Businesses Loans Act and Farm Improvement Loans Act. If I recall correctly, the Farm Improvement Loans Act was the first of the three to be enacted. Perhaps the people in the department naturally may have felt it desirable and simpler to create a parallel piece of legislation as it applied to fishermen.

● (2200)

I may be wrong, but I do not know of any situation in the farm industry which parallels the situation I have tried to outline in the fishing industry. I have heard farmers say they are owned by the bank, but I have not heard farmers suggest that they are owned, for example, by Canada Packers. As far as I know, Canada Packers is in business on the prairies. That firm, so far as I know, has never been in the habit of financing the capital requirements of beef growers. I may be wrong. In British Columbia there is an organization parochially known as B.C. Packers. I mention these two firms, not to single them out, but to point out that there has been in existence a different basic practice in the industry. To say arbitrarily that the Farm Improvement Loans Act—

The Assistant Deputy Chairman: Order, please. I must inform the committee that we must work in accordance with the rules. Either I should see the clock at ten o'clock, or not see it. Does the House consent to continue?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall clause 9 carry?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall the bill carry?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall I rise and report progress?

Mr. Barnett: On a point of order, Mr. Chairman, I thought I heard you call it ten o'clock.

Some hon. Members: No.

Mr. Barnett: Am I to assume that you were going to rise and report progress?

An hon. Member: Yes.

Mr. Barnett: Mr. Chairman, if that assumption is correct let me say that I have some further questions I wish to address to the minister on the subject of the Fisheries Improvement Loans Act, and I would be quite prepared to do so if the House were to continue sitting in committee.

Mr. Turner (Ottawa-Carleton): On the same point of order, Mr. Chairman, I think the House might be willing to accommodate the hon. member for a few minutes because, unless I mistake the mood of the House, there is a general feeling that we might dispose of this matter tonight.

The Assistant Deputy Chairman: Does the committee agree that we not see the clock and that we revert to clause 9?

Some hon. Members: Agreed.

On clause 9.

Mr. Barnett: Mr. Chairman, I have no objection to sitting for a little while but I do not want to impose on other hon. members. I have two or three questions to address to the minister. I hope, if I sit down while waiting for the minister to reply, that the committee will not disband.

I was making a point with regard to refinancing. The minister said that the bill, as drafted, and the act as operated, were designed to finance new vessel construction through direct lending, and vessel improvement. This raises questions which have arisen in connection with the Fisheries Development Act. That act, as the minister is aware, provides under certain circumstances grants in aid for accomplishing the same purposes as are provided for under this legislation.

The Minister of Fisheries, when discussing the Fisheries Development Act and when dealing with estimates in committee, where this subject matter has also come up, has repeated a number of times that the Fisheries Development Act, so far as it applies to fishing vessels, is designed not to assist fishermen but to assist the shipbuilding industry. He has advanced the argument that if it were not for the grants in aid which apply to small fishing vessels under the program he operates, fishermen on the Atlantic coast would go outside Canada to have their vessels constructed.

I would like to ask the minister whether the operation of this act is designed to assist the fishermen or to assist the boat building and repair industry.

Mr. Turner (Ottawa-Carleton): The fishermen.

Mr. Barnett: I am anxious to get the distinction between the two programs. If the minister looks at the report on the money spent under the Fisheries Development Act he will see that the bulk is spent on the Atlantic coast, even though one member from Nova Scotia pointed out this afternoon in committee that the weight of the spending appears to be on the Pacific coast. Under this program are fishermen free if they wish to have their boats built or improved in a non-Canadian yard?

Mr. Turner (Ottawa-Carleton): I hesitate to comment on that at this stage, Mr. Chairman, because really it is not within the purview of this particular piece of legislation. The purpose of this legislation is to help the fishermen. I can undertake to discuss this with my colleague, the Minister of Fisheries, and give the hon. member a fully reply, but I am not able to do that tonight.

Mr. Barnett: I will not press the minister for a detailed answer to this question tonight. I realize there may be some responsibilities in this area that are under the Department of National Revenue. However, I would appreciate if the minister or one of his colleagues would undertake to provide me with an outline of how this operates.

I have another question. Is there a rule against the importation of fishing vessels into Canada? I am trying to get a picture of just how this operates in relation to the two programs. What substance is there in the suggestion that, if we did not have a subsidy program, the fishermen would go abroad to get their fishing vessels, whereas with an assured lending program, with a rate of lending somewhat below what might otherwise be available, this is purely a program for the fishermen?

[The Assistant Deputy Chairman.]

Mr. Turner (Ottawa-Carleton): I will give the hon. member that undertaking.

Mr. Barnett: I have one other question I wish to address to the minister.

Mr. Bell: Mr. Chairman, I rise on a point of order. We are quite willing to be reasonable, to show some progress and try to get some things done around here. However, we do not want to go so long that we lose our two men who have been waiting for the late show. That should be understood.

Mr. Barnett: Mr. Chairman, one matter that is often raised, not only with regard to this but other programs also, is the unwillingness at times of lenders to approve loans because they can lend money more profitably elsewhere than under the assured lending program because it is restricted as to the interest level. I have had something on that reported to me, and I say this with some regret because I am one of the advocates of having credit unions included in the insured lenders under this program.

● (2210)

I understand that credit unions representing a large number of fishermen have not deemed it advisable to do much lending under this program. In these circumstances I should like to ask the minister whether any consideration is being given to introducing some form of direct lending in cases where official lenders are not ready to make sufficient funds available?

Mr. Turner (Ottawa-Carleton): I will draw that suggestion to the attention of my colleague, but any such direct lending program would be a matter for the Minister of Fisheries to consider.

Mr. Barnett: Will fishermen be considered eligible for this kind of loan under the proposals for reforming the Industrial Development Bank?

Mr. Turner (Ottawa-Carleton): I would think so.

Clause agreed to.

Clause 10 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Bell: No.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, may I ask about the business for Monday, without any comment?

Mr. MacEachen: On Monday we shall call item No. 20, the bill to amend the Canada Pension Plan, to be followed by the bill in the name of the Minister of National Health and Welfare.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The government House leader having announced the business for Monday, does that mean that our discussions earlier this evening about the possibility of not sitting on Monday came to naught?

An hon. Member: Right on.

Mr. MacEachen: Before I answer that question directly I should mention that before we begin on Monday with the Canada Pension Plan bill we shall deal with the third reading of the loans guarantee measure.

I would reply to the hon. member's question by saying this: I think his idea, in essence, is a splendid one. I should like to extend it and suggest that maybe the House would agree to rise until next Thursday. That would be an improvement on the suggestion made by the hon. member for Winnipeg North Centre.

Some hon. Members: No.

Mr. Speaker: Obviously there is not agreement.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—POSSIBLE OPENING OF MISSION BY SAUDI ARABIA IN OTTAWA AND CANADIAN EMBASSY IN IRAQ

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, the question which I asked of the Secretary of State for External Affairs (Mr. Sharp) on March 12, and his regrettably inadequate and illusive reply, demonstrate all too clearly and painfully the present government's deplorable disregard of the Arab world over many, many years.

At the moment, in what might be called a deathbed repentance, but which I, with my usual charity, will dub an oilfield repentance, there seems to be some slight indication that there is now a tendency in the government to recognize that there is such a part of the international community as the Arab world. Noting that the United Nations General Assembly some time ago added Arabic to the list of official languages at the premier international body, this is a realistic recognition of the fact that some 130 million people in this world speak that language.

But in its dealing with the Arab world, especially the Middle East areas and the oil producing states, the government has shown an appalling coolness and lack of goodwill to people with whom there is no reason for Canadians

to be on any terms other than friendship. At the moment, for instance, the only Arab countries receiving CIDA aid are those which have French as their second language. There is apparently no thought of programs for such countries as Jordan.

In this particular aspect the government has stumbled with more than usual clumsiness. After the Minister of Energy, Mines and Resources (Mr. Macdonald) went through a depressing charade of misinformation regarding Canada's status vis-à-vis the Arab oil embargo, there was an obviously hurried and harried decision to seek closer contacts, diplomatic and commercial, with that very important oil producing country, Saudi Arabia. There was even a move to establish contact with the Emirate States on the gulf. I will not reflect upon the decision to have our ambassador in Tehran at this stage.

I happen to know, through many years of contact and appraisal, that Ambassador George is one of our very best diplomats abroad, but a little thought might have decreed that the designation of an ambassador credited to Iran, which is not an Arab state, might not have been the most astute or felicitous move.

But the major blunder, oversight, slight or affront is the government's obvious panicky decision to open a mission in Saudi Arabia before establishing one in Iraq. Of course we should be in Saudi, should have been there long ago, but we need not have affronted the Iraquis in the process. Iraq has had a well staffed mission with two prestigious ambassadors in Ottawa over a period of many months, but the government has refused to open a mission in Bagdad.

With my colleagues, the hon. members for Selkirk (Mr. Rowland) and Cochrane (Mr. Stewart), I spent 10 days in Iraq and saw at first hand the opportunity for close and more meaningful commercial, cultural and social contacts between our two countries. I saw, too, the representatives of other nations "beating us to the punch" in making meaningful arrangements with Iraq.

I think it most unfortunate, highly irregular and totally unwise to denigrate Iraq by placing in a lower category the opening of a Canadian embassy in Bagdad, after that in Jiddah. Our position is doubly embarrassing when, as I am informed, Saudi Arabia has no early intention of opening a mission in Canada or accrediting its Washington ambassador to Ottawa. We are thus out of alignment in an important sense with both countries.

This reveals not only a low priority for the Arab Middle East, a lack of appreciation of the area to Canada, but also a diplomatic blunder which puts the minister in charge of our foreign policy in the same inept and insensitive category of most of his colleagues, leading us from mistaken judgment to worse in the domestic field.

● (2220)

Mr. Charles Turner (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, I am grateful to the hon. member for raising the question of Canada's representation abroad and, in particular, our policy in this respect toward the Middle East.

The government has carried out a policy of expanding Canada's activities abroad in as orderly a manner as is consistent with this country's rapidly evolving and grow-

ing interests in the international community. Quite naturally this program of continuing expansion requires increased human and financial resources; expenditures must be controlled and the program necessarily must be phased over a period of time.

In general, we have tried to program openings on a three-year forward planning basis, reconciling competing demands of all the departments of government active overseas. This planning process is under constant review, in order to account for rapidly changing situations. While we attempt to keep the system as responsive to changing requirements as possible, it is obvious, given the restraints I have mentioned, that we cannot always satisfy every requirement immediately.

Hard decisions must be taken and unfortunately these sometimes involve sacrifices we would otherwise prefer not to make. For many years Canada had four diplomatic missions in the Middle East; Beirut, Tel Aviv, Cairo and Tehran. These posts responded to our interests at the time which were, with the exception of UNEF, much less important than they are today or can be expected to be in the future. Consistent with the evolution of the region and Canada's interests in it, the government has attempted to organize its relations with the area to take new realities into account. Thus in recent years we have opened missions in Tunisia, Algeria and Morocco, and recently announced the opening of one in Saudi Arabia. In addition we have taken steps to establish formal diplomatic relations with all other countries in the region; this is now virtually complete.

Recent events have dramatically underscored the importance of the countries of the region for the international community, including Canada. The energy crisis has given added impetus to our planned expansion of representation in the area. The government has, I believe, acted quickly in this regard.

Priorities were in some cases reordered, and our decision to open an embassy in Saudi Arabia was announced in December. No one would deny Saudi Arabia's pivotal role in international affairs, particularly in energy matters, and thus the urgent necessity for Canada to be represented in the Saudi Arabian capital. I can confirm that a Canadian representative is now in Jeddah and that the Department of External Affairs is actively pursuing the necessary administrative arrangements to complete the opening of a fully-staffed embassy by this fall. Similarly, we are giving active consideration to the matter of opening an embassy in Baghdad, Iraq in the near future. We attach considerable importance to our relations with that country, as we know the Government of Iraq does with Canada. Iraq has had an embassy in Canada for more than a year.

Mr. Speaker: Order! I have to interrupt the hon. member because his time has expired.

PENSIONS—RAILWAY EMPLOYEES—INQUIRY AS TO APPOINTMENT OF COMMISSIONER TO CONDUCT INQUIRY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I wish to speak tonight on the subject of railway pensions, specifically the government's inertia in resolving the Canadian National Railways' pension problem. In this context I also intend to make mention of Bill C-139, to amend the Pension Benefit Standards Act. This is a private member's bill designed to pave the way for employees of CNR to get the same pension benefits as members of the public service.

[Mr. Turner (London East).]

Since the back to work bill of last summer which ordered striking railwaymen back to work, the Minister of Labour (Mr. Munro) has repeatedly assured parliament that the government is studying the plight of the railway pensioners and that the situation is, to quote the minister in an April 1 answer to a question of mine, "under consideration". For almost eight months now the situation has been under review. Only recently the Minister of Labour assured this House that he would be making significant moves in the direction of appointing a commission to go into all aspects of railway pensions.

When does the minister plan to fulfil these commitments? The pension problem is one that will not go away. It must be dealt with immediately. The minister's appointment to Dr. John Deutsch to examine and report on certain aspects of the pension plan is not the way to go about finding a solution to the problem. What is needed in this situation is a committee to look into all, not just some, aspects of the Canadian National pension plan.

It seems to me that any committee or commission would arrive at several conclusions, and should make at least a few of the following recommendations.

First, that all participants in the CN pension plan be entitled to equal benefits, and to this end support should be given for extension of the 2 per cent formula, retroactive to the first day of service, as an objective of future collective bargaining.

Second, that CN pension survivor benefits be equivalent to the public service plan.

Third, that the principle of the cost of living index escalation in CN pensions be on the same basis as pensions payable by the federal government generally, and that this escalation be extended to retired railway pensioners in the same way as it has been extended to other federal pensioners.

Fourth, that the widows of all CN pensioners be entitled to survivor benefits, and that immediate action be taken to provide survivor benefits to widows of members of the 1935 plan.

Fifth, that a full evaluation at regular intervals of the benefits, structure and financing of the CN pension fund be made by an independent commissioner. Such evaluation should pertain as well to the situation facing retired railway pensioners. It would determine the moneys available for the financing of its benefit recommendations and suggest positive measures, where necessary, to keep the fund on a sound footing.

It is time the minister gave a committee of the House the opportunity to make such recommendations, all of which would drastically improve the situation of the CNR pensioners. Or will the government do anything to improve the situation? One has to wonder in view of Bill C-139, a bill which, in fairness to my friend, the hon. member for St. Boniface (Mr. Guay), is one of noble intention.

That bill, which would give the same pension benefits to CNR employees as those received by public service employees has, as is the case with most private members' bills, little chance of passing into law. This is unfortunate because amendments to the Pension Benefits Standards Act would result in a distinct improvement in CNR pensions. The amendment would remove the CNR from the scope of the act. Such a move, without adding substantially to CNR's annual deficit, would improve its pension plan by providing pensions for its existing and retired employees on a basis similar to that applicable to the public service.

So much for the content of the bill, but the interesting thing about it is the manner in which it has been presented, for here we have one off those rare birds, a government backbencher, introducing a private member's bill with the apparent backing of his entire party. To me this is rather peculiar. After all when a government wants certain legislation passed in parliament, is it not the usual practice for the appropriate minister to introduce it? Is it not true that the government has a much better chance to pass legislation when it is presented in that manner and not via a private member's bill? Is it not true that private members' bills have a notoriously low record of success?

The conclusion one draws from this sham relating to Bill C-139 is obvious. The government does not really want to improve the lot of CN pensioners and, in an effort to cover up this fact and save face, the hon. member for St. Boniface has been delegated to introduce a private member's bill which, however admirable, has little chance of passing. It is indeed unfortunate that the Minister of Labour (Mr. Munro) has chosen to confront the entire problem of CNR pensions in this manner. What is needed is sincerity and a fulfilment of those commitments which were made to CNR pensioners. If the best the government can do is this private member's bill, then by all means let us pass it, but I think the Minister of Labour can and should do more immediately.

● (2230)

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, as has been explained recently in this House and elsewhere, the matter of railway pensions is one under close review by the government of Canada. It is a complex problem, cutting across departmental responsibilities and, since the last round of labour negotiations in the industry, involving a collective bargaining relationship.

As the Minister of Labour (Mr. Munro) has said in response to questions in the House on previous occasions, he has had under serious consideration the appointment of an inquiry commission with broad terms of reference to examine both the costs and benefit structure of railway pension plans. However, he did state that he was of the view that the parties, that is, the railways and the various bargaining groups of railway unions, should perhaps be afforded an opportunity to look at the matter of pensions themselves prior to making a final determination as to whether or not he should recommend the appointment of an industrial inquiry commission into the matter.

As you are no doubt aware, Judge Hall, in his arbitration award, reserved final decision on several matters that were in dispute. The most important of these, of course, is the question of job security based on the principle of attrition.

I am sure that members of the House will appreciate that most of the railways and the unions involved are, and will continue to be, very deeply involved in meetings concerning the various studies that have to be made in respect of a job security plan, because they must be in a position to report back to Judge Hall by the end of June, at which time they will have to report to Judge Hall on whether or not they have been able to negotiate an agreement on their own.

From the above one can see that officials of the railways and the unions are heavily involved in continuous meetings with the parties for further discussions on the matter of pensions.

As the minister said on March 11, he has some further information that he is checking into for accuracy, but all of the facts and information have been made available and assessed in depth, and I am sure that the minister will be only too pleased to make a further announcement on this extremely important matter.

The government attaches great importance to the question of pensions in the railway industry. That is precisely why a good deal of thought and consideration is being given to it, not only in the Department of Labour but in other concerned departments such as the Department of Transport and the department of insurance. However, as important as the problem is, it should not be allowed to obscure a number of improvements which have been made recently.

As the Minister of Labour has stated, the railway pension plan following the last bargaining round has now become among the best in Canada. In some aspects it surpasses the pension plan of the Public Service of Canada. Successive plans have helped to do away with many of the anomalies and inequities that are virtually inevitable in any scheme the size of the railways plan. Everyone is aware, of course, of the tremendous efforts made when the House of Commons Standing Committee on Transport and Communications dealt with the question of the CN pension fund in September, 1970. Improvements were made both during and after the time that the committee hearings were held.

Some problems, of course, still exist. The concern of many long service railway workers that the improved 2 per cent formula should have been applied for since prior to 1956, is an example. However, we are confident that, with the help of experienced and responsible railway union leadership, as well as with co-operation from the companies, problem areas can be resolved to the benefit of railway workers.

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

HOUSE OF COMMONS

Monday, April 15, 1974

The House met at 2 p.m.

HOUSE OF COMMONS

TRIBUTES TO HON. LUCIEN LAMOUREUX ON TENURE IN OFFICE AS SPEAKER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would not want this occasion to pass as I understand that today constitutes a record in terms of your length of service as Speaker in this House of Commons. I do not rise simply because of the length of your service but because I do not believe members of this House would want the occasion to pass without reference to it and an opportunity to pay tribute to you.

[*Translation*]

Mr. Speaker, I would also like to congratulate you for your services as Speaker of the House, notably for your impartiality and your achievement regarding the maintenance of order and a sense of equity in the House of Commons—

[*English*]

It has been my privilege to serve under you in this House, although for not a long period of time. Indeed, I suffer the disadvantage that you are the only Speaker under whom I have served in the House. But even so, I feel that I can speak with great confidence and with the full support of members on all sides of the House in expressing gratitude to you for the service you have rendered as Speaker. In saying this, of course, I am not suggesting your service is about to terminate or anything of that sort. I simply want on this occasion to pay my humble respects to you and to express my personal gratitude and, I am sure, the gratitude of all members of the House for your impartiality.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am very happy to join, on behalf of all my colleagues, with the Leader of the Opposition (Mr. Stanfield) in the greetings that are being extended to Your Honour today. A couple of weeks ago many thousands of people in the United States and Canada were quite excited over the saga of Hank Aaron. They were counting his home runs. The day was reached when he was only one short of Babe Ruth's record, then came the day when he equalled that record, and then the day when he passed it.

When we were meeting on Thursday of last week I was conscious of the fact that we were in the midst of our own saga, that Your Honour was only one day short, and that on Friday you would equal the record of the Hon. Rodolphe Lemieux of being in the chair for eight years, two months and 25 days. Today your record is eight years, two months and 28 days. May I point out, also, that unlike the Hon. Rodolphe Lemieux, you were also Deputy Speaker for a period of time, which makes a total of ten years and eleven months that you have been in the chair. My hon. friend across the way suggests Your Honour has two more years to go. I do not know why the member stops at two years; I believe when we have a good Speaker we should keep him.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Without giving the House all the statistics that I enjoyed looking up in preparation for this moment, I should like to draw attention to the contrast between the period between 1922 and 1930 when Mr. Speaker Lemieux set the record and the period during which Your Honour has surpassed it. That other period was one of excitement and drama. During those years there was Beauharnois and the Customs scandal. There were minority governments. In fact, although the Liberals were in power most of the time, they never had a majority by themselves. They were kept going by Progressives and Liberal-Progressives. There was also that interesting occasion when the government fell because a member forgot he was paired and voted when he had not intended to do so!

● (1410)

In my view, the most important thing that happened in that period was when Mr. Woodsworth and a few of his colleagues got the first old age pension bill out of a minority government. This demonstrates what a small party can do, and we are still doing it.

The other point I would like to make is that although Mr. Lemieux was in the chair for eight years, two months and 25 days, during that period of time the House was in session only three years, four months and seven days. This is an indication of how times have changed, for while you have been in the chair, during the past eight years and nearly three months, the House has been in session seven years, eight months and four days, and I suspect that no one knows it better than yourself.

In addition to noting these statistics, I join the Leader of the Opposition in a tribute of praise to Your Honour. Unlike the Leader of the Opposition, I could make comparisons. You are the eighth Speaker under whom I have served in this House. There have been some good ones, but in terms of impartiality, fairness and a sense of humour that enables you to carry this House through, so far as I am concerned, and I think I speak for all members of the House, you are tops.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we are extremely pleased to join both previous speakers in offering all the tributes and congratulations that you so richly

deserve. As usual, you have requested that these comments be short. So, I shall stop here and simply repeat that we congratulate you and hope to see you there a long time still.

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker—I beg your pardon.

Mr. Sharp: Please continue.

Mr. Speaker: Order, please. The Chair recognized the right hon. member for Prince Albert (Mr. Diefenbaker).

Mr. Diefenbaker: I have never previously turned down a recommendation on the part of the government that I should speak. I shall not depart from that, now that the Secretary of State for External Affairs (Mr. Sharp) has given me his entire support.

I raised this matter a few days ago at the members' prayer meeting. I pointed out that Your Honour had been Speaker longer than anyone else. The hon. member for Winnipeg North Centre (Mr. Knowles) says that he has seen eight Speakers in his time. I have seen nine.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It is the same eight.

Mr. Diefenbaker: When it comes to statistics, I have them off the record. The hon. member has them on the record before him.

I want to say a word which, at the suggestion of the Leader of the Opposition, will add to what he said. We have had many experiences over the years. However, one that I shall always recall, without making any identification, is of a Mr. Speaker who during a frighteningly caustic debate rose in his chair and said, "Order. As long as I sit in this chair there is going to be a minimum of decorum in this House". Today and in recent years we have had a maximum of decorum, and I join those who have spoken of your wisdom, wit and of the fact that above all, regardless of difficulties that necessarily follow in the office that you hold, you have been an ornament to the position of Speaker of the House of Commons.

The speakership is not a dangerous position to hold today. It was originally when those chosen at Westminster had to be dragged to the chair. I never found, in my period of office, that anybody had to be dragged in in order to be honoured as the first commoner of the House of Commons.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is appropriate to the way in which we conduct the affairs of this House that the first tribute should come from the Leader of the Opposition (Mr. Stanfield) and the last from the spokesman for the government. I hope that the opposition in its tributes has recognized, as I have, the fairness and dignity with which you have conducted the proceedings of the House of Commons. You have treated us all as equals, whether we happen to be in a slight majority or slight minority.

May I say to you, Sir, that it is a singular accomplishment to have been Speaker of the House of Commons for

longer than anyone else. Not only have you served with length of service; you have served as Speaker of this House with a charm, distinction and fairness that no other Speaker has exceeded regardless of the time he occupied the chair. So, Mr. Speaker, we all want you to continue as Speaker as long as you feel able to serve. I share the view of the hon. member for Winnipeg North Centre (Mr. Knowles) that when we have a good Speaker, we want to keep him as long as possible. Whether this comes about as a result of delay in election, or for another reason, really does not matter. We should like to have you there for as long as possible.

Some hon. Members: Hear, hear!

Mr. Speaker: I apologize to hon. members that this subject has taken so much time. I will try to exercise the same discretion that I seek of hon. members when they rise on motions under Standing Order 43.

[*Translation*]

I would simply like to thank the hon. members who have had the kindness to express such generous feelings about me. I have no delusions, for I know perfectly well that these tributes are not directed to my humble person but to the position that I have the honour of occupying as Speaker of this House.

[*English*]

The Leader of the Opposition (Mr. Stanfield) said a moment ago that he had served under a Speaker for a certain number of years. I was rather shocked by that expression. I always thought it was the Speaker who served under a House. I have always felt that way and, I might say, at times it has been my impression that sitting under one House or another, or under certain members, has been a rather heavy burden to carry. What has made it easier for the Speaker has been the wonderful co-operation hon. members have extended to him at all times. Obviously, the Speaker is at the mercy of hon. members.

We all believe in the institution of parliament and believe, I am sure, that central to that concept is the speakership. The speakership cannot continue and parliament therefore cannot operate effectively without the support of all hon. members. I have received that support at all times. I am thankful and grateful to hon. members for that generosity, for their tolerance and understanding, and I extend my thanks to them at this time.

I was tempted to rise a few times while hon. members were delivering some very interesting speeches to remind them that long standing tradition prevents hon. members from either criticizing or commending the Chair. I might say that it is easier to apply the first stricture rather than the second. That is why I resisted the temptation and did not interrupt hon. members.

[*Translation*]

In any case, I thank my hon. colleagues not only for their kind and generous words, indeed too generous, and I pledge as I have done on my first election to the Chair to continue to do my best to serve this House, to serve hon. members and this parliamentary institution in spite of all its intellectual weaknesses, all its human failings which are the lot of each of us, but also most sincerely, with the enthusiasm that hon. members deserve.

● (1420)

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WITHDRAWAL OF MOTION FOR EASTER RECESS

On the order: Motions:

Mr. Speaker: The Minister of Justice moves:

That, when this House adjourns—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I wonder whether I might suggest to hon. members that this motion appears, as of this date in any event, to be a nullity. Perhaps the minister might be allowed to withdraw it, subject to bringing in another motion at some other time. Is this agreed?

Some hon. Members: Agreed.

Motion withdrawn.

* * *

TRANSPORT

GOVERNMENT ACTION TO SETTLE ST. LAWRENCE RIVER PILOTS STRIKE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity. In view of the continuing work stoppage involving the federation of St. Lawrence River pilots which is having very serious repercussions on Canada's international trade as well as adversely effecting major ports on the St. Lawrence, such as Quebec, Trois-Rivières and Montreal, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the Minister of Transport immediately make a report on motions regarding the steps this government has underway to resolve the dispute, and also to arrange an immediate meeting between himself, his deputy minister and the administrator of Canadian Marine Transportation Administration, with the parties concerned.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Finance

THE CANADIAN ECONOMY

GOVERNMENT PLANS FOR DEALING WITH COST OF LIVING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek the unanimous consent of the House to move a motion under Standing Order 43 which is self explanatory. It arises from the problem of inflation which is one of the reasons we are meeting in this Easter Monday session.

Some hon. Members: Oh, oh!

Mr. Cossitt: I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House requests the Acting Prime Minister to inform us as to whether the Prime Minister, before leaving Canada on another holiday, left behind in safe keeping any contingency plans for dealing with the national emergency created by the cost of living and if such plans do exist that they be revealed to the House immediately because of the extreme urgency of the situation.

Some hon. Members: Hear, hear!

Some hon. Members: Cheap!

Mr. Speaker: This motion also requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

FINANCE

GRANTING OF LOANS TO FEDERAL GOVERNMENT BY BANK OF CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to move a motion of a very pressing nature, for it concerns the presentation of the budget. I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House consider seriously the difficulties encountered by the Minister of Finance in finalizing the presentation of the budget, and to give him practical assistance, that this House move without delay to the consideration of the bill tabled by the hon. member for Témiscamingue providing for the amendment of the Bank of Canada Act enabling the bank to grant loans to the Canadian government for periods up to 60 years at an interest rate not greater than the administration costs.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Agricultural Products Co-operative Marketing Act

Mr. Speaker: There is no unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

STATUTE REVISION ACT

MEASURE TO PROVIDE FOR A CONTINUING REVISION AND CONSOLIDATION OF THE STATUTES AND REGULATIONS

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-23, to provide for a continuing revision and consolidation of the statutes and regulations of Canada.

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

* * *

FEEDS ACT

AMENDMENT TO BROADEN DEFINITION OF "FEED"

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-24, to amend the Feeds Act.

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

* * *

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-25, to amend the Prairie Grain Advance Payments Act.

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

* * *

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

AMENDMENT TO FIX INITIAL PAYMENT FOR PRODUCT

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-26, to amend the Agricultural Products Co-operative Marketing Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Speaker.]

[*Text*]

NUMBER OF RETIRED FEDERAL CIVIL SERVANTS RECEIVING PENSIONS

Question No. 21—Mr. Knowles (Winnipeg North Centre):

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

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

3. What is the number of retired civil servants and also the number of widows of civil servants or of retired civil servants presently residing in each province?

4. In respect of how many orphans of federal civil servants are pensions being paid and what is the average amount thereof?

Hon. C. M. Drury (President of the Treasury Board): 1. (a) 205; (b) 358; (c) 975; (d) 1,420; (e) 1,641; (f) 1,680; (g) 1,753; (h) 1,731; (i) 1,755; (j) 7,997; (k) 6,192; (l) 5,185; (m) 4,187; (n) 15,003.

2. (a) 529; (b) 1,431; (c) 1,728; (d) 1,700; (e) 1,597; (f) 1,457; (g) 1,387; (h) 1,280; (i) 1,221; (j) 4,900; (k) 2,867; (l) 1,245; (m) 593; (n) 823.

3.

Province	Annuitants	Widows
Newfoundland	656	264
Prince Edward Island	338	155
Nova Scotia	2,879	1,307
New Brunswick	1,582	732
Quebec	8,186	4,411
Ontario	21,019	9,686
Manitoba	2,332	1,008
Saskatchewan	1,490	619
Alberta	2,908	1,163
British Columbia	7,825	2,958
Territories	47	16
Outside Canada	820	439

4. Pensions are being paid to 93 orphans of federal civil servants in the average amount of $287.49 per annum.

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 22—Mr. Knowles (Winnipeg North Centre):

1. What was the total amount at credit in the Public Service Superannuation Account as at (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

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

3. What amount of interest was credited to the Public Service Superannuation Account during the fiscal years ending (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

4. What was the total amount paid out of the Public Service Superannuation Account during the fiscal years ending (a) March 31, 1971 (b) March 31, 1972 (c) March 31, 1973?

Hon. C. M. Drury (President of the Treasury Board): 1. (a) $3,989,914,380; (b) $4,488,549,951; (c) $4,945,750,813.

2. Quarter ending June 30, 1970, 1.3174; quarter ending September 30, 1970, 1.3262; quarter ending December 31, 1970, 1.3427; quarter ending March 31, 1971, 1.3597; quarter ending June 30, 1971, 1.3838; quarter ending September 30, 1971, 1.3896; quarter ending December 31, 1971, 1.4004; quarter ending March 31, 1972, 1.4157; quarter ending June 30, 1972, 1.4601; quarter ending September 30, 1972, 1.4659; quarter ending December 31, 1972, 1.4778; quarter ending March 31, 1973, 1.4931.

———

*Approximate Annual Average Rate 1970-71, 5.35 per cent; 1971-72, 5.59 per cent; 1972-73, 5.90 per cent.

3. (a) $147,693,942; (b) $163,704,472; (c) $184,190,199.

4. (a) $107,680,827; (b) $118,635,547; (c) $137,073,425.

PAYMENTS UNDER PUBLIC SERVICE PENSION ADJUSTMENT ACT

Question No. 23—**Mr. Knowles (Winnipeg North Centre):**

1. In each year since the Public Service Pension Adjustment Act of 1959 was passed, how many persons have received payments thereunder?

2. In each of the above years, what was the total amount paid out under the said Act?

3. In each of the above years, what was the average amount paid under the said Act (a) to retired public servants (b) to widows (c) to others?

4. In each of the last five years, either calendar or financial, for which statistics are available, how many pensions under the Public Service Superannuation Act (a) to retired public servants (b) to widows of public servants or widows of retired public servants, have been discontinued because of the death of the superannuate?

Hon. C. M. Drury (President of the Treasury Board): 1.

Year	Number
1959-60	14,311
1960-61	13,885
1961-62	12,553
1962-63	11,709
1963-64	10,852
1964-65	10,077
1965-66	9,078
1966-67	8,162
1967-68	7,483
1968-69	6,860
1969-70	6,651
1970-71	6,474
1971-72	5,793
1972-73	4,647

2.

Year	Amount
	$
1959-60	3,112,231
1960-61	2,956,515
1961-62	2,817,263
1962-63	2,657,706
1963-64	2,504,503
1964-65	2,344,711
1965-66	2,236,212
1966-67	2,038,329
1967-68	1,905,478
1968-69	1,777,869
1969-70	1,641,304
1970-71	1,515,000
1971-72	1,368,879
1972-73	1,000,941

3.

Year	Retired Public Servants	Widows	Others
	$	$	$
1959-60	226.72	124.88	12.32
1960-61	225.43	124.42	11.79
1961-62	222.01	123.92	10.35
1962-63	220.66	123.59	10.06
1963-64	220.26	123.75	7.99
1964-65	217.94	123.08	6.19
1965-66	216.03	122.69	7.13
1966-67	212.52	122.64	5.93
1967-68	210.27	121.27	6.11
1968-69	208.19	119.21	4.56
1969-70	196.52	125.05	5.79
1970-71	184.83	127.87	nil
1971-72	177.51	130.19	nil
1972-73	174.19	128.47	nil

4.

(a) To Retired Public Servants		(b) to Widows	
1968-69	1751	1968-69	514
1969-70	1899	1969-70	508
1970-71	2060	1970-71	577
1971-72	2269	1971-72	588
1972-73	3081	1972-73	687

APPLICATIONS FOR RESEARCH GRANTS RECEIVED BY MEDICAL RESEARCH COUNCIL

Question No. 108—**Mr. Andre:**

For each year 1971, 1972 and 1973 (a) how many applications for research grants were received by the Medical Research Council (b) how many research grants were awarded by the Council (c) what was the average amount awarded per researcher by the Council?

Hon. Marc Lalonde (Minister of National Health and Welfare): (a) Applications for research grants received by the Medical Research Council: 1971-72, 1,612; 1972-73, 1,531; 1973-74, 1,513; (b) Research grants awarded by the Medical Research Council: 1971-72, 1,072 with respect to applications during the year, plus 419 grants for 1971-72 approved in preceding years; 1972-73, 963 with respect to applications received during the year, plus 420 grants for 1972-73 approved in preceding years; 1973-74. 1,088 with respect to applications received during the year, plus 325 grants for 1973-74 approved in preceding years. (c) Average amount awarded per researcher: 1971-72, $16,900; 1972-73, $18,070; 1973-74, $19,576.

Order Paper Questions

IMMIGRANTS IN RECEIPT OF SOCIAL ASSISTANCE

Question No. 129—**Mr. Mather:**

What is the percentage of (a) recent immigrants (1972-1973) (b) longer-established Canadians (1965-1968) who are on some form of welfare?

Hon. Marc Lalonde (Minister of National Health and Welfare): In granting social assistance, the provinces do not maintain separate records of Canadian citizens and immigrants. The only criterion upon which assistance is granted is that of need. Consequently, there are no records of the number of immigrants receiving welfare benefits.

BUTTER IMPORTS

Question No. 132—**Mr. Gleave:**

1. How many pounds of butter were imported into Canada during the calendar year 1973?

2. From what countries was the butter imported?

3. What amounts were imported from each country?

4. What price was paid for the imported butter?

5. What was the duty paid on the butter?

6. What agency of government was responsible for importing the butter?

7. At what price was the butter sold on the Canadian market?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada, the Department of National Revenue and the Canadian Dairy Commission as follows: 1. Imports of butter into Canada during the year 1973 amounted to 62,635,400 pounds.

2, 3 and 4. A breakdown of these imports by country of consignment for the 1973 calendar year is shown below:

2. Country	3. Quantity (pounds)	4. Value ($)	$ per pound Unit Price
Ireland	11,524,200	6,204,000	.53
Australia	21,134,900	10,611,000	.50
New Zealand	25,588,900	12,217,000	.47
Argentina	56,000	22,000	.39
United States	4,331,400	2,391,000	.55
	62,635,400	31,445,000	.50

5. Tariff item 1800-1 of the Customs Tariff stipulates the rate of duty on butter as: 8 cents per pound, British Preferential Tariff; 12 cents per pound, Most-Favoured-Nation Tariff; 14 cents per pound, General Tariff. Under the New Zealand Trade Agreement, duty on butter from that country is five cents per pound. In accordance with Article 1 of the Australian Trade Agreement, butter from Australia is also admissible at five cents per pound because of the treatment extended to importation of butter from New Zealand.

6. The Canadian Dairy Commission.

7. At the Canadian Dairy Commission support price of 71 cents per pound.

CHEESE IMPORTS

Question No. 133—**Mr. Gleave:**

1. How many pounds of cheese in total were imported into Canada during the year 1973?

2. From what countries was the cheese imported?

3. What amount was imported from each country?

4. What price was paid for the imported products?

5. What was the rate of duty paid on the imported cheese?

6. Which agency was responsible for importing the cheese or was it imported by private companies?

7. At what price was the imported cheese sold on the Canadian market?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada, the Department of National Revenue and the Canadian Dairy Commission as follows: 1. Imports of cheese into Canada during 1973 amounted to 43,194,900 pounds.

2, 3 and 4. This cheese was imported from the following countries of consignment for the 1973 calendar year at the unit price shown on the table following:

2. Country	3. Quantity (pounds)	4. Value ($)	$ per pound Unit Price
United Kingdom	1,084,700	608,000	.46
Ireland	12,700	9,000	.70
Austria	2,041,800	1,036,000	.50
Belgium-Luxembourg	34,300	24,000	.69
Denmark	7,387,400	5,231,000	.70
Finland	2,444,100	1,049,000	.42
France	3,564,300	3,461,000	.97
West Germany	1,439,400	890,000	.61
Greece	124,400	94,000	.75
Italy	3,084,900	3,445,000	1.11
Netherlands	9,729,700	4,271,000	.43
Norway	1,219,600	742,000	.60
Portugal	336,500	334,000	.99
Sweden	461,200	257,000	.55
Switzerland	4,894,100	4,674,000	.95
Hungary	37,500	21,000	.56
Poland	415,600	115,000	.27
Roumania	272,600	190,000	.69
Japan	900	1,000	1.11
Australia	72,800	49,000	.67
Argentina	754,200	468,000	.62
United States	3,782,200	3,321,000	.87
Total	43,194,900	30,890,000	.70

5. Tariff item 1700-1 of the Customs Tariff stipulates the rate of duty on cheese as: 3 cents per pound, British Preferential Tariff; 3½ cents per pound, Most-Favoured-Nation Tariff; 7 cents per pound, General Tariff. Tariff item 1700-2 provides that Cheddar cheese be dutiable at

three cents per pound under the General Agreement on Tariffs and Trade. Under the New Zealand Trade Agreement, duty on cheese from that country is one cent per pound. In accordance with Article 1 of the Australian Trade Agreement, Cheddar cheese from Australia is also admissible at one cent per pound because of the treatment extended to importations of Cheddar cheese from New Zealand.

6. All cheese was imported by private firms.

7. No prices on imported cheese varieties are published.

MEDICAL CARE FOR INDIANS IN PROVINCE OF QUEBEC

Question No. 235—**Mr. Godin:**

1. Since Quebec Indians are eligible for medical care and hospital services provided by the Health Insurance Plan to the Province of Quebec, how is the federal contribution collected by the Province?

2. Under the agreement, what amounts were paid by the government each year 1970, 1971 and 1972?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Canada shares the costs of medical and hospital services provided to residents of Quebec and other provinces, including Indians and other native people. Federal contributions in respect of those costs are made under the Hospital Insurance and Diagnostic Services Act and under the Medical Care Act. The payments are determined as follows: (a) Hospital Insurance and Diagnostic Services Act: Quebec has chosen to opt out of this federal program, with the result that the federal contribution to the Quebec Hospital Insurance Program is made through tax abatement calculated by the Department of Finance and not under the Hospital Insurance and Diagnostic Services Act. (b) Medical Care Act: In any year that a province participates under the Medical Care Act it receives a contribution based upon the total costs of all participating provinces and territories providing medically required services to Canadian residents. The total federal contribution is equal to 50 per cent of this total cost and is distributed among the provinces in proportion to their insured populations. Approximately 90 per cent of the contribution is made, based on estimates, in equal monthly installments during the fiscal year. The remainder is paid in the following year when the actual audited costs of all the provinces are known.

2. Payments made or payable by the federal government to Quebec under the Hospital Insurance Program, are as follows: (a) 1970, Actual, $304,219,215. 1971, Estimated*, $343,694,522. 1972, Estimated* $384,359,031.

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*For the years 1971 and 1972, only estimated contributions are available at this time. The 1971 contributions will be finalized shortly; as far as the 1972 contributions are concerned, the final contributions will not be known before March or April of 1975.

(b) Payments to Quebec under the Medical Care Act: 1970*, $22,552,600. 1971, $155,069,064. 1972, $172,069,531.

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*Quebec commenced participation Nov. 1, 1970.

Order Paper Questions

COST OF PROGRAM TO ENCOURAGE IDENTIFICATION OF ILLEGAL IMMIGRANTS

Question No. 346—**Mr. Clark (Rocky Mountain):**

1. What was the total cost of all advertising of the program to encourage identification of illegal immigrants?

2. What was (a) the estimated number (b) the estimated dollar value of man-hours of work devoted to all aspects of that program by (i) public servants (ii) other persons, apart from those persons involved exclusively in advertising programs?

3. (a) How many new employees were hired, on a permanent or temporary basis, to give effect to this program (b) what is the estimated total cost of their employment?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. $1,277,603.

2. From a staff or personnel standpoint, the Status Adjustment Program was operated essentially within the existing resources of the Immigration Division of the Department of Manpower and Immigration. Since almost every member of the staff in Canada would have at one time or another become involved in some aspect of the program, it is impossible to provide even a rough estimate of the number of man-hours devoted to the program by permanent staff or the dollar value attached to those man-hours. During the course of the program, however, the Immigration Division of the Department of Manpower and Immigration did find it necessary to engage outside assistance, primarily in the interpreter and translator fields, and this involved approximately 890 man-hours at an expenditure of approximately $3,600.

3. While no new employees were hired on a permanent basis as a result of this program, the Immigration Division of the Department of Manpower and Immigration did engage 22 casual workers primarily clerks and stenographers at an approximate cost of $32,200.

PAYMENT OF TRAVELLING EXPENSES INCURRED BY SPOUSES OF SENIOR PUBLIC SERVANTS

Question No. 393—**Mr. Knight:**

1. When Ministers, Deputy Ministers or senior public servants travel on official business, and are accompanied by their spouses, who pays the travelling expenses of the spouse, including (a) transportation, whether commercial airliner, Armed Forces or Department of Transport (b) hotel (c) food (d) incidentals?

2. If the government pays all or part of the travelling expenses of the spouse, is there a benefit recorded in the T4 slip of the official involved, obliging him to pay taxes on the amount in question?

Hon. C. M. Drury (President of the Treasury Board): 1. The department or agency concerned pays the travelling expenses incurred only when the spouse: accompanies an official representative of Canada on invitation by a foreign government for reasons of protocol, or provides representational support during official visits to Canada by dignitaries from abroad, or assists in the conduct of a government sponsored conference, e.g. performs host or hostess responsibilities. When such travel is authorized, transportation, overnight accommodation and food costs are reimbursed. Incidental expenses are seldom claimed.

2. Because payment is reimbursement of additional travel expenses incurred by the official in the performance of a service to the government, the amount is not taxable and T4 slips are not issued.

PROJECTS APPROVED BY GOVERNMENT UNDER FLIP IN HAMILTON CONSTITUENCIES

Question No. 395—**Mr. Alexander:**

For the year 1973-74 in the constituencies of Hamilton West, Hamilton East, Hamilton Mountain, Hamilton-Wentworth and Halton-Wentworth, what projects have been approved by the government under the Federal Labour Intensive Program (FLIP) including (a) details of the projects (b) the locations (c) the amounts involved?

Hon. C. M. Drury (President of the Treasury Board): The following projects were approved under the Federal Labour Intensive Program for the winter of 1973-74:

Department	Location	Detail	Amount
Communications	Hamilton West— Hamilton District Office 135 James Street South Hamilton, Ontario	General Administration Assistance	$ 2,800
Manpower and Immigration	Hamilton District Office 135 James Street South Hamilton, Ontario	Reduction of Immigration Appeal Backlog	$ 2,000
Consumer and Corporate Affairs	Hamilton East— Hamilton District Office 585 Wentworth Street North Hamilton, Ontario	General Assistance to Weights and Measures Inspectors	$ 1,920
Energy, Mines and Resources	Halton-Wentworth— Burlington, Ontario	Great Lakes Survey	$ 3,000
Manpower and Immigration	Hamilton-Wentworth— Hamilton C.M.C. 199 Parkdale Ave. North, Hamilton, Ontario	Updating Client Registration	$10,000

MEDICAL RESEARCH COUNCIL

Question No. 402—**Mr. Holmes:**

Have there been recent cutbacks in medical research and, if so (a) is the government seeking appropriate advice from the medical scientific community (b) is the government responding to advice from the Medical Research Council concerning funding allocations (c) will the government review its proposed funding to MRC as it will cause considerable hardship to Canadian biomedical research efforts, Canadian medical schools and to the general health of Canadians?

Hon. Marc Lalonde (Minister of National Health and Welfare): The Medical Research Council has received increases each year in the funds available to it for the support of biomedical research: (a) The government receives advice concerning medical research through well-established mechanisms which involve input from the medical scientific community. (b) The recommendations of the Medical Research Council are taken into account in arriving at decisions regarding the funding of medical research. (c) The funding of the Medical Research Council is subject to an annual review in which all relevant factors are considered.

2. (a)	1968/69	1969/70	1970/71	1971/72	1972/73	1973($\frac{1}{2}$)*
	$260,380	$377,270	$373,659	$381,748	$316,905	$211,790

*as of October 1973.

(b)	1968/69	1969/70	1970/71	1971/72	1972/73	April 73 - October 73
	$ 82,700	$174,500	$212,600	$331,800	$261,800	$170,200

(c)	1968/69	1969/70	1970/71	1971/72	1972/73	April 73 - October 73
	Nil	$119,600	$ 43,800	$ 95,400	$ 45,000	$ 14,000

SADDLE LAKE INDIAN RESERVE—IMPROVEMENT OF LIVING CONDITIONS

Question No. 418—**Mr. Mazankowski:**

1. How much money was spent improving physical conditions on the Saddle Lake Indian Reserve at St. Paul, Alberta, during the period April 1, 1968 to March 31, 1969, April 1, 1969 to March 31, 1970, April 1, 1970 to March 31, 1971, April 1, 1971 to March 31, 1972 and April 1, 1972 to October 30, 1973?

2. How much money was spent during the same periods on (a) health services (b) housing (c) water supply (d) roads?

3. How many children from the Reserve are attending high school and how many attended in 1968, 1969, 1970, 1971, 1972 and 1973 to date?

4. How many children from the Reserve are attending technical school or university and how many attended for the same periods as above?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and National Health and Welfare as follows: 1. 1968-69, $18,500; 1969-70, $22,000; 1970-71, $21,500; 1971-72, $23,000; 1972-73, $23,000; Apr. 73-Oct. 73, $24,000.

(d) 1968-69, $38,800; 1969-70, $55,000; 1970-71, $42,000; 1971-72, $35,100; 1972-73, $9,700; April 73-October 73, $65,900.

3. *1968-69, 175; *1969-70, 185; *1970-71, 254; 1971-72, 85; 1972-73, 119; 1973 to date, 136.

4. *1968-69, 12; *1969-70, 14; *1970-71, 24; 1971-72, Not available; 1972-73, 56; 1973 to date, 22.

*Figures for these years are for the Saddle Lake/Athabaska district and not merely the Reserve.

NUMBER OF RADIO STATIONS BROADCASTING IN ENGLISH AND FRENCH ONLY

Question No. 516—**Mr. Boisvert:**

1. How many radio stations broadcast in English only in (a) Canada (b) the Province of Ontario (c) the Province of Quebec?

2. How many radio stations broadcast in French only in (a) Canada (b) the Province of Ontario (c) the Province of Quebec?

Hon. Gérard Pelletier (Minister of Communications): The Canadian Radio-Television Commission has provided the following information: 1.—In English only, (a) 562; (b) 157; (c) 32.

2.—In French only, (a) 165; (b) 27; (c) 106.

NUMBER OF TELEVISION STATIONS BROADCASTING IN ENGLISH AND FRENCH ONLY

Question No. 517—**Mr. Boisvert:**

1. How many television stations broadcast in English only in (a) Canada (b) the Province of Ontario (c) the Province of Quebec?

2. How many television stations broadcast in French only in (a) Canada (b) the Province of Ontario (c) the Province of Quebec?

Hon. Gérard Pelletier (Minister of Communications): The Canadian Radio-Television Commission has provided the following information: 1.—In English only, (a) 476; (b) 65; (c) 9.

2.—In French only, (a) 90; (b) 10; (c) 63.

MARITIME POLLUTION CLAIMS FUND

Question No. 547—**Mr. Harding:**

1. How much money will be in the Maritime Pollution Claims Fund as of March 31, 1974?

2. How many claims to date have been charged against the Fund and what was the amount paid on each claim?

3. How many claims against the fund are pending?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. $16,806,545.38.

2. Nil.

3. Nil.

Order Paper Questions

EMPLOYMENT OF DR. VERNE ATRILL BY PUBLIC SERVICE

Question No. 630—**Mr. Dinsdale:**

1. Is Dr. Verne Atrill in the employ of the government and, if so (a) what functions does he perform (b) what is his salary (c) where is his office located (d) what grants has he received?

2. How many are on his staff (a) what are their functions (b) what are their salaries?

Right Hon. P. E. Trudeau (Prime Minister): 1. No, (reply to question No. 3,327 in first session of the twenty-ninth Parliament refers in part).

2. See 1 above.

EMPLOYMENT OF STUDENTS IN VETERANS' HOSPITALS

Question No. 650—**Mr. McKinnon:**

Has the Department of Veterans Affairs stopped hiring university students to work in veterans' hospitals during summer vacation at employment usually related to their future professions and, if so, for what reason?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): No.

DEPARTMENT OF VETERANS AFFAIRS—EMPLOYMENT OF MR. DOUG McFARLANE

Question No. 656—**Mr. Knight:**

1. What is the position held by Mr. Doug McFarlane in the Department of Veterans Affairs?

2. What is the salary level of this position?

3. What is the length of tenure of the position held?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Temporary member, War Veterans Allowance Board.

2. $20,300-$25,500.

3. For a period of one year effective November 25, 1973.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

ASSISTANCE UNDER DEFENCE INDUSTRY RESEARCH PROGRAM

Question No. 6—**Mr. Rowland:**

Under the terms of the Defence Research Board Defence Industry Research Program for the fiscal year 1972-1973, (a) which companies received financial assistance (b) what is the title of the research project involved (c) what is the amount of money assigned by the Research Board to the project?

Return tabled.

DEPARTMENT OF JUSTICE RESEARCH CONTRACTS

Question No. 280—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of Justice on

contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

DEPORTATIONS UNDER SECTION 28(1) OF 1967 IMMIGRATION ACT

Question No. 357—**Mr. Rowland:**

1. How many persons have been deported under Section 28(1) of the 1967 Immigration Act, as amended November 6, 1972 by Privy Council Order 1972-2502 which denies landing to persons seeking admission as immigrants who are not in possession of an appropriate visa?

2. (a) From which countries did such persons originate (b) how many deportees came from each such country?

3. How many of the persons deported stated that they were seeking entrance as visitors?

Return tabled.

REUNIFICATION OF MAINLAND CHINESE PEOPLE WITH FAMILIES IN CANADA

Question No. 423—**Mr. Schumacher:**

1. (a) What agreement was signed by Canada with China regarding reunification of mainland Chinese people with families in Canada (b) on what date and by whom was this agreement signed (c) what are the terms of reference of the agreement?

2. How many mainland Chinese have (a) already taken advantage of the program (b) applications pending under the program (c) made preliminary enquiries regarding the program?

3. By city and province (a) where are these people now located in Canada (b) where are those whose applications are pending planning to locate on entering Canada?

4. What investigations are being made to ensure (a) work opportunities (b) financial solvency (c) medical suitability (d) social independence and adaptibility of such people?

5. What is the total projected number of such immigrants by (a) sex (b) age for each year 1973 to 1980?

6. Is the program to be effective on an unending basis?

7. What investigations are made of families in Canada seeking to reunify with relatives from mainland China?

8. What criteria are used for establishing *bona fide* family relationships both in China and in Canada?

Return tabled.

Mr. Paproski: I rise on a point of order related to my question No. 319 appearing at page 79 of today's order paper as follows:

1. In the Canadian Public Service, excluding Crown corporations, boards and agencies, how many women hold positions with salaries above $15,000 annually?

2. What is the total number of persons of deputy minister rank in the Public Service, excluding Crown corporations, boards and agencies and, of these, how many are of the female sex?

3. Excluding Crown corporations, boards and agencies, what is the total number of Public Servants and, of these how many are (a) male (b) female?

Mr. Speaker, this question has been on the order paper for the last six months. They are very simple questions. The government appears to be neglecting to answer them, perhaps because they do not really care about the status of women in this country.

[Mr. Nystrom.]

Some hon. Members: Oh, oh!

Mr. Reid: We had the answer to that question as of the end of the last session, but unfortunately there was no opportunity for us to table it. The fact that the hon. member put the question down again, revising the date to March 1, meant we had to conduct the inquiry all over again. I should like to point out to him that a thorough search of almost every file is required at a cost to the Canadian taxpayer of approximately $5 for every file. This can be multiplied by a factor of approximately 300,000 public servants.

Some hon. Members: Shame.

● (1430)

Some hon. Members: Oh, oh.

Mr. Speaker: May we have order, please. The hon. member for Edmonton Centre.

Mr. Paproski: Mr. Speaker, I would be satisfied to get the results as of the last session, if the parliamentary secretary does have those figures ready to produce.

Mr. Bell: Mr. Speaker, on a point of order; three times the parliamentary secretary has stated that the government had answers to questions ready at the end of the last session. I point out to the House that the government had an opportunity on the last day of the previous session, before we began anew, to table them, and they were asked by the opposition to do so.

ORAL QUESTION PERIOD

[*English*]

FINANCE

REASON FOR INCREASE IN BANK OF CANADA INTEREST RATE—POSSIBLE ADVANCE OF BUDGET DATE—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am sure the Minister of Finance would expect me to ask him a question about the striking increase in the rate of interest charged by the Bank of Canada. Would the minister tell the House in a few words the reason behind this striking increase in the cost of credit? Is it the view of the governor of the Bank of Canada and of the government that there ought to be higher mortgage rates and that the cost of operating small business, for example, should be higher?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the governor of the bank, in raising the bank rate, is reflecting two major causes. The first is the sharply rising bond yields and interests rates in the United States and on the Eurodollar market, which has been the dominant factor pushing up interest rates in Canadian

financial markets in recent weeks. I suppose that this world wide increase in interest rates reflects the mounting evidence of the strength of global inflationary forces. A contributing factor in the Eurodollar market has been the number of oil importing countries that have been borrowing in order to finance their deficits to meet the new bills from the oil exporting countries, and whose balance of payments deficits have occurred as a result of the rise in world oil prices.

Turning to the domestic front, the second reason is that Canadian financial markets have continued to be exposed to strong credit demand which has been generated by an exceptionally buoyant domestic economy.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Looking forward, Mr. Speaker, the market undoubtedly sees a rapidly growing demand for funds to finance continued business expansion in Canada and a demand for government funds.

Mr. Stanfield: Mr. Speaker, I must say, in view of the level of our dollar, that it is difficult to see the external pressures so far as the second reason given by the Minister of Finance is concerned. Could the minister indicate precisely what policy, with regard to the growth in the money supply, is associated with this increase of one per cent, which is the sixth such increase in the bank rate during the past year?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if the hon. gentleman looks, as I have, at the figures for the first quarter of 1974, he will see that the banking figures indicate continuing rate of growth in short-term credit outstanding and in the total monetary aggregates. Indeed, in the last three or four weeks there has been a requirement for chartered bank loans of over $900 million. The governor of the bank indicated to me over the weekend that monetary policy will continue to accommodate the rapid expansion in the economy, but that he is concerned about the increase in the monetary aggregates—in other words, the money supply.

Mr. Stanfield: A further supplementary question, Mr. Speaker. In view of this, as I say, quite substantial increase of one per cent, an unusual increase in the bank rate to take place at one step, and inasmuch as this move must be in line with some general approach by this government, is the minister still saying that the country should have to wait another month before we learn what are the government's intentions with regard to its general policy, and particularly with regard to its fiscal policy? In view of this striking initiative taken by the governor of the Bank of Canada, does the minister still say that we should wait another month to see his budget?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the budget was delayed until we were able to reconcile the division of the benefits and the burdens of the increase in oil revenues and oil prices across the country. The government is, of course, in general accord with the monetary thrust reflected by the action of the governor of the Bank of Canada, although the setting of the rate is his responsibility and the amount of the rate is, of course, his prerogative. As to the date of the budget, this will be announced in definitive terms in short order.

Mr. Speaker: The Chair will see the hon. member for Yorkton-Melville, then the hon. member for Témiscamingue, and will continue with supplementaries from the hon. members for Don Valley, Middlesex and others. I believe the hon. member for Yorkton-Melville has a supplementary and so has the hon. member for Témiscamingue, and then the Chair will see the hon. member for Don Valley.

ADVICE OF MINISTER TO BANK OF CANADA AND CHARTERED BANKS ON INTEREST RATES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my questions are in the same area and are addressed to the Minister of Finance. I should like to know whether or not the Minister of Finance instructed or advised the Bank of Canada to raise their interest rate. I also want to know whether or not he has contacted the chartered banks asking them not to increase their interest rates to Canadians?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in answer to the first question, the monetary policy in the first instance is the responsibility of the governor of the Bank of Canada. Under the statute, the Minister of Finance and the government have to be in general accord with the monetary thrust set by the bank, but the details leading to the decision regarding the bank rate remain his responsibility.

In response to the second part of the question, no, I have not been in touch with the chartered banks since the rise in the bank rate was announced. Indeed, two of the chartered banks raised their prime rate this morning.

POSSIBLE LEGISLATION TO PROTECT PEOPLE FROM EFFECTS OF INCREASED INTEREST RATES

Mr. Lorne Nystrom (Yorkton-Melville): A further supplementary question, Mr. Speaker. In view of the fact that the increase in the bank rate will not have much effect on corporations because they generate their own capital but will have some effect on consumers, farmers, small businessmen and home builders, is the Minister of Finance contemplating any immediate legislation to protect these ordinary Canadian citizens?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have not had a chance to read the announcements of the two banks which raised their prime rate this morning, but I hope they will continue the policy I urged them to follow a year or so ago, namely that there should be, in effect, a dual tier interest system whereby a preferential rate will be given to small businessmen, small accounts, fishermen, farmers and those regions of the country less favourably disposed in the growth of the economy.

Oral Questions

POSSIBLE SUBSIDIZING OF MORTGAGE INTEREST RATE—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): A further supplementary, Mr. Speaker. I should like to ask the minister whether or not he can assure us that mortgage rates will not be going up and that he will make appropriate changes to set aside some funds at 6 per cent, along with tax changes, to make sure that developers and so on do not take advantage of such a policy, if he is to pursue one?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I hope the hon. gentleman will allow me not to speculate on interest rates, whether short-term or long-term. In answer to the precise ambit of his question, perhaps he would be good enough to recall the answer I gave to his colleague, the hon. member for Oshawa-Whitby, in which I suggested to him that any subsidization of the interest rate in a tight market would be reflected in higher housing prices.

[*Translation*]

POSSIBILITY OF LOANS TO PROVINCIAL GOVERNMENTS BY BANK OF CANADA

Mr. Réal Caouette (Témiscamingue): I should like to put a supplementary to the Minister of Finance.

In reply to a question recently put to him by my colleague the hon. member for Bellechasse concerning the Bank of Canada, the minister said that this bank has not granted any loans to the government in the last ten years. Now, if the Bank of Canada does not grant loans to the government, nor to the chartered banks, even though it has increased its interest rate by 1 per cent, can the minister tell us to whom in fact the Bank of Canada grants loans at a rate of interest 1 per cent higher than it was before?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I understand that the hon. member states that the Bank of Canada interest rate somewhat sets the rates of interest asked by the banks. As for government loans, I believe he is referring to the provincial governments. If that is the case, there is always the danger of sharing the responsibilities with regard to the debts incurred by the provinces. That is a very complicated matter, Mr. Speaker; it would lend itself better to a public debate or a private one with the hon. member.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have another supplementary for the Minister of Finance.

As the Bank of Canada can grant loans to the provinces only for periods not exceeding six months, and as the provinces cannot take advantage of this because the period is not long enough to reimburse them, I would like to know to whom the Bank of Canada is now lending money at its present interest rate?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, in principle, in terms of the chartered banks' reserves.

[Mr. Turner (Ottawa-Carleton).]

● (1440)

[*English*]

REQUEST FOR EXPLANATION OF MONETARY POLICY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that there seems to be perhaps some misunderstanding concerning precisely what the government is trying to do with its monetary and fiscal policy, could the minister explain the rationale for increasing the money supply and therefore accommodating business on the one hand, and increasing interest rates therefore discouraging investment. At the present time what precisely is the government trying to do?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the monetary policy set by the bank has as its rationale or reason to increase the money supply at a rate sufficient to accommodate reasonable expansion of the economy but no more.

Mr. Gillies: Mr. Speaker, my supplementary is again directed to the Minister of Finance. In the circumstances what is the rationale for increasing the domestic rate?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if the bank rate had not risen in the view of the governor then the monetary aggregates would have expanded too rapidly.

RATES OF INTEREST TO BE CHARGED UNDER SMALL BUSINESS, FISHERIES AND FARM IMPROVEMENT LOANS ACTS—GOVERNMENT POSITION

Mr. William C. Frank (Middlesex): Mr. Speaker, I too should like to direct my question to the Minister of Finance. In light of the fact that obviously high inflation is making it difficult for small businessmen and farmers, who are an important grassroots segment of our economy, can the minister make a commitment to this House concerning what rates of interest will be charged over the coming year under the small business, fisheries and farm improvement acts, and how much more money will be made available under these programs?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, under statute there is a relationship between the rate of interest charged under those guaranteed programs and the prime rate or bank rate—I suppose in statutory terms the rate the government has to pay for money under the treasury bills. I cannot give the hon. gentleman that commitment, but I can refer him to the figures I recited in the debate last Thursday when this House was considering those loans and also to the releases issued by the Department of Finance last Thursday as well, indicating what the rate of borrowing was under these three programs for the last quarter of 1973.

Mr. Frank: Mr. Speaker, in view of the minister's answer, I would ask him whether he will make every effort to hold the line on those interest rates for the next several months.

Mr. Turner (Ottawa-Carleton): Yes I shall, Mr. Speaker, bearing in mind one other factor which I think is

relevant, namely that the rates under those guaranteed programs should be sufficiently attractive to give beneficial results to the fishermen, small businessmen and farmers, and yet be realistic enough to attract the banks under these programs.

Mr. Speaker: The hon. member for Edmonton West will be recognized for a supplementary, after which the Chair will see the hon. member for York-Simcoe.

ALLEGED CONFLICT BETWEEN INCOME TAX CONCESSIONS TO MANUFACTURERS AND EFFECT OF INCREASED INTEREST RATES ON CERTAIN AREAS—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, not to diminish the interest in the minister this afternoon, but while he is explaining some of the reasons behind this move, would he direct his attention to explaining to this House the apparent paradox of the government moving in areas favourable in respect of income tax to the manufacturing and processing industries and now increasing interest rates which will apparently affect certain areas of this country and small business in particular?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if the hon. gentleman would be good enough to take into consideration the combined effect of the manufacturing incentive he cited and the policies of my colleague the Minister of Regional Economic Expansion, he will see the combined effect is to render more competitive industries in the Atlantic provinces and western Canada. Indeed, those rates now, combined with the incentives the province wants to undertake, have made possible a potential petrochemical industry in Alberta.

* * *

THE CANADIAN ECONOMY

INCREASE IN CORPORATE PROFITS AND DECREASE IN LABOUR'S SHARE OF NATIONAL INCOME—GOVERNMENT ACTION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Prime Minister I, too, would like to direct a question to the Minister of Finance. Is the minister aware that corporate profits after tax in the past three years have jumped 5.3 points to 12 per cent of national income, while labour's share of national income in the same period has declined 5 points to 70 per cent. If this is so, is it part of the government's anti-inflationary program to allow labour's share of national income to drop 6 per cent in three years while corporate after-tax profits have jumped 79 per cent in the same period?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I can give the hon. gentleman figures to show that over a decade the reverse is true, but I want to say to him that corporate profits in 1973 in this country amounted to $14.5 billion and that in 1974 the intention of reinvesting by business in this country is $18.5 billion; in other words, $4 billion more is being reinvested in this country than business achieved by profits in 1973 and that will mean a larger industrial base, more jobs and more income for the working man and woman in this country.

Mr. Speaker: The Chair will recognize the hon. member for York-Simcoe for a supplementary, followed by the hon. member for Winnipeg North Centre.

COMPARISON OF PROFIT POSITION OF UNITED STATES AND CANADIAN CORPORATIONS—SUGGESTED DISCONTINUANCE OF TAX CONCESSIONS TO CANADIAN CORPORATIONS

Mr. Sinclair Stevens (York-Simcoe): Thank you, Mr. Speaker. This question again is directed to the Minister of Finance. I would mention that if the minister checks the Bank of Canada figures for the period to which he refers he will find he is quite incorrect. With corporate after-tax profits now running at 12 per cent of total Canadian income compared to 6.6 per cent for corporations in the U.S.A., does the minister still believe it is necessary to continue his liberal tax concessions to Canadian corporations bearing in mind such Canadian corporations now earn more after tax than American companies earn before tax in relation to national incomes?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not think it is an accident either that the Canadian economy is in a stronger economic cycle than the American economy. I put the question to him: What does he want; Canadian jobs or American jobs?

Some hon. Members: Hear, hear!

* * *

AGRICULTURE

FLUID MILK—SUGGESTED INCREASE IN SUBSIDY TO AID LOW INCOME GROUP

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Agriculture, whom we are pleased to welcome back from the other place. In view of the fact that during the past 12 months Canadian consumers have had to absorb an increase of 18.6 per cent in the cost of food, and in view of a further announcement of an increase in the price of milk in Ontario and certain other parts of Canada, will the minister consider increasing the subsidy to the producers of milk so that medium and low income people will not have to pay the additional cost the minister feels the producers need?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all may I make clear that the only thing I was doing in the other place was protecting the interests of members in this place. To answer the hon. member's question, the agreements we signed with the producers contained an escape clause which permits them, if they can show their input profit-cost ratio has gone up, to apply for an increase in the price of milk. Also, as I am sure the hon. member is aware, the government, through parliament, has passed laws which benefit those on low incomes, those on pensions, the disabled, the veterans and those on family allowances.

● (1450)

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Winnipeg North Centre on a supplementary and then the hon. member for St. John's East on a supplementary.

Mr. Knowles (Winnipeg North Centre): May I ask the minister if he will answer my first question: will the minister consider helping to keep down the cost to consumers by increasing the milk subsidy to producers?

Mr. Whelan: Mr. Speaker, we have just increased the milk subsidy to those producers to whom we have responsibility, namely, industrial milk producers. The ones about whom the hon. member is talking are under provincial jurisdiction.

Some hon. Members: Oh, oh!

FLUID MILK—POSSIBLE STEPS TO AVOID INCREASES IN PRODUCTION COSTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the minister, by way of a supplementary question, what steps the government is prepared to take to keep milk production costs down, especially in the light of the statement of the president of the Borden milk company that we can expect another increase in the price of milk within three months?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the hon. gentleman would take note of the items to which the president of the Borden milk company referred, he would realize that the reference was to extra cost for plastics, paper containers, etc. that are used in the industry. The Department of Agriculture does not have very much to do with that.

* * *

SOCIAL SECURITY

IMPACT OF INCREASED MILK PRICES ON FAMILIES ON CANADA ASSISTANCE PLAN—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): I have a supplementary question for the Minister of National Health and Welfare. In view of the fact that there have been two or three increases in the price of milk since the subsidy program was announced last August, may I ask the minister whether he has satisfied himself regarding the impact of these increases in the price of milk on lower income families in this country, and especially on those families that depend on benefits under the Canada Assistance Plan.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all the hon. member knows that such increases are decided by provincial marketing boards. They are the ones who make the decision in this respect. Second, I have indeed looked at this matter and I can confirm to the hon. member that all price increases are making it more difficult for all families. So far as the Canada Assistance Plan is concerned, we are ready to share with the provinces whatever increases in contributions they are willing to make to families on welfare. We have encouraged the provinces to do so and several provinces have taken advantage of this encouragement of the federal government. So we are taking our responsibilities in this regard very well.

[Mr. Whelan.]

Mr. Speaker: The Chair will recognize the hon. member for St. John's East on a supplementary, and then we should try to limit supplementaries to some extent as we get closer to the end of the question period. After the hon. member for St. John's East, I will see the hon. member for Portneuf.

* * *

HEALTH

SUGGESTED FEDERAL GOVERNMENT PARTICIPATION IN PROGRAM TO PROVIDE SCHOOL CHILDREN WITH MILK—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): By way of a supplementary question may I ask the minister whether, in line with his responsibility as Minister of National Health and Welfare, he is prepared to enter into a program with the provinces, in compliance with the recommendation made to this House by the Food Prices Committee last session, to make milk available through a school program to ensure that children of Canadians on low incomes will not suffer from diet deficiencies as a consequence of inflation.

Hon. Marc Lalonde (Minister of National Health and Welfare): This matter was discussed before the parliamentary committee and various views were expressed on the subject at that time.

* * *

[*Translation*]

SPORTS

REASON FOR GOVERNMENT INTERFERENCE IN FOOTBALL LEAGUE AND NOT HOCKEY

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

In a letter to a person in charge of an amateur hockey league, he once stated that the federal government had no jurisdiction over the organization and administration of any sport in particular.

Does the fact that millionaires have invested their money in professional football explain his decision to interfere in football through Bill C-22?

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. Godin: Mr. Speaker, I would like to ask a supplementary question.

Could the minister say what were his reasons for not intervening for young amateur hockey players at grips with the monopoly enjoyed by the Ontario Amateur Hockey Association?

Mr. Lalonde: Contrary to what the hon. member is insinuating, I discussed the matter on various occasions with those in charge of the Amateur Hockey Association.

* * *

[*English*]

CONSUMER AFFAIRS

ALLEGED LIMITATION ON RIGHT OF CANADIAN CONSUMER COUNCIL TO INFORM PUBLIC—REASON FOR FAILURE TO RE-APPOINT MR. BUCHWALD

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs, and of course in the absence of the Prime Minister, I would like to direct my question to the Acting Prime Minister. Could he say why the Minister of Consumer and Corporate Affairs, when he finally revived the Canadian Consumer Council, limited its right to tell the Canadian public what it found, and will the Acting Prime Minister say whether it was disagreement about this secrecy or about some other matter which led the government not to invite the former chairman, Mr. Harold Buchwald, to accept re-appointment?

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, for the hon. member's information, his premises are altogether wrong. The council just appointed will have a more important budget than the preceding one. I would be able to make public all its researches and all its members will be able to make all the public statements they want, except to divulge the council's proceedings.

[*English*]

Mr. Speaker: The hon. member for St. John's East rises on a point of order. I will see the hon. member for Rocky Mountain on a supplementary following that.

Mr. McGrath: Since this House met last Thursday for the question period, the Minister of Consumer and Corporate Affairs issued a major statement outside the House. I think the record should note the fact that, having made that statement, the minister was not prepared to come to the House today and answer questions from members.

Mr. Speaker: The Chair will see the hon. member for Rocky Mountain on a supplementary, to be followed by the right hon. member for Prince Albert.

[*Later:*]

Mr. Clark (Rocky Mountain): Mr. Speaker, I should like to direct my supplementary question to the parliamentary secretary who questions my premise. I ask him if it is the policy of the government that the new Consumer Council will have the right, as a council, to make public its findings, and will he also advise, in answer to my original question, whether it was disagreement about this matter of secrecy or disagreement about some other matter that caused the government not to invite the former chairman to accept re-appointment?

Mr. De Bané: Mr. Speaker, I can assure the hon. member that all members of that council will be able to express their views in public on departmental programs and policies, as well as on other matters of concern to consumers, provided reference is not made to confidential documents of the department. They will be able to make any declaration and publish any research they will be doing as members of the council.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Rocky Mountain rises on a point of order.

Mr. Clark (Rocky Mountain): I am sure the parliamentary secretary acted inadvertently when he answered a question which I did not ask. I did not ask what they should do in their individual capacity as council members but in their capacity as members of the council as a whole.

[*Translation*]

Mr. De Bané: Mr. Speaker, the hon. minister is going to meet the members of this new council within a few days, in early May. I want to assure him that they will have full discretion to co-operate and express their opinions on all matters likely to interest consumers and that they will enjoy every freedom except of course to refer to the department's confidential documents.

* * *

[*English*]

EXTERNAL AFFAIRS

ALLEGED REFUSAL OF PERMISSION TO VISIT CANADIAN CONTINGENT OF UNITED NATIONS MIDDLE EAST PEACEKEEPING FORCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It has to do with our Canadian force in the Middle East. I should like to ask him, to begin with, whether or not any agreements or arrangements have been entered into with the United Nations or with the commander of that force so that he is in a way subject to the views or ideas of the government of Canada, supplying, as this country does, so large a share of the force in that area.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, Canada is participating in the UNEF on the request of the Secretary General. Of course, while our troops are there, they are under the command of the United Nations commander. However, as the hon. gentleman knows, they are not doing patrolling or any of this kind of work; they are doing the much more difficult and demanding work of providing the logistics component as they did in the previous force.

● (1500)

Mr. Diefenbaker: Mr. Speaker, the reason I asked the question was that I was informed this morning that the commanding officer will not permit a visit to Canadian troops there, even by the Minister of National Defence. I would ask the Acting Prime Minister to protest this because in the past, Privy Councillors have been permitted to visit Canadian troops in the United Nations forces.

Mr. Sharp: Mr. Speaker, I doubt the premise of this question but I shall make inquiries. I know I would have no difficulty in visiting troops upon request, and I am sure none of my colleagues would have any difficulty either.

Mr. Diefenbaker: Mr. Speaker, I would not want to place myself on as high a level as the Secretary of State for External Affairs, but this morning a request was made by my office for a visit on my part to Canadian forces, not in areas in Egypt but in Israel, and the reply was that under no circumstances would anyone from Canada be allowed to visit the forces. Indeed, it was added that this included the Minister of National Defence. As the minister apparently agrees that there should be no such denial, will he immediately get in touch with the forces, because I should like to visit those who serve my country, as in the past I have had that privilege.

Mr. Sharp: Mr. Speaker, I am sure I speak for all members of the House when I say that I would not want the right hon. gentleman to put himself in a position of danger, and I am sure this can be the only consideration that prevails. If he would like to visit the troops I will see what I can do, but I certainly would not encourage him to go where there is a lot of shooting. We really would like to have him back.

Mr. Diefenbaker: Is that the reason the minister does not go?

* * *

TRANSPORT

STEPS TO OBTAIN RETURN OF BOXCARS FROM UNITED STATES—POSSIBLE INCREASE IN PER DIEM RATE

Mr. Frank Howard (Skeena): Mr. Speaker, my question is for the Minister of Transport. In the continuing saga of the shortage of railway cars, and in the light of information given recently that the shortage of railway cars has detained the movement of lumber causing an increase in the price of housing and other buildings, not mentioning other materials, can the minister tell the House what steps he is taking now to assure return to Canada of Canadian railway cars that are kept in the United States as warehouses thus denying Canada use of them? Can the minister tell the House what steps he has taken to get them back?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, last week I met with the railways and the shippers association in order to see if there were things we could do that we were not doing in order to increase the number of freight cars in Canada. One of the things that was suggested was that we get in touch with the American government to see if they could exercise pressure on the railways to have those cars sent back to Canada. We are going to do this through the Department of External Affairs.

Mr. Howard: A supplementary question. Rather than relying on the diplomacy or the lack of it, whichever it may be, on the part of the Department of External Affairs, does the minister think that it might be more appropriate to raise the per diem rate charged to American railroads so that they do not have the gift of Canadian boxcars for $7 a day, to use them as warehouses? Would that not be a more direct way?

Mr. Marchand (Langelier): Mr. Speaker, this is another way but the problem is to know what the impact would be on prices in Canadian markets abroad, if you have an idea of this. We would lose customers because of the new price to be paid by customers, there is no doubt about that.

* * *

HOUSING

NEWFOUNDLAND—POSSIBLE EXTENSION OF RESIDENTIAL REHABILITATION PROGRAM TO RURAL AREAS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of State for Urban Affairs in charge of housing. In view of the fact citizens living in substandard homes are finding it difficult to bring them up to standard because of the cost involved, and in view of the increase in the cost of building materials, can the minister indicate what progress is being made in extending the residential rehabilitation program to include those citizens living in rural areas, in light of the policy announced recently?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, we have had consultations with some of the provinces, and with the particular province that the hon. member has in mind. Discussions are going on at the official level as to the application of a rural housing program for Newfoundland.

Mr. Marshall: A supplementary question. Can the minister give a definite date as to when the program can be announced which would be directed to those people who are suffering today?

Mr. Basford: No, I could not, Mr. Speaker.

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AIR TRANSPORT

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—REQUEST FOR REPORT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Transport. In light of the recent inflationary trend and labour unrest in Canada, I understand that the minister may have had some problems to solve in a minor situation that existed in Vancouver and has now spread to other centres with the firefighters who are tying up Department of Transport airports, has the minister anything to report this morning to the House on the situation as it stands? What we can expect in the next few days?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there were negotiations late last week between the Treasury Board and representatives of the alliance. I know that tomorrow the firefighters will be called upon to vote on the proposal or the solution that has been reached

by both parties. I hope that the firefighters are going to accept this proposal.

Mr. Oberle: A supplementary question, Mr. Speaker. Can the minister tell the House when the proposal will be put to the B.C. firefighters and whether the proposal recognizes regional disparities and regional differences?

Mr. Marchand (Langelier): Mr. Speaker, it is a proposal which is a compromise, and it has been negotiated between the alliance and the Treasury Board. I think it is not proper to reveal the terms before the membership has had an opportunity to consider them.

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—POSSIBLE PROPOSAL CONCERNING REGIONAL PAY RATES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is also for the Minister of Transport. At the Public Service Alliance negotiations with the Treasury Board regarding the airport firemen's dispute was there a firm offer of regional rates presented to the bargaining committee and if not, why not?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, a proposal was made on the part of the negotiating team and has been submitted to the workers who are going to vote on it. After that, you will know exactly what it is.

Mr. Paproski: A supplementary—

Mr. Speaker: Order, please. There are some four minutes before the end of the question period, and perhaps it might be a good idea to have supplementaries for four minutes, and then call orders of the day.

Mr. Paproski: Mr. Speaker, my supplementary question is for the Minister of Transport. When did the serious bargaining begin? Was it when Toronto and Montreal firemen went on the sympathy strike or does the west have to be shut down completely before government get off their backsides?

Mr. Marchand (Langelier): Mr. Speaker, we are very lucky that we do not have a general strike in Canada if that is the kind of question in the House.

Some hon. Members: Hear, hear!

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—REASON FOR ALLEGED DILATORY ACTIONS BY TREASURY BOARD

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in the absence of the President of the Treasury Board, my question is addressed to the Acting Prime Minister. In view of the fact that the required two months notice to bargain was given on January 31 this year by the Public Service Alliance, the bargaining agent for the airport firemen and others, and in view of the fact that firefighters did not receive word of the pay offer being made until yesterday, April 14, can the Acting Prime Minister tell the House and the nation why the Treasury Board has been so dilatory in its negotiation procedures with economic consequences of such serious implications for a good many Canadians?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if the hon. gentleman wants to read this morning's papers he will see that the firefighters are not complaining at all about the Treasury Board or the government. They are very satisfied. The problem is elsewhere.

Mr. Speaker: Order, please. The hon. member for Esquimalt-Saanich for a further supplementary and then the hon. member for Vancouver South.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to respect your call not to get into debate, but the firefighters have been complaining. Since they are designated personnel within the meaning of the Public Service Staff Relations Act and hence perform an essential service to the Canadian public, why has the Treasury Board been so indifferent to the public in that it did not—

Mr. Speaker: Order, please. That question is clearly debate. The hon. member for Vancouver South on a supplementary.

● (1510)

STRIKE BY FIREFIGHTERS AT VANCOUVER AIRPORT—CONTINGENCY PLANS OF GOVERNMENT IF NO SETTLEMENT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Minister of Transport. In the unhappy event that this strike is not settled tomorrow as a result of offers being put to these gentlemen, has the government made any contingency plans to put substitute firemen in the airport?

Mr. Speaker: Order, please. I appreciate the importance of the question, but I am sure the hon. member knows it is hypothetical.

* * *

[*Translation*]

AIRPORTS

MOUNT HOPE—DATE OF DECISION ON EXPANSION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I should like to put a question to the Minister of Transport.

Is he now ready to announce the final decision concerning the proposed development by the government of the Hamilton civic airport situated in Mount Hope?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I thank the hon. member for Hamilton-Wentworth for enabling me to speak a bit in French.

As my colleague knows, a study on the Hamilton and Windsor airports is now under way at the request of the parties concerned. As soon as the conclusions of that study are known, I will be in a position to tell the member when a final decision will effectively be taken.

Mr. O'Sullivan: Mr. Speaker, I should like to put a supplementary question to the Minister of Transport.

[*Translation*]

When the decision is announced, will it be that of the minister himself or the implementation of recommendations made as a result of the study undertaken by the government?

Mr. Marchand (Langelier): I believe, Mr. Speaker, it will be a government decision, since the airport is under the Department of Transport.

* * *

ENERGY

PROPOSAL TO INVITE BRITISH COMMITTEE TO STUDY CANADIAN NUCLEAR REACTORS—GOVERNMENT POSITION

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

[*English*]

In view of the renewed interest of the U.K. government in Canadian nuclear reactor technology, and in view of the imminence of the decision to be taken by the U.K. Labour government with reference to the choice of a thermal reactor for that particular country, would the Minister of Energy, Mines and Resources consider sending an invitation to the members of the subcommittee of the select committee on science and technology studying nuclear reactor technology, so that they can come to Canada and see our technology and be impressed thereby?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, some steps have already been taken toward extending an invitation to the British select committee. We would, of course, welcome the British select committee if they want to come here. We would expect and feel we could be assured of the co-operation of the government of Ontario, so that the committee could have them visit the Pickering plant, the world's largest and most successful nuclear station.

* * *

PUBLISHING

INTENTION OF HOUGHTON-MIFFLIN TO EXPAND INTO CANADA—GOVERNMENT POSITION

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is addressed to the Secretary of State. It is my understanding that the Canadian Book Publishers Council has made representations to the Secretary of State respecting the announced intention of Houghton-Mifflin Incorporated to expand its publishing operations into Canada, and that the Canadian Book Publishers Council has raised some objections to this intended move. Has the minister received these representations and does he intend to take any action on them?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, yes, we have received them, but there has been no decision on any action.

Mr. Rowland: A supplementary question, Mr. Speaker. In line with the minister's statement to the Canadian Book Publishers Council in January that it was his intention to adopt policies which would ensure that a substantial portion of the Canadian book publishing industry remains in Canadian hands, can he indicate to the House what he considers to be a substantial portion and whether this move by Houghton-Mifflin will affect this definition?

Mr. Faulkner: Mr. Speaker, that tends to be a little subjective and difficult to answer directly. The thrust of my remarks in that speech was to emphasize that the support we are giving to the Canadian publishing industry, which is support for Canadian-owned publishers, is the one measure we have devised to ensure that ownership remains in Canada.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Winnipeg South Centre and then call orders of the day.

* * *

AIR TRANSPORT

POSSIBLE STRIKE OF AIR TRAFFIC CONTROLLERS—GOVERNMENT ACTION TO PREVENT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. In light of reports that air traffic controllers may strike on April 17, what specific action is the minister taking to prevent this from happening?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, a vote is taking place right now among the air controllers on proposals made by treasury board. I think the results of the vote will be known on the seventeenth. Only after that will we know exactly what kind of decision the controllers are going to take.

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

Mr. Speaker: Order, please. We have reached the end of the question period. Perhaps the hon. member for Hamilton West might be permitted to ask one supplementary question, after which we should call orders of the day.

Mr. Alexander: Mr. Speaker, it is a somewhat related question, in that we are dealing with strikes.

Mr. Speaker: Order, please. In fairness to other hon. members who also perhaps have related questions, I do not think the hon. member should ask his question. If the hon. member had wished to ask a supplementary, I would have recognized him. The hon. member for Central Nova indicated that he has an honest supplementary question. He will be recognized for that purpose.

Mr. Alexander: Mr. Speaker, on a point of order, I heard you use the word "honest" in connection with the hon. member's supplementary. I think, as we are dealing with strikes in a particular area, questions related to the whole area of strikes would be in order. I hope that on this day, when we have extended such great praise to the Speaker, with which I certainly go along, that you will allow me to ask a question with regard to what is happening to our postal service, which affects the consumer.

Mr. Prud'homme: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. We are getting into difficulty. The hon. member sees what difficulty we get into when members take advantage of the Chair's anxiety to co-operate with hon. members by trying to squeeze in one or two quick supplementaries after the question period has expired. Hon. members will appreciate that the question period expired at 14 minutes after three o'clock. I really think that at this point we should not have either supplementary or related questions if we cannot agree. The parliamentary secretary rises on a question of privilege.

Mr. Prud'homme: Mr. Speaker, I rise on a question of privilege. If the hon. member is allowed to ask a supplementary question on strikes, I should be allowed to ask a question. I understand your difficulty, Mr. Speaker, but I have been getting up ever since the question period started. I accept the fact that others have been recognized before me and I do not quarrel with that. Let me say this however. I have a very important question, as a member from Montreal Island, that has to do with strikes. But I am not going to ask my question—

Mr. Alexander: Why not?

Mr. Prud'homme: Because I have not been recognized yet. But, if Your Honour recognizes the hon. member on a supplementary question that has to do with strikes then, surely, in all fairness—and I know we have all celebrated your great fairness, Sir, and I rejoice in that—you should give me the chance also to direct a supplementary question to the Postmaster General on a very important matter.

Mr. Speaker: Order, please. I think fairness and wisdom dictate that at this point I should call orders of the day.

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACT

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

Hon. John N. Turner (Minister of Finance) moved that Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the third time and do pass.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this bill has been extensively covered in this House both on second reading and in committee, but I make no apology for speaking on it again today because an event arose today which has to do with the bank rate. I referred to it during the oral question period. This points out in a very clear way the sort of band-aid program the government has in mind, if it has any in mind, to deal with inflation.

We have gone from one step to another on a purely ad hoc basis.

● (1520)

The minister now says, and the Prime Minister (Mr. Trudeau) finally agrees, that inflation and its inflation psychology is the most serious economic problem facing Canada today. The government reminds me of a doctor who, having been asked to correct a bleeding aorta or another major organ in a man's system which causes blood to come to the surface in large amounts, simply applies a band-aid. When the blood comes out further, he puts on another band-aid. He will either run out of body on which to put band-aids or he will run out of band-aids.

Instead of carrying out the deep surgery that is required on the present economic crisis in this country, the government simply throws up its hands and in excuse says, "Look at all the inflation in other countries of the world." Quoting the *Wall Street Journal* the other day, the Prime Minister boasted that Canada's economy was much better than any other.

Mr. Turner (Ottawa-Carleton): Have you read the article? You ought to read the whole thing.

Mr. Lambert (Edmonton West): That reminds me—and I have used this simile before—of the chap who said, "My, isn't that a great telephone pole you have sticking in your eye." The reason he has difficulty establishing any relationship between himself and anybody else is that he has two fence-posts in his own eyes, yet the man with the telephone pole is supposedly worse off.

It is no comfort to Canadian businessmen, farmers and fishermen who are supposedly to benefit under the act and these amendments that inflation keeps galloping and galloping. It is almost like a terminal cancer growing without control by the government. The minister cannot assert that he is imposing any controls on the growth of inflation on Canada today: the facts are dead against him on that point.

We will see just what is the effect of this change. I want to relate it particularly to this act. I first want to establish something in the mind of the minister, if I can get his attention for a moment. I want to make this point in deadly seriousness for the minister, his advisers and speechwriters. When a question is asked from this side, as I asked this afternoon, that is not to indicate that it is admitted policy or asserted to be policy from our position. The minister has more than once totally misrepresented questions directed to him by the Leader of the Opposition (Mr. Stanfield) and by the hon. member for Don Valley (Mr. Gillies), and he may have done the same with some of mine.

I want to say this. If in asking a question we refer to an existing set of facts, or ask the minister to explain government action in light of something else, that does not mean there is inevitably criticism of the first part or necessarily of the second part. We are asking the minister to explain, as I did this afternoon. I want to make that very clear.

Mr. Turner (Ottawa-Carleton): It is not the question. It is the preamble.

Mr. Lambert (Edmonton West): There was no preamble.

Mr. Turner (Ottawa-Carleton): I am not talking about this afternoon's question.

Mr. Lambert (Edmonton West): There is no question about other preambles either. We have witnessed a beautiful job of taking things out of context, particularly during the question period when one is attempting to elicit information. However, let us look at this in today's context in relation to the bill before us. The minister and the government have the corporate tax cuts as a measure to stimulate employment in Canada and especially to counteract DISC. That was the primary purpose. Certain tax cuts were advocated and put into place for corporations engaged in manufacturing and processing. That is point number one.

Point number two is that the principal beneficiaries are located in central Canada, primarily in Ontario. It is a fact that qualifying manufacturing industries are concentrated in Ontario. The proportion of economic activity tied to manufacturing and processing is highest in Ontario, and to a somewhat lesser degree in Quebec, certainly along the St. Lawrence region and in the city of Montreal, more than in other regions of Canada. According to the minister's survey, these corporations have benefited considerably from this legislation. We will take that as fact number two.

I then come to fact number three. This is where I want the minister to explain the apparent paradox in government policy. On the other hand we have a fiscal measure which is designed to benefit a limited part of the Canadian economy. It is not even across the board or across the country because the effects are not even in all parts of the country. Even in my province of Alberta, where there is a good deal of manufacturing and a wide corporate structure, much of it is related to the oil industry. The oil and natural gas industries are specifically excluded from the minister's fiscal benefits for corporations; therefore Alberta does not benefit from that tax cut to the same extent as may do other provinces.

Let us look at the impact on small business. Even though it may be engaged in manufacturing and processing, it will be much affected by the new bank rate and the new prime interest rate. Let us look primarily at the kinds of small business in those parts of the country where the proportion of the economy of small business of a non-manufacturing and non-processing character, plus farming and fishing, will be hit by this move today. There are certain factors which, taken in isolation, would justify an increase in the bank rate. As a theoretical exercise it would be perfectly fine. But what is the result when one looks at the whole picture?

● (1530)

This afternoon I invited the minister to give us the benefit of the government's views as to the effect of its latest monetary measure. What effect is this increase in the bank rate and the consequent increase in the prime rate likely to produce? Will it be to slow down business activity, and where and to what degree? I put it to the minister that it will, and that the people who will be hit first and hardest are those struggling in the more disadvantaged areas of Canada. In reply to a question this afternoon, the minister indicated that the effect of DREE, the placing of expansion loans in the less economically advanced areas, would be to smooth out some of the rough edges. But with all due respect to the hon. gentleman, he is feeding us a lot of tripe because DREE does not operate that way. DREE itself requires close examination in respect of its economic impact as well as its political impact. In many areas, the only justification I could find for a number of DREE loans is the political IOU's which will be left.

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): That is cynical.

Mr. Lambert (Edmonton West): I am being practical. One has to judge by results. The minister said something about DREE and the Alberta incentives program. Well, the Alberta program was born out of frustration with this government's oil policy. Another factor was the inflexibility of the corporate income tax structure. The Alberta government has undertaken to establish a corporate tax structure with incentives in order to develop more industry. This was not the result of any positive action by the government opposite. And when we consider the program will not be effective until 1977, I cannot understand how the minister could relate it to the increase in the bank rate just announced, and that is what I was talking about.

The minister spoke about the establishment of a petrochemical industry in Alberta. When cabinet ministers make statements like that, we realize how divorced they are from the situation in Alberta. I dare say that outside the area of Sarnia, Ontario, the constituency represented by the hon. member for Edmonton-Strathcona (Mr. Roche) and the one represented by my hon. friend from Pembina (Mr. Hollands), have as high a concentration of petrochemical plants as any region in Canada, if not higher. And there are more going in. This will lead to the establishment of a petrochemical industry, the minister says. Mr. Speaker, all we can hope from the present government is that it does not act in such a way as to hinder the proper development of the petrochemical industry.

A number of hon. members taking part in this debate have spoken about the inadequacy of the ceilings on these loans. I would point out that the loans are not coming from government funds. For example, loans under the Small Businesses Loans Act are made by the chartered banks and so are loans under the Farm Improvement Loans Act. Now the treasury branch of Alberta has been brought in. If I might be allowed to reminisce for a few moments, it occurs to me that somebody by the name of William Aberhart must be turning in his grave.

Mr. Turner (Ottawa-Carleton): He must be smiling.

Mr. Lambert (Edmonton West): I remember that in the years between 1935 and 1940 there was no deadlier enemy of William Aberhart than the Canadian banking system. I recall the criminal libel trials about the bankers' toadies. Now the Alberta treasury branch, established under the aegis of the government he then led, has achieved almost the status of a bank. As time goes on, strange things happen. The only reason for this piecemeal recognition of the Alberta treasury branch and other quasi-banks is that the federal government did not have the backbone to

insist that all instituttions which carry on a banking function are caught by the legislation dealing with deposit insurance.

The sooner a government at the federal level recognizes that we should deal with banking and credit in this country on the basis of totality, the better. As things are, the chartered banks and a few other institutions are the only institutions qualified to lend under the Farm Improvement Loans Act. Yet the chartered banks hold only 37 per cent of the deposits in the country. All the other deposit-receiving institutions carry on banking functions to a greater or lesser degree. The government refuses to recognize this fact by introducing appropriate banking legislation to deal with all institutions which engage in the business of banking. There are many shortcomings in the banking system, but that is a subject for another debate.

I come back to the point I was making. I hope the minister will intervene at this stage of the bill and turn his attention to the paradox which has resulted from the monetary action taken by the Bank of Canada and approved by the government as it affects fiscal measures in other areas. Perhaps he can explain this paradox. If he can, so much the better. I am not trying to make him look like a chump who has failed to do his homework.

● (1540)

Mr. Frank Howard (Skeena): Mr. Speaker, when the bill was being considered on second reading we were debating it, as we were on other occasions when these acts were sought to be amended, on a rather narrow base, namely, the specific application of, say, the Fisheries Improvement Loans Act to fishermen or the application of the Farm Improvement Loans Act to farmers, as the case may be. I think it was demanded of us that we do this because of the very nature of the bills presented. It is difficult to get into a far ranging discussion of banking, banking institutions and interest rates and their effect on the economy, but I think the provisions of the bill are sufficiently broad to permit us to ask ourselves what it is we are trying to do.

I got the impression from the answers the Minister of Finance (Mr. Turner) gave the House today to various questions about the decision of the Bank of Canada to raise the interest rate, the government's policy, and so on, that he was saying he really was not able to deal with the situation, that he was unable to cope, that there was no mechanism by which he could do anything, or very little, to correct the situation. The minister spoke about Eurodollars, other countries seeking to go in for deficit financing as a result of oil prices having gone up, about the way all of these factors throughout the world have injured poor Canada, and that the poor Minister of Finance was helpless in face of these pressures from outside.

On the other hand, I got the impression that the minister was not really interested in trying to do anything about the situation, that he was content to maintain in Canada an arrangement whereby basic decisions concerning fiscal policy are made by the private chartered banks and lending institutions, not by the Bank of Canada even though the Bank of Canada has some authority in law to establish interest rates.

I have listened to advice given me at different times, from the time when Donald Fleming was minister of finance in this House, and he and other ministers of finance gave us the same kind of responses we are now getting when we ask questions about banking and interest rates. The theory usually advanced is that the economy is moving at too fast a pace; therefore it needs to have its pace slowed down. The mechanism for slowing it down is to increase interest rates. The Bank of Canada does this by declaring that the pre-discount rate will be at a certain figure. This is a signal to the private chartered banks and other lending institutions, on a kind of rub-off basis, to raise their interest rates on the theory, so we are told, that if it costs more to borrow money, then those who are contemplating borrowing, either for consumer or business expansion purposes, will think twice. These people will say to themselves, "The interest rate has gone up one-half of one per cent and therefore it will cost me too much money to do what I plan to do and I will not borrow money". The theory is that the economy will then slow down a bit instead of moving ahead at an accelerated rate.

It seems to me that the Bank of Canada has engaged in this practice dating from the historic tight money days of the Liberals in 1955 when Walter Harris was minister of finance.

Mr. Barnett: That was 1956.

Mr. Howard: My colleague from Comox-Alberni (Mr. Barnett) tells me that was in 1956. But from reading about and watching events at the federal level before I entered the federal scene myself, any attempts by the Department of Finance, or the minister of finance, or the government, or the Bank of Canada, to slow down the economy by raising interest rates were defeated at every turn by the chartered banks themselves.

This was because, as a companion piece to the Bank of Canada raising the interest rate in order to slow down a heated economy, the chartered banks would embark upon an advertising program to promote the borrowing of money at the higher interest rate, and they succeeded in getting people to do so. So whatever value there was, in the theoretical sense, in slowing down the economy by raising interest rates, it was negated by the very group they were trying to regulate.

Let me give the House a personal example of what I mean. Recently I walked into the Bank of Montreal just across Wellington Street—though you can walk into any branch of the Bank of Montreal and get the same experience—and saw pretty girls running around with big blue buttons on which is written, "Talk to me". Well, Mr. Speaker, I am just like a lot of others; when I see a pretty girl wearing a button with that inscription, all sorts of visions flash through my mind and I want to talk to her. I asked her, "What do you want me to talk to you about?" She replied, "A ski loan. We will lend you the money to buy skis, to buy ski boots or to pay for your ski lodge fees". I told her I did not ski, so she said, "Then we will lend you money for a car, a house, a fur coat, anything at all". The motive was to promote the lending of money and at a higher interest rate, thus defeating the government's attempts to try to slow down the rate of lending.

There has been a steadily increasing per capita debt in this nation that has been escalating at fantastic rates in recent years and at a steadily increasing rate of interest. An increase in the interest rate of one-quarter or one-half of one per cent has deterred no one, and neither will this one per cent increase in face of the promotional and advertising campaigns embarked upon by the banks to defeat the very intention of the Bank of Canada and the government of Canada.

The result of all this—and this is something that seriously affects small businessmen, farmers and fishermen whom we are discussing in this bill—is that a printing mechanism, a mimeographed system of increasing the money supply, is set up.

Mr. Blenkarn: You'd better believe it.

Mr. Howard: My hon. friend in the Conservative Party says I had better believe it, and I do believe it. It has been in existence for at least 20 years to my knowledge, and it was something that was not debated at all during the historic period from 1958 to 1962. The latest figures on the increase in the money supply that I have end in September of last year, though the latest figures go to the end of the quarter ending in December of last year. However, the increase in the money supply over the past year has been something between $6 billion and $7 billion.

Common sense tells us that if the printing presses are running off more $20 and $10 bills than can possibly be absorbed by the rate of production, those bills already in existence are going to lose value. The more money in existence, the less the purchasing power of each and every dollar. I am sure hon. members recall a situation that occurred in Hong Kong some years ago where people were depicted walking down the street with a wheelbarrow piled high with money in order to buy a packet of cigarettes. Apparently the same situation existed in Germany when they tried to deal with the question of loss of purchasing power by printing more money. This resulted only in destroying that which they were attempting to correct. This is the situation we have in this country. We simply cannot afford this kind of luxury.

● (1550)

I would refer to the responses of the Minister of Finance to questions asked today. I submit that the question period does not give the fluidity necessary for a full examination of this question because it places the minister, as I have said on other occasions, or any minister in the position of having the last word in respect of any question and, therefore, in the position of being able to say whatever he likes, to not say what he does not want to say, or to fob off a question or in response to a question to make some declaration he wishes to get across. That is what the minister did today. He did not attempt to deal with the very serious situation facing us if we permit this type of fiscal activity to continue. The minister said he was concerned about the money supply and would permit it to increase only to the appropriate level, not too much but just enough, with no indication of how much is too much.

The minister had no idea on this point because it is the banks which decide what the money supply will be. That decision is made on the basis of how much money they can

lend at the stroke of a pen, or push off on people who are willing to borrow. It does not matter what the interest rate is, because the bank does not lose. If the bank has to pay out, in some cases, 8½ per cent for term deposits, it gets it back again on the money it lends, plus another 2 per cent or 3 per cent in order to have a profit and to set aside some additional money to lend and increase the fires of inflation even more.

With regard particularly to this bill and the extent it covers the situation we have before us, we do not have anything before us at this time to try to handle the total mess we are in financially. We do not have before us any amendments to the Bank Act for consideration, which might permit us to deal with the major question. We have before us a bill which relates to fishermen, farmers and small businessmen. I do not intend to repeat the speech I made the other day, except to say that it is our responsibility to establish a fixed interest rate if through this bill it is our intention to guarantee loans. The banks and the lending institutions cannot lose in this situation, and we owe it to the people who borrow under this legislation to say to them that they shall be able to do so at a fixed rate of interest.

I think a rate of 6 per cent, while an arbitrary figure, is sufficient. This should be written into the legislation. We should also write into the legislation a provision that a lending institution shall not deny an application for a loan except for good and valid reasons concerning the viability of the person seeking to borrow. It should not be denied on the basis that the interest rate is not high enough and that the lending institution therefore will not earn sufficient profit. Farmers, fishermen and small businessmen particularly are groups which deserve more than any other group in society because they have no leverage. Certainly after the decisions which were made over the weekend, and the discussions in the House today, I am sure there will be support from all corners of the House for the following suggestion. It seems to me we should write into this bill a fixed interest rate and should also write into it a provision that a lending institution cannot deny a loan except on a good and valid business basis.

In order to do this, I think it would be necessary to revert to committee of the whole. The clauses in which I think this could be done are Nos. 2, 7 and 9. If we move forward in this respect, it might be necessary to make companion amendments to other clauses when we reach that stage. In order that we might fix the interest rate to help farmers, fishermen and small businessmen, I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That Bill C-14, an act to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be not now read a third time but that it be referred back to a committee of the whole for the purpose of reconsidering clauses 2, 7 and 9.

Mr. Peter Reilly (Ottawa West): Mr. Speaker, naturally I did not know an amendment would be moved at this stage by the hon. member for Skeena (Mr. Howard). I find myself in the position of talking about it without having had too much opportunity to find out what it is all about. However, I gather from the remarks of the hon. member that principally he would like to establish a fixed rate of interest. I would be hard pressed to find myself in dis-

agreement with that feature of his amendment. My colleagues say, "Go the whole way". All right; we will go along with the amendment in respect of a fixed interest rate.

Mr. Speaker, I have a few points which might lead to improvement of this bill. Principally, the bill sets out four areas in which it would amend existing legislation. First, it would raise the limit of eligibility for loans under the legislation for firms which write from $500,000 worth of business annually up to $1 million worth of business. Second, it would increase the total amount of money that could be outstanding in the name of any borrower at any one time from $25,000 to $50,000. Third, it would make new businesses eligible to borrow money, which is secured by the government. Fourth, it would provide that business improvement loans include the purchase of land in respect of the establishment of a business.

The hon. member for Skeena spoke about the financial mess we are in. He is right; we are in a financial mess. Questions were asked during the question period about the decision of the Bank of Canada to raise the interest rate. If I might boil down the words of the Minister of Finance (Mr. Turner), the answer was that it seemed advisable to do so. But I believe there is a very good reason the Bank of Canada found it desirable to raise the interest rate. It raised the interest rate in order to restrict borrowing. I think one simple reason the Bank of Canada found it necessary to take this step is that in recent weeks there has been an unparallelled rush on the money supply by borrowers.

● (1600)

Within the last couple of weeks there were loans to one or more chartered bank from the Bank of Canada amounting to $60 million which normally would have been repaid within a few days, but within a few days that loan was increased to $65 million and ultimately to over $70 million. This is because there was pressure on the chartered banks by borrowers because the money supply was drying up.

In the month of March, lending by chartered banks rose by double the amount that was lent in January and February. Obviously, the reason for this, when you get right down to root causes, is inflation. People are borrowing money to pay off their existing obligations, and they are not saving any money. In my view they are very wise not to save any money, because in the situation in which we live today the man who saves is a fool; he is going to be defrauded of his savings if he leaves them in the bank for only six months. The evidence is there. Statistics Canada has issued another of its doleful reports telling us that clothing is up, food is up, transportation is up, and every single commodity that is a necessary requisite of a reasonable standard of living is going up. As one financial writer put it, the prices of those commodities are reaching escape velocity. It is that reason that has caused the money supply to become short. People put relentless pressure on the banks for loans. And now we have the additional monetary check—the increase in the interest rates.

Against that background we are being asked to consider a bill to help small businesses, to help farmers and to help fishermen. I should like to confine myself to the section of the bill which amends the Small Businesses Loans Act. I have several criticisms of the manner in which that act has been administered in the past and will go on being administered in the future unless there is a change in the attitude of the government and of the minister responsible.

When we assess the value of the act we must first of all determine the extent of its availability to people who require loans. I think it is particularly germane to mention here, as did my colleagues a few days ago, the performance of chartered banks in the field. I will take as an example the year 1972, when we find that the Bank of Montreal made a grand total of 433 loans under this act; the Bank of Nova Scotia made 134; the Royal Bank, 952; the Toronto-Dominion Bank, 181; the Canadian Imperial Bank of Commerce, 358; the Canadian National Bank, 741; others, including credit unions and near-banks, 47—for a grand total of 2,846 loans.

This scarcely demonstrates an overeagerness on the part of chartered banks to participate in this program. This House has heard from more than one member about the lack of enthusiasm demonstrated by banks to lend money under the provisions of this act and how they will steer a businessman, if they can, into more expensive avenues of borrowing. Without proof of that, it is hard to make accusations, but on the evidence that we have it would seem to me, and I think to any reasonable person, that banks are less than enthusiastic about low interest loans.

We have seen that in 1972 the total number of loans was 2,846. In 1973 it was scarcely better; there was a grand total of 3,076. Between the years 1961 and 1973, the first 12 years of experience after the act was made law in 1961, the average total amount lent during those years was $24,286,000. In 1973, the grand total was $31.6 million—once again a very tiny increase over such a long period of time and one which reflects the lack of enthusiasm on the part of the financial establishments to take part in any program which lends money to people at less than the prime or top interest rate.

I think there is a demonstrable need here to make the provisions of this act more available to those who need loans, and this government should take two approaches. The first is a public relations approach and the second is an in-house approach, so to speak. I think the Minister of Finance should consult the heads of chartered banks and make very plain to them the desirability of encouraging the establishment of new, medium and small businesses and the encouragement and development of existing businesses. This is more likely to be brought about under the provisions of an act such as this one than it is when these entrepreneurs are forced to borrow at higher interest rates.

The second thing the minister and his department should do is to make certain that every Canadian is aware of the existence of these provisions. I think there is scarcely a member of the House who will not at least go part way with me when I say that whatever utopian philosophy each of us may espouse for our children and our grandchildren for the year 2050 or whatever, we are faced by the inescapable fact that today we live in a society which, for want of a better term, I will call a free enterprise economy. It is propelled by private industry and private business, and most of that propulsion comes not

from big business but from medium and small business which, I will point out for the second time in this debate, employs more than 60 per cent of all the people who work in this country. They work for medium and small businesses which employ 100 or less employees.

I suggest that if this country is to move at all, if the economy is to grow and businesses are to expand and create the jobs necessary, then it is that segment of the economy that needs encouragement more than any other at this stage. We have now some 500,000 people unemployed in this country every year. As we know, many thousands more enter the job market and there are no jobs for them. We have been living with this unhappy situation ever since 1969. The hon. member for Skeena spoke about the famous tight money days of the 1950s. I remind him that the latest and most disastrous of all the dangerous economic games that the government can play was embarked upon, not back in the 1950s but in 1969 when the government chose wilfully to go against the advice of all the economists that it paid to advise it on its so-called war against inflation. It chose to ignore advice that if it followed the course it intended to, not only would inflation not be halted but harmful high unemployment would follow.

● (1610)

Of course, the Economic Council of Canada, which was the source of that information, was right. The government chose to go ahead and do what its own in-house people told it to do and the country was plunged into the situation in which we find ourselves today. I suggest that if we are going to get out of that mess, as the hon. member for Skeena calls it, we will only do so by encouraging the entrepreneurs, who provide employment by means of small business, to expand; and they can only expand if they have a ready source of money.

I suggest to the Minister of Finance that he should make all Canadians aware of the fact that money is available not only for existing businesses but for new businesses, because we have to broaden the base. That is a very comprehensive provision in this bill. For the first time, a new business can get off the ground in part by borrowing money guaranteed by the federal government. But that is only if businesses know it is available, and a great many do not know that the present act is there. The responsibility for remedying that lack lies with the Department of Finance. I urge a full-scale public relations campaign to make sure that everybody in this country knows about the act. Every Canadian corresponds with his government at one time or another, and certainly the government is in communication with every manufacturer in this country with relation to income tax, health and welfare schemes and the like. There is no reason why in one of these many mailings full and complete information on this act should not be included.

The segment of the economy which is called medium and small business is important enough now, employing as it does nearly two-thirds of the work force, that it should not have to depend on the good graces of half a dozen different departments and 18 separate laws or programs to deal with its federal government. There are many programs beside this one of which medium and small business could avail itself, but they are not under the one

[Mr. Reilly.]

umbrella. I would suggest to the Prime Minister (Mr. Trudeau), if he thought the country's business was important enough to be here instead of flying off down south—

An hon. Member: That's a cheap shot.

Mr. Reilly: It is nothing of the kind. If it were a cheap shot, it would be only fair play. It is long past the time this segment of the economy ought to have had its own department, its own minister and all these programs under one umbrella.

Mr. Speaker, I think the limit of $50,000 on loans is too low. If I were moving an amendment I would suggest to the minister that the limit be raised to at least $100,000. There is no reason why it should not be. Again, it is the monster of inflation. To a firm that does perhaps three-quarters of a million dollars' worth of business in the course of a year, $50,000 is, to paraphrase a former minister of the Liberal government, nothing more than a drop in the bucket when inflation is making everything ruinously costly. To new businesses and those who wish to expand, $50,000 is not a very significant amount of money.

The cost of industrial land is rising steadily. This act provides, for the first time, that land may be included under the heading of a business improvement loan. Industrial land in metropolitan Toronto now costs almost $100,000 an acre. The time is rapidly approaching when rental accommodation will cost as much as $2 per square foot, according to real estate agents in that city. When you figure rental you have to take the land component as one-third of the cost and that will be up by 50 per cent by the middle of this summer. With land going for $100,000 per acre, I suggest the top limit of $50,000 on this type of loan is not high enough.

The pressure is on for all kinds of money from different sources. Statistics Canada reported a little while ago that a survey of selected lending institutions in this country showed that they had on their books $13.8 billion outstanding to Canadian borrowers at the end of February. Chartered banks general loans went up $370 million in one week alone, the week ending April 3, to a total outstanding on their books of $31.01 billion. In a market like that, I suggest there is an even more palpable need for the medium and small businessman to have a readily available source of money, with a reasonable limit, at a reasonable rate of interest.

The minister said the other day that the volume under this act of the money loaned and the number of loans was increasing steadily and that this showed the good faith of the government and of the banks. The evidence is not, on its face, apparent to me. In 1961, the year in which the act came into effect, there were 2,977 loans, and in 1973 there were 3,076 loans. That is an increase of 99 loans over 13 years. That is really not much of an increase in volume, particularly in an economy which we are told, every time we dare talk about inflation on this side of the House, is booming. I do not believe that is evidence that anybody is terribly enthusiastic about this program or that the government has been pushing it. If anybody bears the responsibility for making this program not only available but known, it is the government which sponsors it.

In summary, Mr. Speaker, I do not have any difficulty in supporting the principles of the bill, but I am in favour of

increasing the limit on borrowing to $100,000 rather than cutting it off at $50,000. As I said, I believe this government should attempt to make those who need the money and would borrow it aware of the fact that it is there. Also, I think there ought to be a fixed rate of interest. I agree with the hon. member for Skeena on that, and I think it ought to be lower than 8½ per cent or 8¼ per cent.

Finally, Mr. Speaker, as I said before, I believe the small businessman deserves a better deal. I received partial agreement on this from the minister when, as reported at page 1395 of *Hansard* for April 11, he said:

I agree that the small businessman has a legitimate grievance in this country. He has seen that big government deals with big labour and big business and he really does not have a segment of the government looking after him.

I just repeat the minister's remarks to him and suggest that the government buttress as strongly as they can the need for a special department to encourage the establishment of new, medium and small industry and to help existing businesses expand, thus helping to create the vast number of jobs that are needed if this country is ever to get out of what the hon. member for Skeena calls, picturesquely but accurately, this financial mess.

● (1620)

Mr. Joe Clark (Rocky Mountain): Mr. Speaker,—

Mr. Blais: Say you like it, and sit down.

Mr. Clark (Rocky Mountain): I think if our function here were simply to tell people we like things and then sit down, we would all be in Barbados today instead of working in the House of Commons.

An hon. Member: Cheap shot.

Mr. Clark (Rocky Mountain): Mr. Speaker, I am surprised at these comments about "cheap shot", with the Minister of Transport sitting here. I suspect that the cost of an aircraft to go down there and to come back would be far from cheap.

The Acting Speaker (Mr. Boulanger): Order, please. Under the rules, the hon. member should speak to the subject before us. I ask him to kindly do so.

Mr. Clark (Rocky Mountain): Mr. Speaker, I simply wanted to reply to some of the "cheap shot" comments coming from across the way.

The legislation which is now at third reading stage really tidies up three existing acts, the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act. Yet it will be a mistake to assume that it is nothing more than tidying-up legislation. Some very useful amendments have been brought in and the legislation has been improved in a very real way. With regard to the amendment moved by the hon. member for Skeena (Mr. Howard), it is my impression, as a freshman member, that the amendment may well be beyond the competence of the House to deal with at this stage. I await with interest the ruling which will be made on the point.

It is clear that some real improvements have been made to the bill now before us. I think we all applaud and approve the increase in the ceiling of loans guaranteed under the three categories dealt with in the bill. Certainly I, coming from the sort of constituency I represent, approve and welcome the proposal to extend farm improvement loans to major repairs and overhauls. That will be significant and important to people who make a contribution by engaging in agriculture in western Alberta. I am sure, as my colleague from Ottawa West (Mr. Reilly) mentioned a few moments ago, that the amendment respecting small businesses under which new businesses will be eligible for loans is a very real improvement. This provision will be of considerable advantage in certain areas of the country like my own where great difficulty heretofore was encountered by people who wanted to launch small businesses.

I think the broader definition of what a small business entails will also be helpful. This is a very much more realistic definition than the one contained in the previous act. Naturally, I welcome the evidence that the minister has been taking the advice of my colleagues from Alberta and has included the treasury branches in the list of institutions which are covered by this legislation.

The point which has been made before, and which can be emphasized, is that the increase in the ceiling from $25,000 to $50,000 is, in effect, an indexing operation given the rate of inflation today. The ceiling has not been doubled, in real terms, under this legislation because our rate of inflation is now reaching the two-figure rate. Because of the lack of interest of the Minister of Finance (Mr. Turner) in containing it, it shows every sign of staying that way. It appears we shall have two-figure inflation for some time to come. Instead of doubling the limits on loans which people may need to take out to pay for services, the minister in this legislation in effect has introduced the concept of indexing to enable people to keep up with increased costs they must pay if they are to continue in the fishing operation, the small business or on the farm.

When this legislation has been in effect for some time it will be interesting to review it to see if it is working and if it is helping younger farmers to get into the business of farming. As my colleague, the hon. member for Swift Current-Maple Creek (Mr. Hamilton) mentioned the other night, there is a clear need in this country for reform under which we can extend loans and assistance to young people on the basis of character, not simply on the basis of collateral.

I think all of us who come from agricultural areas are aware of the very serious problem posed for the future of agriculture by the fact that the average age of farmers in this country is just over 50 years. I can remember not so long ago sitting in the living-room of a constituent of mine in Green Court, Alberta. In that room were 14 people actively engaged in farming, of whom only one was under the age of 40. That is the kind of situation we face across this country. One reason is, of course, that it is most difficult for young farmers without large collateral, without wealthy fathers standing behind them, to get started in agriculture.

I think one of the faults of legislation such as this has been that there has not been much interest shown in becoming involved in investments which might contain an element of risk. The provincial government of Alberta has been acting much more imaginatively in this field and has

been prepared to back certain risk ventures in agriculture involving younger farmers as well as others. I think that will be the only way in which we can overcome this situation, because the consistently high and increasing average age of those who would take advantage of this legislation in Canada entails a situation which contains within it the seeds of self-destruction of the agricultural industry. I hope that after this legislation passes into law we shall have an opportunity of seeing if the changes included in it have encouraged younger people to enter agriculture. Personally, I confess to pessimism on this point; I doubt if we will see that kind of change.

I think most of us hope we can soon pass this legislation into law. It is worth noting that we are here today, and that this legislation has a chance of being discussed and passed into law, only because the House decided to sit this week and not to take a holiday. We are doing our best to get this legislation, which will be of benefit to the farmer, the small businessman and the fisherman, through the House. I think, too, that this bill will be passed more quickly than might have been the case because the House showed the good sense to accept the recommendation of the hon. member for Edmonton West (Mr. Lambert) and consider it in committee of the whole rather than in the standing committee which is already burdened with other responsibilities.

I trust, sir, that the amendment introduced by the NDP will not unduly delay the passage of this legislation through the House after adequate debate. I want to make this point: when the minister was replying to questions the other day and to comments from members on this side, he suggested that the amendments—I think I quote his words correctly—are the result of "a major review of the effectiveness of the programs". I have not had the opportunity to look at the agricultural legislation which was introduced today. I think we will have to see, now that that legislation, or some of it, has finally been introduced, whether there is any relationship between that major review and the effectiveness of programs that cater to small businessmen, farmers and fishermen in this country. It is clear, on the basis of evidence before us, that if there is to be any really major review of the effectiveness of these programs, there will need to be a much more comprehensive range of changes than we see in Bill C-14.

I know that the federal business development bank legislation will be before the House before too long. I know the minister suggested in debate the other day that the relationship between the legislation now before us and the legislation to shear away a portion of the present Industrial Development Bank will be very clear when that matter is before us. The minister perpetually lives in hope. I suppose he now expects us to do the same in relation to the effectiveness and thoroughness of any review that is undertaken of the effect upon people who have to live with this legislation, those whose lives and futures are affected by whatever review he has undertaken.

● (1630)

On the basis of the amendments incorporated in Bill C-14, it is evident there is no major, co-ordinated plan to help the farmers, fishermen and small businessmen of Canada. The point was made before that small and medium businesses in Canada account for 60 per cent of the employment in this country. Despite that fact, they are virtually orphans in terms of policy. As my colleague the hon. member for Ottawa West pointed out a few moments ago, if we are serious about helping small businessmen in particular, we should draw together the various programs, create new programs and bring them together under one heading so that in fact they will have the same degree of attention that this and other governments have given to larger enterprises.

All members who have been active in their constituencies know that one of the most frequent requests is to help some poor businessman sort out the maze of government programs that may be available to him when he seeks to establish or expand. There is no effective help to members of parliament or to small businessmen in this field. At the very least, the government should be considering a program that would pull together in a cohesive fashion all programs that affect small businesses and small businessmen in Canada. It is important to remember that the small operator, the small businessman or woman, is the chief business victim of the current rate of inflation. Corporations have various means of defence; they can pass on the effects of inflation or obtain compensation in other ways. In nine cases out of ten, the small business operator cannot do that.

Small business operators are the victims of excessive government regulation. They spend literally hours each week filling out forms and reports. This makes their lives much more difficult. I draw to the attention of the House that they are hurt in two ways by this requirement. First, they are hurt because it takes time to fill out forms and provide information for the government. Second, they are hurt disproportionately because they cannot afford experts to find the loopholes, the ways around various regulations which affect them, to find out how particular pieces of government legislation might influence or affect their future. They are not simply the victims of inflation, which is evident, but also the victims of a growing and active government. If we have to resign ourselves to this growth in government we must give conscience to the category of business people, the 60 per cent of employers in Canada, who suffer most particularly from the effects of a large and growing state.

I do not have the figures at hand; as a private member I do not have the competence to gather them. However, given the fact that 60 per cent of the employment in Canada comes from smaller operators, it would be interesting to compare the level of government assistance to this group as against the level of government assistance to the 40 per cent employers represented by the large businesses and corporations of this country. Any such assessment to see whether small operators are being prejudiced should take into account the much greater capacity of large and established corporations, particularly the subsidiaries of multinational corporations, to make use of programs and expertise which exist in order to find their way around regulations which might restrain smaller operators, or to find their way through loopholes that inevitably exist in law.

There is one particular matter which concerns me substantially. When the minister spoke the other night he said he was not prepared to take measures insofar as the effect

on small businessmen is concerned to ensure that this loan program is working. He made a simply incredible reply to the hon. member for Carleton-Charlotte (Mr. McCain). The hon. member made the point that there is a very real danger of banks refusing to recommend loans under this program to small businessmen, farmers or fishermen who might become borrowers from the bank at higher rates of interest. The minister was full of indignation, but not full of help: he suggested that the obvious recourse for people so affected would be to tell their member of parliament. The minister is nodding his head in agreement. That is the extent of his policy. That is the extent of his commitment to ensure that this program is not abused by bankers across the country. In light of that answer, it is well to ask ourselves what other legislation is monitored so weakly in Canada that ministers wait for complaints to come from individual members of parliament to see if the program is working. Not very many.

Most members of parliament do what they can to keep in touch with their constituents, particularly those who might have problems with government agencies. Even the hardest working private member of parliament would have a very slight chance of learning of every instance of businessmen encountering this kind of treatment from their banks. For one thing, some businessmen just will not go to their member of parliament, regardless of his party, with information about their private dealings with their banks. This is a very serious weakness in the program that was drawn to the attention of the minister by the hon. member for Carleton-Charlotte. The minister did not give a serious reply. I hope he will reconsider simply relying on the chance that members of parliament will have these matters brought to their attention so they can transmit them to the minister for some kind of corrective action.

One reason I am particularly concerned about the bill before us is that legislation to effect the capacity of farmers, fishermen and small businessmen to obtain loans has special force on a number of Canadians who reside outside our cities. Of course, there are a number of small business operators, men and women, who make their contribution to the growth of the Canadian economy within the cities of Canada. However, it is obvious that this type of provision for loans to farmers and fishermen principally affects the economic vitality of the smaller communities of Canada. Perhaps it needs restating that when assistance is given to a farmer or fisherman to help mount an effective operation, that assistance in effect helps to generate economic activity in the whole of the region where the individual lives.

While there are small business operations aplenty in the cities of Canada, the fact remains that small business is the only business which comes to our smaller communities. This is in part because of an outdated attitude toward the location of industry, an attitude which is equally at fault whether held by members of the government or senior officials of the public service or when held by large companies.

● (1640)

It is a fact of life that when large or medium sized concerns are considering location options, they settle time after time for the large cities. By and large, it is only small businesses which go to the rural areas. Therefore, legislation of the kind before us is particularly important to Canadians who live outside the major cities. I have spoken in this House on other occasions about my feeling that government legislation is weighted, inadvertently perhaps, against the rural areas—that by placing artificial obstacles in the path it decreases the capacity of those areas to grow.

This government, in particular, appears to believe devoutly in the future which its statistics project, that is, a future in which by far the majority of Canadians will be living in a few of our largest urban centres. The fact that the government believes its own statistics means that unconsciously it follows policies in line with such a prediction. I believe such a future is not inevitable for us, but as long as the government accepts this projection as inevitable rural Canada is in danger. Unconscious discrimination against rural Canada has been evident in a number of the measures brought forward since I first came to this House. For example, the new housing legislation was designed to help larger areas; it did not help smaller areas very much.

The sympathies of the government are evident from the attitude taken toward rail abandonment. They are evident also, in the determination shown by ministers to locate penal and other institutions only in the large centres and to ignore the possibility of extending institutional support facilities to some of the smaller places in Canada. They are evident in such small things as failure to inform rural communities of deadlines and guidelines governing LIP applications, assuming that people who live in these communities can learn about such things by reading the metropolitan newspapers or listening to news broadcasts by metropolitan stations. I do not suggest there is any kind of conspiracy against smaller communities. As I say, it derives from the assumption that the future lies inevitably with the metropolitan areas, while failing to acknowledge any capacity to develop a Canadian identity along different lines by encouraging men and women to start business operations in parts of Canada outside the major centres.

We see evidence of the same approach in the legislation before us. It would be impossible to argue that any particular clause in Bill C-14 is directly prejudicial to rural Canada. Nevertheless, the measure fails to recognize that rural areas rely to a far greater extent than urban areas upon small business enterprises. It fails to recognize that time and time again, in the circumstances of today, small business is the only business which locates in these smaller places, giving them an opportunity to contribute to a balanced Canadian identity and a balanced economy.

The concern which should be foremost in the minister's mind during the few weeks in which he is able to hang on to office should be to devise a system which would encourage people to establish businesses in small communities and invest in small enterprises which, at this point, are the only enterprises ready to set themselves up outside the major cities.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I intend to take part only briefly in the proceedings on third reading of Bill C-14. It is not my intention to cover all the points which previous speakers have raised. One of the principal changes in the legislation we are considering

involves the increase in the limit for guaranteed loans under the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act from $25,000 to $50,000. This is certainly an improvement. It is an umpleasant fact that as a result of inflation over the past few years, not very much can be done with the present maximum of $25,000. Even the proposed new maximum is not very satisfactory under present inflationary conditions. One speaker this afternoon thought the maximum amount should be increased to $100,000 and I would certainly endorse such a suggestion.

One important feature has been omitted from the legislation. It has to do with the fixing of the interest rate. The amendment moved by my hon. friend from Skeena (Mr. Howard) would have the effect of sending the bill back to committee of the whole for further study with a view to incorporating into the legislation a change in that respect. One of the most beneficial moves would be to amend the legislation so as to ensure that these loans would be available at a maximum interest rate of 6 per cent. The cost of borrowed capital is one of the heaviest charges which must be borne by any small business. It seems to me that to fix the maximum interest rate at 6 per cent would be a major factor in helping small business ventures to establish themselves or to upgrade their operations. After all, this is the over-all objective of the legislation.

I know of many small business ventures whose owners have worked year after year for almost no reward, principally because of the burden imposed by a high rate of interest on their capital loans. Many proved unsuccessful, and one of the main reasons was the excessively high interest rate charged on loan capital. The same situation is encountered in the farming and fishing industries. In my view, protection against inflationary interest rates ought to be incorporated in this legislation and I urge the House to take action accordingly. I intend to support the amendment and I trust it will be accepted by the minister. In closing, generally I would say this legislation is an improvement over the legislation now on the statute books. It is my intention to support it, and I hope it will be the will of the House to strengthen it along the lines of the amendment.

● (1650)

Mr. Don Blenkarn (Mississauga): Mr. Speaker, earlier I had not intended to speak on this bill, but I am prompted to do so in view of the inordinate increase in the re-discount rate announced over the weekend by the Bank of Canada. This change in the bank rate clearly indicates new government policy. It clearly indicates that the government has unveiled its contingency plan to deal with inflation, and the contingency plan is the same plan used with gusto in 1968, 1969 and 1970 in the famous war on inflation. This is the contingency plan which attacks the business community with a meat-axe, increasing interest rates across the board, raising them higher and higher to tighten money supply, without regard for who is hurt.

When the Minister of Finance (Mr. Turner) was asked today what would likely be the interest rate charged fishermen, small businessmen and farmers, he said it would have to be an interest rate high enough to attract money. Clearly the Minister of Finance has unveiled his contingency plan, the plan we have asked about for over a year. This contingency plan is Liberal tight money—Turner tight money, if you like. It is the kind of plan we are likely to see when the Minister of Finance produces his budget a month from now or maybe longer. This is why I rise today, Mr. Speaker. The problem that small businessmen, fishermen and farmers face when money gets tight is that they are cut right off because they do not have enough influence with the banks to swing a loan. You can have all the guaranteed plans that you want, but they will not get a loan.

The hon. member for Kootenay West (Mr. Harding) suggested 6 per cent loans for these people. The minister himself indicated today that interest rates will have to be high enough to attract funds. What does this mean, Mr. Speaker? It means, for the small businessman who is trying to become established, a loan under the terms of the act at 9 per cent, 10 per cent or 11 per cent. When members of the New Democratic Party talk about 6 per cent mortgage loans for housing and for small businessmen, fishermen and farmers, they are talking through their hats, because the government does not care about these people. They will let interest rates rise in order to tighten the money supply, because that is their method of controlling inflation. They tried it before, and with some success. They put a lot of people out of work but the inflation rate was lessened. I suggest this is a pretty serious meat-axe method, but it looks as though this is the contingency plan with which the country is faced.

This bill is, in a sense, an indexing bill. I am going to speak today mainly about the Small Businesses Loans Act. The original act provided for a $25,000 maximum loan for small business: this is being increased 100 per cent, to $50,000. In 1961 a dollar would probably have bought twice as much as today's dollar, so all the government has done is increase the limit of the loan. The existing act fixes gross revenues at $500,000; this bill fixes them at $1 million, double the previous amount. In other words, it is doubling legislation, indexing legislation. The bill is trying to make small businessmen, small fishermen and small farmers think they are getting something when they are not really getting anything at all.

Under the Small Businesses Loans Act there were some 2,800 loans made in 1972 in all of Canada. The minister says with pride that over 3,000 loans were made in 1973 in all of Canada, roughly 600 of which were in the province of Ontario. With the number of branch banks, savings offices and credit unions in Canada today, this amounts to much less than one loan per office. The government has not promoted this legislation at all but has placed it on the shelf. It says it is doing something for small businessmen, farmers and fishermen, but the truth of the matter is it has no intention of doing anything. The government will never tell anybody about the legislation and the government will make sure the banks never tell anybody either.

The fact that only some 2,800 loans were made in 1972 is a pretty good indication that the act has not been used to help small businessmen. No real effort has been made by the government to help small business. The provisions of the act are purely cosmetic. The government will say on the election brochures which it will be issuing in a week or so that it has done something to assist small businessmen, and their speakers will stand on platforms and say

what great guys they are. But let the people read today's *Hansard* and learn there was less than one loan per bank.

Mr. Marshall: Only two in Newfoundland.

Mr. Blenkarn: Two in Newfoundland, my colleague from Humber-St. George's-St. Barbe (Mr. Marshall) says. That is the kind of help small businessmen get from this government.

If we are going to have a tight money policy in the country, which is clearly the contingency plan of this government to fight inflation, then the provisions of this bill must be changed or the Minister of Finance must issue a new statement of policy that will allocate credit. This business of tightening up the money supply so that all the little guys get hurt is no way to manage an economy. If there is too much credit buying in this country and we must cut down on the amount, then surely to goodness it is the obligation of the government to crack down on speculative real estate, to cut down on some of its own waste and expenditure, and to make sure that the small businessmen, fishermen and farmers have sufficient cash to get along with, which means that the government must introduce an allocation system. This is what the minister should be proposing today.

I see it is five o'clock, Mr. Speaker. May I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Champlain (Mr. Matte)—National Revenue—Report that certain Quebec oil companies did not pay federal income tax last year; the hon. member for Mississauga (Mr. Blenkarn)—Consumer Affairs—Advertisements for sale of houses in Toronto area—Contracts whereby builder can change price and mortgage terms.

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

• (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

REQUEST FOR LEGISLATION TO ENSURE ADEQUATE SERVICE BETWEEN NEWFOUNDLAND AND MAINLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

That, in the opinion of this House, the government should consider the advisability of introducing legislation implementing its constitutional responsibility, guarantee and obligation to ensure continuous and uninterrupted transportation service for persons, goods and vehicles to and from Newfoundland and the mainland of Canada.

He said: Mr. Speaker, I am glad to see that my notice of motion is so important that the Minister of Transport (Mr. Marchand) felt it necessary he appear here in person. Perhaps it is because he does not think his parliamentary secretary can give me the proper reply.

Mr. Speaker, my private member's notice of motion is similar to one introduced last week by my colleague, the hon. member for St. John's West (Mr. Carter). Under the terms of union between Newfoundland and Canada a guarantee was given to the province as follows:

Canada will maintain, in accordance with traffic, offering a freight and passenger steamship service between North Sydney and Port-aux-Basques which, on completion of a motor highway between Corner Brook and Port-aux-Basques, will include suitable provision for the carriage of motor vehicles.

For the purpose of railway rate regulation, the island of Newfoundland will be included in the maritime region of Canada, and through traffic moving between North Sydney and Port-aux-Basques will be treated as all-rail traffic. All legislation of the Parliament of Canada providing the special rates on traffic moving within, into, or out of, the maritime region will, as far as appropriate, be made applicable to the islands of Newfoundland.

These terms were signed 25 years ago, and in those 25 years the progress made has been insignificant because we are not much farther ahead today than we were a quarter of a century ago.

Because of a lack of projected planning concerning transportation needs, we have had a series of emergency situations which arise each year due to the lack of foresight.

I am sure that when the member for St. Boniface (Mr. Guay) replies, he will list all the great things the Ministry of Transport has done over the years. He will mention the new ferry that is being built at a cost of many millions of dollars. He will talk about the transportation studies, but he will not convince me that the progress over the 25 years since confederation has resulted in anything but an inefficient transportation policy, that even his minister admits has prevailed over the years.

The government is still blind to the fact that the economic development of Newfoundland will never be achieved unless transportation is treated in a manner which recognizes the geographic isolation of the island. This focuses attention on the need for improvement in port facilities, the lack of which presently deters the industrial expansion which could take place because of the richness of the province's natural resources.

Newfoundland Ferry Service

The western part of the province which I represent possesses unlimited natural harbour potential at Corner Brook, which is the hub for transportation of goods and services to the great northern peninsula and Labrador, and is in a direct communication link with Montreal from which the bulk of goods are shipped. It has been a most frustrating experience to get the government to allocate enough funds to provide reasonable harbour facilities.

In 1969, after many years of begging and cajoling, the government finally provided improved port facilities, but to emphasize the lack of planning, by the time it was completed, because of the steady build up of traffic it could not meet the needs for which it was designed. Now, finally, the government has agreed, after more begging, to increase shed space, and reluctantly has included some $200,000 to make a start on additional storage space. Hopefully in future years, as the need requires, another $800,000 may be provided.

The western part of my province has a development potential which should be looked at with the highest priority.

Consistent with the development of the port of Corner Brook is the need to look seriously at the continual expansion of that whole area, along with the adjacent Curling waterfront, where private initiative has supported the development of the fishery. This, tied together with the infrastructure support for the vast pulp and paper industry, warrants a determined consideration by the Ministry of Transport to coordinate with the province a transportation base which is vital to development of that part of the province. In addition the establishment of a linerboard mill just 50 miles from Corner Brook emphasizes the need to treat with the highest priority the further development of Port Harmon to ensure the success of access in and out of the Stephenville mill.

The government should be looking right now, in its reorganization of Atlantic ferry and coastal services, at the need for direct service from Port-aux-Basques and North Sydney to the Bonne Bay area to develop further the tourist potential of the Gros Morne National Park. Even with the additional ferry boats that the parliamentary secretary will tell us about, the service will not be able to cope with the influx of tourists who, hopefully, will be taking advantage of the unique beauty of this party of Canada.

On October 12 the Minister of Transport (Mr. Marchand) and the Minister of Regional Economic Expansion (Mr. Jamieson), together with the President of the CNR, announced with great fanfare this reorganization and its major objectives of coordination, improvement and expansion of the present ferry and coastal services to meet expected increased traffic demands in the years ahead, as well as the immediate unprecedented influx of traffic which the present system is attempting to handle.

None can quarrel with the words used by these three knowledgeable gentlemen. In the news release the Minister of Transport said:

> The creation of the new CN ferry and coastal operation is coupled with the Ministry of Transport plans for the purchase of new vessels and the construction of new terminals and passenger/cargo handling facilities. The fact that ferry and coastal services will continue to be a vital component of the transportation network has been amply demonstrated by the tremendous increase in demand upon the services in recent years.

[Mr. Marshall.]

Then we had this statement by the Minister of Regional Economic Expansion:

> ... In addition to initiatives required to take care of the immediate needs, there was an obvious necessity for an overall programmed expansion of the services to meet the needs of regional growth in industry, commerce and tourism.

I can only wish this new organization well, but hope that the studies promised will be produced, and that when the recommendations are produced to provide the facilities we will not hear more tales of woe explaining that there will be deferment because of lack of funds.

● (1710)

One of the studies in which I am sincerely interested is the one on the Newfoundland-Labrador service, a service vital to the well-being of the inhabitants of that land mass. The meaningless contribution made by the federal government to that part of Canada justifies the use of the well-worn phrase "second class citizen treatment" when applied to northern Newfoundland and Labrador.

Apart from the complete lack of communication between northern Newfoundland and Labrador, other than the existence of a dirt road, the lack of development input to this part of Canada is nothing short of disgraceful. Certainly the northern vision does not include northern Newfoundland and Labrador, and this lack of vision is apparent in the CBC's aim to provide television and radio communication to only 98 per cent of the country. The CNT facilities still leave much to be desired in view of the fact that it is impossible on most days to communicate by telephone with citizens in the north, people who pay exorbitant rates to hear nothing.

Perhaps it is time for a change in the ministers who are responsible for that part of Canada, and I wonder if the Minister of Indian Affairs and Northern Development (Mr. Chrétien) might not consider taking over this responsibility.

Priority should be given to some meaningful exploration of the possibility of linking that part of the country with the national park area by continuing the construction of a decent highway to meet the proposed Labrador-Quebec highway. Also, consideration should be given to the proposed development of the lower Churchill to bring power to Labrador and Newfoundland. The Ministry of Transport should consider very seriously the establishment of a ferry service to cover the 10 to 11 miles between these two land masses. This should include other departments concerned, and should be undertaken in consultation with the province. The other ministers responsible would be the Minister of Energy, Mines and Resources (Mr. Macdonald), the Minister of Regional Economic Expansion (Mr. Jamieson), and the Minister of State for Science and Technology (Mrs. Sauvé).

But the main point of my motion is to put on record the failure of the government to comply in a meaningful way with the Terms of Union Statement No. XIV indicating that after the date of union the CNR would be entrusted with the responsibility of operating the Newfoundland railway and coastal steamship services and that it would be their responsibility to ensure that the services fur-

nished were commensurate with traffic requirements. This they have not done in accordance with their commitment. What is most important, they are breaking faith with this commitment by abandoning the rail passenger service against the wishes of the majority of Newfoundlanders.

On a couple of occasions the minister has hinted that some reconsideration will be given to reviewing that decision regarding the rail passenger service. Certainly I hope that the study of transportation in Newfoundland will be expanded to a review of the need to fulfill the national dream which would provide a rail service from coast to coast. This service should not be from Vancouver to Halifax only, but should include all of Canada and thus cover the area from Vancouver to St. John's, Newfoundland.

I am sure that the minister, who has shown evidence of sincerity, agrees with me that the transportation policy leaves much to be desired—and here I am being kind. I hope that he will heed my remarks, and I am sure that his very capable parliamentary secretary will be able to give me the answers to the questions which I have put, and that a proper transportation service between the province of Newfoundland and mainland Canada can be assured.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first of all I would like to let it be known to you and to the House that Newfoundland will not be left aside. Newfoundlanders will receive consideration, as does any other part of the country, with regard to their transportation problems. That is under study at present.

What I would like to point out to the hon. member for Humber-St.George's-St. Barbe (Mr. Marshall) is that the government will not try to minimize in any way the fact that the disruption of the ferry service between Newfoundland and the mainland creates a serious problem. This we recognize. But I would like to say to the hon. member that it appears from his motion that what he wants is to take away the right to strike from the employees of the ferry service.

Is he really serious when he says that he wants to take that right away from them so soon after we have given them that privilege? This motion involves many more people. It involves dockers and those working on the wharves. If that is what the hon. member wants, let us hear from his leader, and let him inform the public that his party wants to take away the right to strike from the employees.

Is it also the policy of the hon. member for St. John's East (Mr. McGrath) to take away that right from employees of the ferry service? If it is, then he also should go on the record and say plainly and clearly to people in Newfoundland that both he, the hon. member for Humber-St. George's-St. Barbe, and other members from Newfoundland—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for St. John's West wishes to rise on a point of order.

Mr. Carter: Mr. Speaker, the hon. member for St. Boniface (Mr. Guay) is deliberately trying to mislead the House. He is pointing his finger at me and calling out my constituency. He is saying that we are trying to prevent people from striking. In my motion last Monday I made no reference whatever to the right of people to strike, nor did I suggest in my speech, or in my motion, nor indeed does the motion of my colleague, the hon. member for Humber-St. George's-St. Barbe—

The Acting Speaker (Mr. Laniel): Order, please. I am sure the hon. member would not ask the Chair to ask the hon. member for St. Boniface to withdraw his remarks. What has taken place is a debate, and this is the purpose of this assembly. I know the hon. member will want to contribute to the debate later this afternoon, and he will have the opportunity then to rebut the comments of the hon. member who is speaking.

Unless the hon. member can prove to the Chair that his honour, his rights or privileges as a member of parliament have been affected, I think we should allow the parliamentary secretary to complete his remarks.

Mr. Guay (St. Boniface): So far I have not mentioned the hon. member for St. John's West (Mr. Carter), but now I will name him with the others if he feels the same way as does the hon. member for St. George's-St. Barbe concerning the taking away of the right to strike from the ferry employees for the purpose as he says, of having a better ferry service, and I will not withdraw the previous remarks I have made.

Mr. Marshall: Mr. Speaker, I rise on a point of order. I wish the hon. member for St. Boniface would use the correct nomenclature of my constituency which is Humber-St. George's-St. Barbe.

Mr. Guay (St. Boniface): I will do so, Mr. Speaker. If it is their policy, and if it is also the policy of the Official Opposition to take away the right to strike from employees, they should place it on the record of this House, and also say it to the people in Newfoundland, so that we will know that they do not speak with two tongues, one in their constituencies and one in the House.

It is about time that people heard what the Official Opposition says both inside and outside the House, as well as individual members in their constituencies.

What does the hon. member want to do? Does he want to take away the right to strike of the employees? And if they strike, does he want them placed in jail? If that is the way they want it, again they should say that that is the policy of the Conservative Party and go on the record as saying it, and not put it in the broad terms of the motion before us. May I say further, Mr. Speaker, that it is not the policy of this government to take away the right to strike from the employees.

● (1720)

The government would certainly not entertain the idea of doing what the hon. member is suggesting, and that is to interfere with the right of the workers to strike, a right which was accorded to them as part of the free collective bargaining process.

The federal government recognizes the desirability of maintaining regular service between Newfoundland and the mainland, and would like to prevent problems involv-

ing the railway system spilling over to the ferry system merely because both are operated by the Canadian National Railways. As a first step the East Coast Marine and Ferry Service was recently set up as a separate entity within the Canadian National organization to handle ferry matters. This new body has now begun negotiations with the various unions representing employees in the ferry system, with a view to finding some mutually acceptable means of limiting strikes against the ferry services.

In the fall of 1972 a team of Canadian National and Department of Transport officials began examining the original structure of the east coast ferry service to Newfoundland and Prince Edward Island, and considering alternatives. Among those considered were: creating a separate entity for the ferry service that would report to the Canadian National Vice President responsible for the Atlantic region; creating a separate Canadian National subsidiary with its own board of directors; creating a Crown corporation, or incorporating the ferry service in the public service.

On October 12, 1973, the Minister of Regional Economic Expansion (Mr. Jamieson), the Minister of Transport (Mr. Marchand) and Mr. McMillan of the Canadian National announced the creation of a new east coast ferry management structure, based at Moncton, New Brunswick, with operating units in Newfoundland, Nova Scotia, and Prince Edward Island, and responsible for all ferry and coastal services operated by Canadian National for the Department of Transport.

A significant feature of this reorganization was the creation of a directing committee for the new administration, composed of senior transport officials and Canadian National officials. The major objectives of the new administration were co-ordination, improvement and expansion of the present ferry and coastal services to meet the expected increases in traffic demands.

It should be noted that under all of the alternatives employees would either have, by law, the right to strike or be able to choose the right to strike as a means of dispute settlement. Is this what we want? Does the motion mean that we should take this away from them?

Even if the various ferry services could be declared essential, I cannot see much point in trying to bring in legislation which would prohibit strikes. There is absolutely no way of ensuring that employees under certain conditions might not find it necessary or desirable to initiate a work stoppage. We should remember that in the last strike situation affecting the ferries the government succeeded in obtaining the agreement of the union leaders that ferry services would be maintained, but their own men rejected the call of the leaders and the guarantee evaporated.

It has been suggested again and again that rather than have a shutdown of ferry service the armed forces should be called in to keep the services running. This has been suggested many times. This seems to me to be a counsel of despair, but fortunately it could never be considered as a viable alternative. For one thing, by law only qualified seamen can operate a passenger vessel, and the appropriate skills and qualifications are not easily found in the armed forces. Furthermore, the law also requires that ships be manned by officers holding certain certificates, and these are not available in the military. Most of all, however, the government would not be easily disposed to using the military as strike breakers, when the right to strike was itself given by parliament.

I would like to repeat that the Minister of Transport has said on many occasions—including some in this chamber—that if the members want to abolish the right to strike they will have to do so on their own, since the government has no intention of taking such action. I said before, and I should like to repeat, that if the hon. members from Newfoundland and their leader have that policy in their party, they ought to say so and not come in the back door.

I cannot resist at this point drawing the hon. member's attention to the evidence of how seriously the government is trying to live up to its commitments under the terms of union. Detailed planning is already under way for the design and construction of new ferries in Canadian shipyards, and in the interim the government has spent considerable amounts of money on chartering vessels to make sure that all traffic offering can be handled in accordance with the terms of union.

The traffic growth to Newfoundland jumped from an average of 5 per cent a year until 1971 to 14 per cent in 1972, and it has required considerable effort and money to keep up with this sort of growth. I am most pleased to say there is that kind of growth in the area. I am following it much closer than the hon. member for St. John's West (Mr. Carter) may think, Mr. Speaker. I think I am quite aware of what is taking place in his province.

Today on the Newfoundland run we have eight vessels regularly employed. They are the *William Carson, Leif Eriksson, Ambrose Shea, Frederick Carter, John Hamilton Gray, Stena Carrier, Stena Seatrade* and the *Princess of Tasmania.* In addition, to clear up the backlog resulting from the 1973 strike, the *Stena Trailer* and the *Jarl Transporter* were taken on short term charter.

The replacement of the *Lucy Maud Montgomery* on this service by the larger chartered vessel the *Princess of Tasmania,* combined with additional weekend sailings, has helped to provide an increased capacity to handle the growth in highway traffic. In order to eliminate the railcar backlog experienced in the last two years, a railcar carrier the *Stena Seatrade* has been chartered for two years as of last fall, and tenders have been called for a Canadian built vessel of this type with expected delivery late in 1973.

Mr. Marshall: Too late! You should have done it ten years ago.

Mr. Guay (St. Boniface): The hon. member says it should have been done ten years ago. Maybe so! The fact remains that it is being done. It takes time, but it is coming and you will get exactly what you are asking for. At least you know it is coming, but the opposition never mentions that these things are taking place and neither do they mention the cost of them. I think it should be repeated many times that this government has taken the initiative to have the ferries built which will benefit Newfoundland very greatly. In the Diefenbaker years they never even thought of Newfoundland, and that is obvious if we want to study the record as suggested by the hon. member for St. John's West.

Detailed studies are continuing on new passenger ferries and the related ports requirements. The final design stage should be reached this year.

In conclusion, Mr. Speaker, I can see no reason why the government should favour the motion moved by the hon. member for Humber-St. George's-St. Barbe to take away the right of workers to strike which has been given to them in the past. It is certainly their right, and I for one would not want to support any such action.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, it was not my intention to take part in this debate because, as the House recalls, we had a similar debate on Monday afternoon last in connection with a private member's notice of motion which I placed on the order paper, concerning the ferry service.

But having listened to the hon. member for St. Boniface (Mr. Guay) I cannot help but rise to make a few comments in connection with some of the things he said. The hon. member has the uncanny ability to twist words and to make black white.

● (1730)

No one on this side of the House, including the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), has suggested that workers should not have the right to strike. The hon. member's motion suggests, as my motion of last Monday suggested, that the 500,000 people living on the island part of Newfoundland-Labrador have the right of access to the Canadian mainland and the right to expect goods passengers and motor cars to travel to the mainland without interruption.

Perhaps if Canadian National had been more generous, more considerate, more willing to listen to reason the strikes which took place in the ferry service would not have taken place. The strike which took place last year, which isolated the island part of the province by removing the ferry service, and which imposed hardships on those travelling between the island and the mainland, can be blamed on the attitude of Canadian National and that of the Canadian government generally.

When the hon. member replied to my motion on Monday it was apparent that he was reading a speech which had been written for him, probably by some upper Canadian oriented bureaucrat. Obviously he had taken a correspondence course in cost accounting, because he included in the speech figures to do with the cost of transporting goods per ton from the mainland of Canada to the island part of the province of Newfoundland. My hon. friend's speech writer did not take into account that every ton of freight brought to our province, or brought to Atlantic Canada generally, which is manufactured in Upper Canada, in the golden triangle, is contributing greatly to the economy of the latter area. Certainly the cost of the subsidy is not a negative factor, as the parliamentary secretary would have the people of Canada and this House believe.

We recognize that substantial subsidies are being paid by the government in connection with the ferry service. That, however, is not the argument. The hon. member tried to twist the argument around completely, and to misinterpret the meaning of the motion I moved on Monday, and that which the hon. member for Humber-St. George's-St. Barbe brought forward today.

We recognize that the ferry service is costly. We recognize, too, that keeping rail freight and passenger service in operation in other parts of Canada costs the Canadian taxpayer a lot of money. The cost of building and maintaining the trans Canada highway was, and is tremendous. That cost is borne by the Canadian taxpayer. We say that, according to the terms of union, we are entitled to travel from the island part of the province to the mainland of Canada without paying a toll or tariff.

How would the hon. member feel if he had to pay a toll charge every time he left his province and drove to Ontario or Saskatchewan? How would manufacturers in his province feel if a tariff were levied on goods manufactured in Manitoba and exported to other provinces, or on goods being brought into Manitoba? That, in effect, is what is happening in Newfoundland.

I contend, and my colleagues agree, that the 90 miles of water separating the island part of Newfoundland from the mainland should be treated, for purposes of rate structures, exactly as if they were 90 miles of trans Canada highway. The same argument could be advanced for the island province of the hon. member for Hillsborough (Mr. Macquarrie). A person living in Ontario can cross the bridge to Quebec without paying a tool or tariff.

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker, I wish to make it clear that I was not talking against the transportation system as such. My remarks were directed against the motion presented by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and against the idea of taking away the right to strike of employees. That is a different matter.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member has had a chance to make his speech. I think he should allow the hon. member for St. John's West (Mr. Carter) to express his own opinion.

Mr. Carter: I am sure, now that the hon. member for St. John's East (Mr. McGrath) is in the chamber, that he will be pleased to know that the hon. member for St. Boniface has levied accusations at him, too, with regard to the right to strike. The right to strike of Canadian National employees working on the ferry service is being questioned by that party. The hon. member may wish to deal with this.

I will not take up any more of the time of the House. I hope that this motion, unlike the one brought forward on Monday last, will come to a vote. May I leave one word with hon. members: we are not being extravagant in our demands. We know what it costs to keep the ferry service working. We are only asking as an island province, and I include P.E.I. in my remarks, that we be treated like any other part of Canada, and that the people living on these islands not be penalized merely because they live on an island.

Mr. Guay (St. Boniface): I agree.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, the motion before us is silent on how the employees concerned would go about improving their pay and working conditions. It therefore seems reasonable and fair for the hon. member for St. Boniface (Mr. Guay) to assume that the

mover of the motion intends to remove the right to strike of those employees engaged in the ferry service between the mainland and the island.

Mr. Carter: That is wrong.

Mr. Caccia: That is a logical conclusion, because the mover of the motion was silent about this. It would certainly facilitate this debate if he had the courage to say that he is against giving the right to strike to these particular employees. Then we would know exactly what is the purpose of the motion. If my assumption is correct—

Mr. Marshall: It is your assumption.

Mr. Caccia: —the hon. member would remove the right to strike in order that this service could be maintained on a continuous year-round basis, and thereby fulfil the needs and requirements of the people who live on the island.

Apparently the hon. member wishes to remove the right to strike. Let me point out that legislation prohibiting strikes does not necessarily lead to the elimination of strikes and other patterns of labour unrest. Sometimes it leads to exactly the contrary result, labour unrest. In this case that might undermine even more the continuity of service about which the hon. member is so concerned. Obviously his way would be the wrong way to go about this.

If you want to make sure that this service is available and not interrupted, you should make sure that the kind of agreement which is signed will satisfy the hopes and aspirations of the men. Certainly you cannot maintain service by introducing legislation to prohibit strikes because your purpose will not be accomplished.

We know that this House in 1967 gave workers in the public service the right to strike. This right became part of their free collective bargaining process. Obviously in view of that decision of Parliament this government does not wish to interfere with the rights of any segment of the public service. If you want to remove the rights of the ferry workers you could also say, "Why not do it for the air traffic controllers, or the firemen in Vancouver, or for other sectors?" If that is your position, you might as well have the courage to say, "Abolish the right to strike of public employees, period".

● (1740)

Perhaps in a moment of ecstacy at their meeting in Ottawa in February the Progressive Conservatives forgot to pass that resolution. They reconfirmed the leadership with a vote of six hundred and some odd delegates. According to the papers that was only a quarter of the enrolled delegates.

Mr. Marshall: Mr. Speaker, I rise on a point of order. The hon. member should stick to the motion. He does not know what he is talking about. This is stupid and ridiculous. Probably the only time the hon. member has seen a boat was at a sportsmen show. He should either be put straight or the motion should be put to a vote.

The Acting Speaker (Mr. Laniel): The hon. member had an opportunity to make his speech. Unless he has a valid point of order we will return to the hon. member for Davenport (Mr. Caccia).

Mr. Caccia: It is true that even my best friends could not claim I am an expert on ferry boats, although we do have ferry boats in Toronto which connect the islands with the mainland. They are a fascinating feature of our style of life on Lake Ontario. That is one point.

I will now deal with a major point raised by the hon. member in the motion he has put forward, namely, the question of the guarantee and obligation to ensure continuous and uninterrupted transportation service. Continuous and uninterrupted can only be interpreted to mean one thing. How else can that be achieved except by removing the right to strike? The hon. member may not like my interpretation, but he chose to be silent on how he would accomplish this. Therefore it is perfectly legitimate for the hon. member for St. Boniface (Mr. Guay) and others to interpret it in that way.

It is a well known fact that groups in society who do not have a right to strike fall back badly in their economic conditions. A typical example is the hospital workers. Look at the desperate economic conditions in which they have to work and support their families. The hon. member in his motion is suggesting that those engaged in ferry boat service should work under the same conditions as those who do not enjoy the right to strike. Without the right to strike how can they improve their economic lot?

Is that the kind of policy the Conservatives want to put to the Canadian people? Is that the kind of progress they would like to see? If that is the case they can have it because it is regression, not progression.

History is full of ideas of this kind. It is a well known fact that when people are well paid and their pay is comparable with other sectors of society, they do not withdraw their services. No one in this House could deny that. For example, have members ever heard of chairmen of boards, or presidents of large corporations going on strike? Have members of the Conservative party ever heard of people in the higher brackets of the corporate world going on strike? Obviously not. Why not? One need only look at the financial section of last Thursday's *Globe and Mail* which listed individuals earning between $200,000 and $300,000 a year. This list gives the incomes of these persons and the companies for which they work.

Because some people in our society can command such an income does that mean the chairman of the board of General Motors is worth 60 times the amount earned by a man engaged in ferry boat service? Certainly not. It is because we do not believe in that kind of assumption that we believe in protecting the right to strike for those in society who have been able to achieve it.

I can see from the expression on the face of the mover of this motion that he does not understand the implication of what he has moved. Probably that is his problem. Anyone who reads this motion will understand that continuous and uninterrupted service means removing the right to strike from the people involved. How can it mean anything less than that?

The mover had better understand the consequences of his motion. The onus was on him to clarify it in his speech. He did not do that. He only talked about the right under

the constitution to maintain this service. The onus is on members opposite to demonstrate that this right can be protected without removing the right to strike. Obviously that cannot be done.

In 1967 the parliament of this nation introduced, as a permanent feature for the federal employees of this country, the right to strike. Those involved in this ferry service are federal employees. Therefore, any motion to secure continuous and uninterrupted service from employees engaged in this kind of activity must of necessity remove their right to strike. Whether members opposite like it or not, that is the consequence of this motion. It is as clear as the light of day.

An hon. Member: That is your opinion.

Mr. Caccia: Of course, that is my opinion. Any member of this chamber is entitled to express his opinion. That is not unusual. Perhaps we will hear a better opinion from members opposite. However, up until this time we have heard the opinion of two speakers and they were of no particular consequence to this motion.

Some hon. Members: Oh, oh!

Mr. Caccia: I can see from the interjections that members opposite do not like that. Obviously I am touching a raw nerve. They do not like to see it brought to the surface that underneath all their declarations of policy they do not support the idea of the right to strike in the public service. That is the essence of this motion.

Mr. McGrath: Get some more notes from Joe Guay.

Mr. Caccia: I do not need more notes from the parliamentary secretary. He has been very helpful in providing me with notes.

● (1750)

The opposition cannot be criticized for lack of consistency. Two members from Newfoundland have put forward motions which are clearly consistent in economic terms. Last week the hon. member for St. John's West (Mr. Carter), I believe, was advocating a reduction in rates applicable to freight and passenger cars using the ferry service to Newfoundland.

Mr. Marshall: What cars?

Mr. Caccia: Read the motion. It is motion No. 4.

Mr. Marshall: What passenger cars? You took them away.

Mr. Caccia: Today the hon. member for Humber-St. George's- St. Barbe (Mr. Marshall) advocated a system whereby people engaged in those services would not be able to strike as are others under federal jurisdiction. This is one way to economize, expressed by the hon. member who spoke today, in order to achieve the objectives of the hon. member who spoke a week or so ago in favour of reducing freight rates. Obviously if you refuse the right to strike, wages and salaries will not be as high and costs will be reduced correspondingly—unless of course, the workers affected choose to take part in illegal strikes, a situation which usually leads to chaos. That is the essence of the motion as far as I can judge.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it is a shameful and shocking thing that when an hon. member from Newfoundland makes an appeal based on the constitutional rights of his province for an improved transportation service he should be greeted by the subtle and slimy sinuosity of those who suggest he is calling for strike breaking legislation. There have been many appeals from my province, and from Newfoundland, for better transportation, but this is the first time there has been such lack of concern as to preclude even an expression of sympathy for the people down there.

The motion is properly phrased for it is in almost exactly the terms as those signed by Prince Edward Island. Let the hon. member sneer at that. We are dealing here with a constitutional right, one which it is my hon. friend's job to defend. I am appalled that supporters of the government on the backbenches are in such a state that they cannot deal with transportation without getting into strike breaking. When we want to talk about the transport system we shall do so. We shall make our plans known. We support the legalized trade unions of this country. In this we do not take a backseat to anybody.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I say it is shameful if they can give no other message to the people of Prince Edward Island and Newfoundland than to tell them we cannot cure our transportation ills or improve our situation without strike breaking. The minister is right. Transportation is in a mess, and hon. members opposite have been talking to him for so long that their thinking is equally messy.

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I fail to see how the hon. member for Hillsborough (Mr. Macquarrie) can interpret anything said by members on this side as indicating that opposition speakers have put forward anti-labour views. The speeches made from this side simply draw attention to the difficulty which arises from the motion before us.

Everyone agrees there is a constitutional obligation here. No one denies that Newfoundland has as much right as any other part of Canada to enjoy satisfactory communication with the rest of the country. No one denies there is a need for adequate transportation. But it must also be recognized that a solution cannot be reached simply by passing legislation along the lines suggested. The solution has to be an acceptable one, one which will rule out possible interruptions of the service in the future. We cannot force upon those who are operating the ships from the island to the mainland a solution which would mean removing from them the right to the process of free collective bargaining. However, there is no doubt that within the present framework a solution has to be found.

We on this side are objecting to the misleading information given by speakers on the other side of the House—implications that the government has been doing nothing about this problem. That is absolute balderdash.

Some hon. Members: Hear, hear!

Newfoundland Ferry Service

Mr. Blais: Mr. Speaker, we see sitting over there in his improper seat the master of the Great Plains Navigational Institute, the hon. member for Edmonton Centre (Mr. Paproski), who has absolutely no knowledge of any water. The only water he sees is piped in from I don't know what direction.

An hon. Member: The Saskatchewan River.

Mr. Blais: Undoubtedly from another province. And undoubtedly Alberta depends more on Saskatchewan than Saskatchewan depends on Alberta.

An hon. Member: Six o'clock.

Mr. Blais: Mr. Speaker, I see it is six o'clock, and although I had some salient points to raise I suggest we might all go for dinner.

An hon. Member: Continue, by all means.

Some hon. Members: Question!

Mr. Blais: Well, Mr. Speaker—

Mr. McGrath: On a point of order, Mr. Speaker, the hon. member has already taken his seat. He cannot speak twice.

Mr. Blais: I have not.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker,—

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member for Madawaska-Victoria (Mr. Corbin) rising to speak?

Mr. Corbin: Mr. Speaker, I see that it is six o'clock.

The Acting Speaker (Mr. Laniel): In my mind, it is not yet six o'clock, unless the hon. member has the consent of the House. In the opinion of the Chair, there are still 45 seconds to go before six o'clock.

Mr. Corbin: Mr. Speaker, I am surprised by the attitude of the Tory opposition in the House today. Their behaviour shows clearly that a rest would have been beneficial to them because they undoubtedly are on edge.

Someone who does not understand the motion before us now is either stupid or unwilling to understand. Moreover, once again the French text renders disservice to hon. members because it translates "to ensure continuous and uninterrupted transportation service" by "service permanent". It is not at all the correct translation, Mr. Speaker, and that must be pointed out.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but it being six o'clock and the hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

[Mr. Blais.]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the third time and do pass, and the amendment thereto of Mr. Howard.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, when I called it five o'clock I was talking about the government's axe blade approach to credit. I said that if we had to have some curtailment of the money supply in Canada, some reduction in the amount of money available within the banking system because of an over-heated economy, then it was imperative for the government to introduce controls that properly allocated the amount of money available for business. I suggested that if the government really did want to restrict credit, to stop speculation and inflation, then perhaps it might intervene in the speculative activities taking place in the real estate market as well as in the commodities market.

However, one thing that the government must not do is interfere with the amount of money available to small business, to people who produce goods, farm products and fisheries products, because to do so would destroy small business. The loan provisions that are the essence of Bill C-14 would be rendered useless if the government did what it did in 1968, 1969 and 1970, which is to suck up the money supply and to say: "Okay, we are going to cut down inflation and make everybody poor".

This is at the root of the contingency program that this government is proposing to lay before the people of Canada. This is its way to curb inflation. If the government uses monetary controls, yes, eventually they will work. But they will throw 900,000 people out of work, and destroy the business community. They will make it tough for farmers to sell their products and for the fishermen to sell theirs. They will put businessmen out on their ass. But the government has done this before and it is what it intends to do today. That is the reason for the increase in the re-discount rate. This is the government's contingency plan to halt inflation, the plan it has been talking about for the past year and a half.

The government must come to this House and admit that we should have monetary controls, that we cannot continue to print $678 million worth of Bank of Canada notes which are put into circulation because they cannot borrow this sum on the market. I suggest the government must recognize the fact that if we are to tighten the money

supply, the money supply must be allocated. Thus those areas in our economy which would die if the money supply were cut off in the traditional Liberal sense would at least have enough life blood to carry on, to grow and build. It is small business, small farmers and fishermen, the businesses run by little people, that make a free Canada possible. A free Canada is only possible if each of us individually has the ability to make it on our own. We can only do this if cash is available to us from a bank.

As far as the Small Businesses Loans Act is concerned, the legislation has unfortunately been a total failure since it was passed. There were only 2,800 loans made under the act in 1972, simply because its provisions are not advertised. What happens, Mr. Speaker, when a guy goes into a bank and asks for one of these loans? The banker says to him, "Where is your wife's signature, where is your life insurance?" If a man wants a government guaranteed loan he is shown the door and told he does not qualify for one. If a man asks for a government guaranteed loan he winds up outside the door of the bank.

In my constituency of Mississauga I know only one person who has ever received a small businessman's loan, and there are swarms of small businessmen in my community. The reason they do not get these loans is simply that the banking system is not forced to give them a loan under the act. The banking system tells them that if they have not got good enough credit for an ordinary commercial loan or for a consumer loan at 12, 13 or 15 per cent, then they have not got good enough credit for a small business loan. There is no requirement upon the banking system to allocate a portion of the amount available for loans to small business.

● (2010)

The only people who obtain small business loans guaranteed to some extent by the government are those who have pull, who have drag, or who have the knowledge to tell a banker he had better give it to them or they will call their member of parliament. If a person has to say to his banker that he will call his member of parliament he might or might not obtain the loan. The probability is that the banker will find something wrong with this person's credit because, under the terms of the act, it is only those persons ordinarily commercially qualified who may obtain a loan in the first place.

A bank may take the position that because the government guarantees only 90 per cent of the loan it must pick up the balance of 10 per cent—that if the bank stands to lose one penny on a dollar loan it will refuse to loan the money. Banks can think of a thousand reasons for not making loans at 8¼ per cent, 9 per cent or 10 per cent, when they themselves can get 14 per cent and 15 per cent.

So, what happens? Nothing happens. The problem with this legislation is that there is no requirement on the banking system to lend any money. Each chartered bank could sit back and take the position that it will not lend money under the Small Businesses Loans Act with only 90 per cent guaranteed by the government. There is no allocation provision in this legislation. There is no provision which requires any chartered bank to lend any amount of money whatsoever to the small businessman, the fisherman or the farmer.

However, banks do make some cosmetic loans. The Canadian Bank of Commerce in 1972 made less than 600 loans. This is the second largest bank in the country. It will undertake some cosmetic loans, but the gross amount in 1972 in respect of small business amounted to only $28 million, while the total amount of money involved in bank loans was over $40 billion. When we talk about an amount of $28 million in that context it is obvious that it is only cosmetic loans that are involved.

This is a cosmetic act. It is cosmetic because the government intends to go on the election platform in 1974 saying what great value this is to the small businessman, the fisherman and the farmer. The truth of the matter is that the government does not give a damn about the fisherman, the farmer or the small businessman, because it is unprepared to demand that the banking system in fact lend a reasonable amount of funds to the man who is trying to succeed on his own.

This attitude on the part of the government should be explained by the Minister of Finance (Mr. Turner), but we do not receive such an explanation. When the small businessman goes to the bank he must pledge his wife, his life insurance policies, his children, his house and the family silverware in order to obtain a loan. He will obtain a loan only if he qualifies, and it really does not matter whether or not this act exists because he either accepts the loan on the bank's terms or does not obtain a loan at all.

If we are to control inflation in this country we must control the amount of credit available. We must control the expansion of our money supply, and in controlling that expansion of the money supply we can do two things. We can either accept the axe-blade approach of this and past Liberal governments, which is to tighten up the money supply and say "The devil take the hindmost", or we could have a selective allocation of money in certain areas of the economy to make the economy grow and work. We can either have the axe-blade approach, which sees that the speculator receives all he can and, as a result, the small businessman is out on the street, or we can have a government concerned about the development of the economy, a government that is prepared to see that the small businessman receives his share and that the speculator gets cut off.

This is the difference between the attitude of this party and that of the government opposite. The government does not want to worry about selective controls, or about the fine art of tuning the economy to make sure that credit supply is available to those who have a more rightful call upon it. The government seems to take the position that those who can afford to pay for the money will receive it, that the speculator will get all he wants in commodities, real estate or whatever, but the man who is trying to build a small business will be cut off because the Minister of Finance says that unless the interest rate is high enough the banks will not lend to the small man.

Well, how high does the interest rate really have to be? Does it have to be 10 per cent or 12 per cent? Do we in this nation always have to be controlled by the New York rates? Do we in Canada always have to determine our interest rates having regard to the foreign exchange control rates? Do we have to worry about the fact that General Motors can borrow its money in the Canadian money

market and pay dividends in the United States with Canadian money? Is this the kind of Canada we want, or are we prepared to have an independent Canada, with independent control of our credit?

I say we must have an independent Canada, a Canada prepared to have control of its own credit. If the small businessman requires a loan he should be able to obtain it at a reasonable rate of interest. He should not be pirated or pushed around because of a money shortage, or because Ford of Canada, General Motors, a steel company or some other large corporation has better credit and can take the dollar and do what it wants with it. That is the approach the government takes.

In its contingency plan the government takes the attitude that if the rates are increased enough, and if the money supply is made tight enough, the money supply will be reduced. That is true. The effect of this attitude is an axe-blade approach to chop down the money supply without regard to who is hurt. I say that is exactly what will happen to the small businessmen, the fishermen and the farmers. It is what happened to them in 1969, 1970 and 1971 under the policies of this government. What we need today is a statement from the Minister of Finance to the effect that he intends to control inflation in such a manner that those who produce in Canada will have enough credit to work with, that those who create supplies will have enough money to work with and so that those who farm, fish and are involved in small business will have enough money to work with but that those who speculate in commodities, real estate and so on will be out of luck. So far this has not been the attitude the minister and this government are prepared to express. The small businessman, the farmer and the fisherman cannot conceivably trust this government because what they are looking at is a re-enactment of the 1969 and 1970 tight money situation.

● (2020)

That was their attitude when they said: 6 per cent of the people are out of work, so what, we are going to control inflation. All right, perhaps there it is necessary to have some monetary controls to control inflation, but they do not need to use monetary controls as if it were a meat axe. You do not have to chop willy nilly. You can deal with the money supply on a proper allocation of that supply to those parts of the community that are entitled to the use of credit in a society. Until we have a federal administration that is prepared to make sure that the allocation of money supply is socially acceptable and is prepared to tune the economy of this country, I for one as a member of this House will have no faith in this government. I say to you that small business has no faith in this government, that fishermen have no faith in this government, that farmers have no faith in this government, and indeed the people of Canada have no faith in the government. If the government had any guts, it would let us have an opportunity to vote no confidence and thus find out who has faith in it because, I suggest to you, that an election today would throw them out where they belong.

Some hon. Members: Hear, hear!

[Mr. Blenkarn.]

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am happy to add a few words, after having listened carefully to the comments of the previous speaker about the bill before the House tonight, especially as concerns the amendment.

Mr. Speaker, I would like to say at once what I thought of the comments of the hon. member for Mississauga (Mr. Blenkarn) who spoke before me and who, for all practical purposes, put the blame for the increase of the interest rates on the government. I agree with him that the government is to blame for letting the Bank of Canada increase its interest rate. However, I should like to refer to the administration of the right hon. Mr. Diefenbaker, for 1958 to 1960. In 1960, I was a small businessman. Like all other small businessmen, I had to borrow from the bank. At a given moment, my credit was good for $5,000 or $6,000 in a bank. The next day, the Progressive Conservative government of that day wanted to slow down at all costs the impetus of Canadian businessmen by reducing their bank credit. In 1959 and 1960, all businessmen saw their bank credit reduced in order to curb inflation. For them, it was the tightness of the money they put in the bank. I think that the present government, with the present Minister of Finance (Mr. Turner), whom I like very much by the way since he is a charming man, must listen to those who have decided that we should not have tight money, but that we should force those who need money to borrow at a higher interest rate, which is the same thing. When the Progressive Conservative party is in power, it promotes tight money in order to stop inflation and prevent businessmen from obtaining credit to be able to increase production.

Since I was a manufacturer at that time, I had to reduce my administration and the number of my employees by 50 per cent, because I no longer had the capital to wait for receivable accounts, and to make the business work. I therefore had to reduce my expansion and I waited for the Progressive Conservative government of that time to decide to relax bank credit to some extent.

I believe that neither the Progressive Conservatives of that time nor the present government have the solution to the difficulties of the small businessman.

The bill before us this evening enables those who want to buy cattle to borrow $50,000 instead of $25,000. In two or three weeks, they are going to pay the bank an interest rate of 11½, 12 per cent. At present, as western beef producers know, it is possible, as I read the other day in the beef producer's bulletin, a gross price of 4½ per cent. The more the beef producer gets into debt, at 12½ per cent, the sooner he will go bankrupt, and the more he will be inclined to give up breeding. Perhaps at a certain time, such a bill might have been good, when the bank lent money at 4¾, 5, 5¼ per cent, but now, it is a worthless jumble, it is useless. How will those who want to borrow money at 12½ per cent, when their operations bring in only 4¾ make profits? How will they live?

I think that the government increases the interest rate on loans in order to slow down Canadian home builders, to slow down manufacturers and other people who are confident in the future, to check the inflation which increases by 1, 1½ per cent a month.

As far as I am concerned, I do not believe this at all. At present, the only thing which prevents more businessmen from expanding is a lack of material. It is due to the fact that the government, under the tax system, considers the manufacturer's inventory as a net profit and then he has to pay taxes on this inventory. If he is taxable at 25 per cent, he pays 25 per cent more than he should on his inventory.

Therefore, he does not keep any inventory. If you want to buy gyproc, metal or any other building material, they make a back order and say: We do not have it, we will deliver it to you within two, three, four or five months. Why? Because the government decides to impose a tax on manufacturers' inventories. If a manufacturer's income is taxable at 24 or 25 per cent, he must then pay 25 per cent of tax on his inventory. Therefore, he does not want any inventory. First he sells his product and then sends his invoices. There is nothing in his books, there is nothing for sale, there is no more inventory.

That is what the government says: We must stop inflation. On the contrary, when the manufacturer's inventories are not released, it results in a product shortage. Then, there is no more bargaining and people say: I'll buy it. There is no more cash discount and people buy the product whenever they need it. That is what is happening at present.

Through this bill, the government tolerates the increase in interest rates, and manages to get people who need money to borrow it even if it is more expensive. This will involve a rise in the cost of living. I wonder what the Minister of Finance is thinking about when he says: By increasing interest rates, we are stopping inflation.

I will recall that in 1968, the interest rate was 6 per cent and it has now gone up to 12 per cent. Of course the 6 per cent increase in the interest rate will be felt by anyone who needs food, machinery or other products. How could we control inflation? I suggest that this is a wrong reasoning, and I do not believe in it at all. With such an increase in interest rates, the rich are getting even richer, because they are lending money, and the poor are getting poorer because they borrow money at any rate. They need it and they make loans at 12, 13 or 14 per cent. They even borrow from finance companies at a rate of 28 per cent. They just don't care, they borrow money at the price at the going rates, they get poorer and the rich get richer. That is not the way we are going to stop inflation. We merely move money around; there is nothing to be done that way.

Mr. Speaker, I think the bill we are discussing has not been well thought out if one considers the timing of it, and I do not think it will do any good. This bill is useless and it is not introduced at the right moment because with current interest rates nobody will be able to benefit from it. I think those who pretend to make money with such interest rates will not be able to realize any benefit.

● (2030)

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I thought I would place some remarks on the record because I am primarily interested in the small business man although I come from a major industrial city, the city of Hamilton.

Mr. Whicher: I thought it was STELCO.

Mr. Alexander: I hear my friend across the way is not going to run any more. He has made a fantastic contribution, so he thinks, to the process. He mentioned one of our major industries. Without the steel company this nation fails; without the steel company we would not have the type of community involvement that exists. I understand they are giving money not only for loans to students but to enhance the community and such things as that. So, when you mention the steel company, speak with a great deal of respect.

To get back to my point, Mr. Speaker, I am concerned about the matters in Bill C-14 relating to Farm Improvement Loans and Fisheries Improvement Loans. Many of my colleagues on this side of the House have taken positions of some merit and have struck home in terms of the needs of members of their communities.

I my humble estimation, Mr. Speaker, the small businessman is of some significance in our country. Unquestionably he is a major taxpayer, he is an employer, he is a community leader; yet keeping in mind that those facts cannot be disputed, he is continually ignored. This is a problem which all of us face and realize. He is not only ignored but is continually frustrated by such things as an inefficient post office, an unworkable unemployment insurance scheme and the higher premiums for it recently announced by the responsible minister. He is also concerned about the high job vacancy rate in this country whilst he is begging for help for his own manpower problems. He is concerned and frustrated because of the voluminous legislation with which he has to contend, and he does not know what is going on. I am talking about the small businessman now.

It is all right for the big corporations—they have their high priced accountants, and auditors, and lawyers and lobbyists.

An hon. Member: And lawyers!

Mr. Alexander: I said lawyers, and I am a member of that honourable profession myself. Big business is able to look after itself, but the small businessman sees all this legislation coming out daily, weekly, monthly.

First of all he does not understand it, and secondly cannot implement it. He is very concerned when he submits briefs or brings statements before the House or a member of parliament, particularly those who are temporarily in government, that they may end up in the wastepaper basket.

Another thing that bothers me is that the small businessman does not know what is the political ideology of the government.

An hon. Member: All things to all people.

Mr. Alexander: I hear my friend, the socialist say, "All things to all people", and I think he is right. I think that is what the government is attempting to do and it is bothering the small businessman. I think the policy of my friends on the left is to be all things to all people; what they want to do is look after people from conception to ressurection. This is NDP philosophy, whereas that of the

Liberals is to look after people from the womb to the tomb. Ours is that much better—from birth to death.

I repeat that the small businessman is concerned that the government is attempting to look after people from conception to resurrection, which is the principle ascribed to my friends to the left.

Our small businessmen and women work long hours and are totally involved in building a business, building an inventory, attempting to play a viable role in their communities and, indeed, in all of Canada. In this respect the small businessman is the strength of this nation. He is concerned when he finds that there is money for OFY, for LIP, and untold millions for the permanent community work programs, whatever they are. Yet there does not seem to be anything for him. He is the backbone of our economic strength, paying both federal and provincial salestax, municipal tax, gasoline tax, cigarette tax, UIC tax, and he is involved with the Workmen's Compensation Board. He is taxed to death to help others, but who is helping him? When I think of all those taxes, the amount that he receives, only $28 million allotted under the Small Businesses Loans Act in 1972, is chicken feed compared with the financial contribution he has made to our economic development.

I say, Mr. Speaker, that if the small businessman is not given further consideration by government, and if our economic system is not one that provides opportunity for him, then we will see free competitive enterprise disappear.

We must solve these problems, Mr. Speaker, and determine the measures that should be adopted in order to facilitate the supply of capital funds from Canadian sources to allow expanding industries to retain control. We must determine what measures should be recommended to enable and encourage our own financial institutions and banks to supply more freely this needed capital. Finally, we must decide how new and expanded industries can be channelled to reduce regional disparity.

Surely these problems are infinitely more important than worrying about the World Football League getting into Canada. The government of Canada should concentrate on offering the Canadian people a policy which places Canada in the forefront of the nations of the world in developing a progressive, elastic program for our economic growth, based less on the emotionalism of a narrow nationalism and more on sound economic thinking.

● (2040)

Here the government has introduced some ad hoc amendments to the Small Businesses Loans Act. It had introduced amendments to the act since 1961. I tried to get the annual report for 1973, but apparently it is not out yet. Let me refer to page 5 of the 1972 report, the language of which I assume is not far different from that which we will find in the 1973 report. It says:

> The Small Businesses Loans Act came into force in 1961 for an initial period of approximately three years and was subsequently amended from time to time to provide additional lending periods and widen its scope of operations.
>
> The purpose of the legislation is to facilitate the availability of term credit to small businesses for a wide range of capital improvements. To this end, the Act authorizes the Minister of Finance to guarantee against loss term loans made to small businesses by chartered banks and other lenders designated by the Minister. Borrowers are required to provide a certain portion of the cost of the capital improvement from their own resources.

That last statement is worthy of notice. Most people who wish to avail themselves of the provisions of this act do not realize that they need a certain amount of capital in order to become involved. Unless they have some money of their own, or some collateral, the chartered bank or lending institution will say, "My doors are closed to you."

The purpose of this act is to enable people to become involved in the wholesale or retail trade, service business, construction, transportation or communications industries. Until now you could borrow a maximum of $25,000 if you had a gross income of some $500,000. The ceiling is now being raised to $50,000 for those with gross incomes of just under $1 million. I understand that the minister is in a position to guarantee some $250 million for purposes of the Small Businesses Loans Act for the next three years.

There is certainly a need for this increase in view of inflation. If you are a farmer and you want to buy a tractor you must spend a lot, as the Minister of Agriculture (Mr. Whelan) knows. If you want to get into the service industry, or open a restaurant, $25,000 is not much good; that ceiling went through the window a long time ago.

Let me now refer to clause 6(1) of the bill. This amendment would extend the meaning of "bank" to include Alberta Treasury branches, thereby making those branches eligible lenders under the Small Businesses Loans Act. Without question that amendment is good, because chartered banks and other lending institutions need competition and they will get it under this provision.

Let me also refer to clause 6(2). This amendment, which adds the underlined words in the bill, would make new businesses eligible for business improvement loans. That disturbs me, Mr. Speaker. It talks of new business. What new business in the wholesale or retail trade, in the service business, construction, transportation or communications could you start with $50,000? I don't know. It is obvious that you need to have some portion of the starting capital before you borrow. Say that the total requirement is for $80,000. This means that you need $30,000 in the kitty before you can apply for the other $50,000.

I note clause 6(5) would extend the meaning of "small business enterprise" to include any business enterprise with an estimated gross revenue of up to $1 million. At present the limit is $500,000. Frankly, in these days of inflation I do not know how you could start any of the types of business I mentioned with the small amount of capital provided for here. However, as speaker after speaker has said, this is a step in the right direction and we must go along with it. At the same time we must register some of our concerns.

Let me point out that this bill provides nothing for market research for the small businessman. It says nothing about technical studies being available to him, or about the feasibility of such studies. These matters are significant to small businessmen. They are vitally important. I suggest that the banks ought to provide this service for nothing. After all they have on hand about $40 billion in one form or another, and we only loaned about $28 million under this program in 1972. You would think that

the banking community would show a community instinct which could enhance the well being of the small businessman who, in turn, could enhance the banks' business.

The banks will not co-operate under this program, as member after member has said. The bill does not compel a lender to lend. There is no compulsion on lending institutions, chartered banks, or what have you. That is really upsetting. As many members have said, when you go to a bank manager for a loan he says, "You cannot get it because you are a bad risk." He will not lend you money under the Small Businesses Loans Act, but suggests that you borrow other money at 18 per cent or, failing that, that you go to the Industrial Development Bank. And you know what they will tell you. There is no way you will get money from them. That is why I say we are going through a charade.

A good friend of mine by the name of David Bernstein of Montreal is concerned about the attitude of the banks. He has written this about the banks and lending institutions:

> There exists at present a large number of financial institutions known as 'near banks', such as trust companies, savings and loan associations and syndicates operating regionally who should be authorized to enter into the banking field within their regions, but subject to monetary and fiscal policies dictated by the Federal authority. This would serve a secondary object of compelling the chartered banks to abandon their traditional policies, and oblige them to compete with these so-called regional financial institutions for investments in Canadian industries. This in turn might require the law to restrict the current practice of the chartered banks in establishing additional branches at will and not to defeat the proposed changes only to force these small financial institutions out of business.

He asks the questions, "Are there any financial institutions in Canada that can fill this vacuum? and goes on to say:

> It is my considered opinion that we now have financial institutions capable of fulfilling this need enabling Canadian business to obtain Canadian capital for the fuller growth of business in our country. Our chartered banks should be given the power by law, and encouraged to play a more active role in serving the legitimate needs of Canadian business, and the latter freed from the necessity of seeking such assistance outside of Canada, either from alien financial institutions, or by surrending control to alien corporations acquiring a majority interest in their shares or minority interest in a conglomerate merger.

● (2050)

> The Canadian Government has had for its purpose to penalize or to prevent foreign take-overs of Canadian corporations, however they have done relatively nothing in inducing Canadian capital investment in Canadian enterprise.

He refers to the takeover bill as Bill C-132.

> Bill C-132 has for its main object to permit the Canadian Government to prevent foreign take-overs of Canadian corporations where it is to the detriment of the Canadian economy, however it does not provide for any means in which a Canadian enterprise can obtain the necessary capital in Canada.

That is a significant statement by a very learned person. As a lawyer he probably has deals with smaller businessmen all the time. He is very concerned about the plight with which they are faced.

Has this act really been a tremendous success? I do not think so. Page 9 of the Small Business Loans Act Annual Report 1972 gives the loans by provinces and types of businesses for the calendar year 1972. Let us look at the province of Ontario, the province of opportunity, the province that sets the path of leadership, with all due respect, for most of the other provinces. How many loans did the banks, chartered institutions and other lending institutions make? I will read the figures for 1972. This is not for a month. I am talking for a whole year. In Ontario in the wholesale trade there were 23 loans. In the retail trade there were 153; in construction, 74; manufacturing, 89; service businesses, 236; transportation, 16 and communications, 5. Is that really a big deal? Does that show this act is attractive to small businessmen?

Perhaps we have a good act, but the criteria which are set down by regulation are really a detriment. That is why we have these insignificant figures in terms of how many loans are involved. It is hard to imagine that Ontario had only 596 loans. Let us look at the other provinces.

Mr. McGrath: Don't look at Newfoundland.

Mr. Alexander: I cannot help but get to that one. The hon. member for St. John's East (Mr. McGrath) says not to look at Newfoundland. However, I will start with the Atlantic provinces. These figures are for the year 1972. In Newfoundland there were five loans.

Mr. McGrath: Shame!

Mr. Alexander: Do members want to hear what happened in the Yukon? There was one loan. In the Northwest Territories there were two loans.

I see the Minister of Finance (Mr. Turner) behind the curtain. I am glad he is here. I am not trying to make a partisan speech. I am just trying to show how ineffective this act is in terms of small businessmen. What about Prince Edward Island? There were 31 loans.

Mr. MacDonald (Cardigan): We're right up there.

Mr. Alexander: The Minister of Veterans Affairs (Mr. MacDonald) seems happy with his 31. Surely he is not satisfied with that. He cannot be satisfied with 31 loans from his province. If that is his aim, I say shame. If that is so, he will not be back.

In Nova Scotia there were 37 loans. What kind of nonsense is this? These are areas which are continually crying about the need to remove their disparities. In New Brunswick there were 45 loans. The provinces that need the loans are not getting them. Why? Who can answer that?

In Quebec there were 1,091 loans. Ontario got about half that, 596; Saskatchewan, 174; Manitoba, 133; Alberta, 275 and British Columbia, 456 for a sum total for the whole dominion of Canada of 2,846 loans totalling $28¼ million. Isn't that absolutely ridiculous?

Mr. Howard: Were there any in the Yukon?

Mr. Alexander: Yes, one in the Yukon. The minister stands with pride. When we get to the banks, they are just as bad as this government in terms of their treatment. The figures have been given before, but I will put them on the record again: Bank of Montreal, 433; Bank of Nova Scotia, 134; Royal Bank of Canada, 952; Toronto Dominion Bank, 181; Mercantile Bank of Canada, 1; Canadian National Bank, 741; Provincial Bank of Canada, 41; my bank—the one I get my loans from, and I have them—Canadian Imperial Bank of Commerce, 358; Bank of British

Columbia, 4, and Credit Unions, 1. That is not a very good record.

We got a statement from the minister. He stated on November 21, 1973—and that is one of the last statements I saw—that the mortgage rate in the period under review, April 1, 1973 to September 30, 1973, was 6½ per cent. What is it now? 8¼ per cent.

Some members of this House, particularly those to my left, want the interest rate reduced to 6 per cent. No bank in the Dominion of Canada, or no near bank, would lend money at 6 per cent. You cannot get it at 8½ per cent now. That is what it was on April 1. Some members want to bring it down to 6 per cent. We certainly could not support any move with that as a basis of a motion. I am not the official spokesman, but it makes sense to forget about the socialists. They do not know what is going on around here anyway. All I can say about them is they are in control, without responsibility, and without principle. I think that is a fitting description of my socialist friends. I am not going to take much more time.

Some hon. Members: Go ahead.

Mr. Alexander: I think I have registered my concern. It was a legitimate concern. I did not try to be partisan or anything like that. We have an act, but without any moral suasion in terms of these banks how is it going to work? I wish somebody could answer my question. Why should a bank under the guaranteed provision in this bill lend money at 8½ per cent when it can lend money out at twice that amount?

Do we not have some responsibility here? I do not like to see government moving in and telling somebody what to do. That is the problem with this government, and we do not operate that way. However, there must be some way whereby moral suasion or persuasion can be used on a continual basis in order to have these institutions accept their community responsabilities.

● (2100)

My hon. friend from St. John's East (Mr. McGrath) refers to arm twisting. That's all right, too. I think the Minister of Finance does hold periodic meetings. Perhaps they are to no avail. They look to the minister, and he's got that charm and everything; he's a good looking boy, and they give him the old fast foot, and before you know it he's out, they're out, and the Canadian people are getting shafted again.

God knows, the small businessman is the backbone of this country. We must create a climate of positive direction in which funds can be made available to him so that he can further his business interests, so that in turn the government can get the taxes it requires to pay for services the Canadian people are not calling for.

An hon. Member: Like old age pensions?

Mr. Alexander: Only by helping to develop strong Canadian-owned business can we ensure innovation, new knowledge and technology which can be exported around the world. This is not a condemnation of foreign investment. Rather, it is a condemnation of the present government for failing to develop policies to strengthen Canadian business.

We welcome the bill unquestionably. It is motherhood. When someone is given an opportunity to get more money we certainly cannot say it is wrong. But I wish I could send it down to defeat, because when there is no compulsion, no obligation on the part of the banks, the legislation, in my view, is nothing but a facade—it is just a wasted exercise.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I do not want to extend the debate unduly on Bill C-14, but I think it is my duty to rise as the spokesman of the people or organizations directly affected by this bill which actually amends three acts already in force.

I will deal first with the part of the bill amending the act applicable to farmers with regard to loans and the increased loans which may be granted and guaranteed by the Minister of Finance. This legislation, in the past, has certainly helped farmers particularly when interest rates were not usurious as they are today.

This reminds me of the time when I attended school and was taught catechism. We were told about the sin of avarice and that lending money at usurious rates was a capital sin. In my opinion, this is still true in 1974. It has become a vice and such high interest rates have become a genuine national sin. Everybody complains about it in the House and outside. And yet nobody takes the bull by the horns to correct this situation and checks those dreadful and skyrocketing interest rates which are directly responsible for inflation.

We are in a vicious circle and within a system which compels us to pay them whether we like it or not. That is why, last year, the farmers had to borrow $20 million a month, as stated by the Minister of Finance (Mr. Turner) on the second reading of this bill.

Mr. Speaker, this means that the needs exist and that farmers resort to what they feel are the best credit sources for them, which ensures them a profit and survival.

But, Mr. Speaker, all this is not costing the governement anything. It only guarantees the loans granted by the banks to the farmers. We should pay tribute to the farmers, because they have been very honest so far. In fact, losses have been so small that they are not worth mentioning. They amount only to one fifth of 1 per cent. It is a lesser risk than the normal risk people take in any sphere of our economy. The farmers know exactly what they are doing when they sign a commitment. They are aware of the responsibilities they are assuming. They are even ready to bleed themselves white to honour their commitments.

It is not enough to let them run into debt by allowing them to borrow. We must also let them hope that some day they will succeed in financing themselves, thus avoiding a very burdensome item in the field of expenses, that of interest. There is a reason for the high rate of interest. Just today I moved under Standing Order 43 a motion which seemed to please the entire House, but because of parliamentary procedure even when 263 are in favour of a motion, if one wakes up earlier than expected and says: "No" we cannot even tell who said it. The word "no" has

been heard and therefore the Chair has to say: "The motion cannot be put."

Now, Mr. Speaker, even if the Crediters are sometimes accused of making senseless proposals, we note that after a while, and this a strange thing, the government did carry out a few which eventually make sense.

● (2110)

Mr. Speaker, if the government were to agree to this proposal,—I hope the Minister of Finance (Mr. Turner) will take good note of it,—to the effect that the public sector be financed differently from what it is today, it would disappear from the loans market and would cease to be the main competitor of private enterprise on the money market. That would help lower the interest rates, which would in turn allow private enterprise to survive and hope to compete on the world market, all this could be achieved through the Bank of Canada, which, after all, is our own institution.

Last week, Mr. Speaker, I put a question on the Order Paper, which reads as follows: Did the government borrow from the Bank of Canada during the past ten years? . . . The reply was "No", and a few details were provided: Under Section 18(I) of the Bank of Canada Act "The Bank may . . . (i) make loans or advances for periods not exceeding six months to the government of Canada." Well, in six months, one cannot go very far.

So, obviously, the government does not wish to be indebted to the Bank of Canada for a mere six months. It is therefore suggested that this legislation be amended by Parliament in order to allow the Bank of Canada to lend money for much longer periods at interest rates which would cover administrative charges. It seems to me that this would be sound administration.

Again, this will come about. But here we have a poorly timed engine which needs a tune-up. The engine turns and firing does take place, but when it does, the piston has already travelled a little too far, and the combustion chamber has become too large. So, the revolution is delayed, since compression is inadequate.

Well, when it comes to legislating in Parliament, this is what happens. We are not tuned-up, and our action is delayed. When damage has been done, we then decide to act.

This is the reason why I suggest again today to the government and to the minister of Finance that they consider very seriously the very concrete proposals that we are making so as to make the Canadian economy competitive on the international market, to enable us Canadians to be really ourselves throughout the world.

If nothing is done, I am afraid that we shall soon find ourselves in a rather difficult situation.

Mr. Speaker, in spite of existing legislation we find that farmers have left and are still leaving the farm, because they are not assured of an income enabling them to make a living, to make some profits that will at least leave them something in the end.

Some time ago, I had started to explain to the House, before running out of time, the problem of the dairy industry. Why has there been so many auctions? In the March 27 issue of *La Terre de chez nous*, 16 auctions were announced for the sale of large dairy herds of 40, 50, 75, 100 heads of cattle. Those are people quitting the dairy industry.

I have here a resolution concerning only, the Quebec district, and I quote:

Extract from the minutes of the annual general convention of the industrial milk producers union of the Quebec region, held . . . on March 12, 1974.

This resolution says that this year in that region alone, 652 producers have given up dairy production.

I have also here a letter from the president of the Canadian Federation of Milk Producers, dated March 26, 1974. He is not just anybody, but a responsible person, Mr. Speaker. He describes a situation that concerns him and also comments on the report of the Food Prices Review Board. I will only quote the following paragraph:

"There surely exist serious reasons to worry about the incomes of a large number of producers in this sector . . .

—the dairy industry sector,

. . . about today's prospects of this industry and its ability to provide Canadian consumers with an adequate supply of dairy products at reasonable prices."

The level of milk producers' incomes has been maintained too low much too long and the process of recovery is much too slow coming about.

As I stated earlier, our engine needs a tune-up.

This country is faced today with the escalating sales of dairy herds and a constant reduction in dairy production.

Therefore, Mr. Speaker, this is a suggestion which we must be concerned about and which deserves being pondered. I concede that, on March 31, the hon. Minister of Agriculture (Mr. Whelan) announced a new policy for the current year.

Improvements were made but they are insufficient. One can refer to figures worked out by experienced people in that field, who figured to the nearest cent what it costs to produce 100 pounds of milk. An analysis is made of the cost of grain, which is $2.22, that of hay, $1.98, that of milk transportation, 38 cents and that of mineral salt which is of 8 cents and we come to a total of $10.15 for 100 pounds of milk. But now, since April 1, the average price received by the producers of industrial milk is $8.50. Therefore there is a marked loss and even if we allowed them to borrow ten times more than they can borrow now, from banks or from caisses populaires, the whole amount being guaranteed by the Department of Finance, that would not settle their problem except for a short time.

But they will merely tie up future production and if the future is not better, they will have to do as others have done, get out of business.

The same thing can be said of pork production. For the last few months, our pork producers have been producing at loss and one is distressed to notice that they are losing great amounts of money. I know that the Minister of Agriculture and his public servants are now considering the problem but there is one thing I am sure of, I am sure that the minister is not getting enough co-operation from his colleagues, especially those from the Treasury Board. That gentleman cannot perform miracles and if he is not given the credits needed for planning policies that will enable producers to stay in business and to overcome that

difficult period, they will go bankrupt like other people, and bankruptcies may be more numerous than we think.

In concluding, Mr. Speaker, I should like to deal with another part of this legislation, namely the legislation amending the Small Businesses Loans Act. Since I came to this House, I have often heard my colleague, the hon. member for Compton, (Mr. Latulippe), speak on that subject. In fact he knows what he is talking about, being an industrialist himself who has started at the bottom rung of the ladder. He has often asked that the $25,000 loan provided for in the act be considerably raised to allow small businesses to expand and get established in areas where there are no labour intensive industry. On that subject, Mr. Speaker, I think the Minister of Industry, Trade and Commerce (Mr. Gillespie) made a much more eloquent plea than I could make myself, when he stated the following in the House on July 11, 1973:

● (2120)

Canada's smaller and medium sized enterprises and entrepreneurs form a key part of our Canadian economy. They employ an estimated five million people, almost 60 per cent of our entire labour force. Two-thirds of Canadians work for businesses employing fifteen persons or less. Most of these businesses are owned and managed by Canadians and provide a means of developing greater Canadian participation in our country's growth. Small enterprises are often the most efficient way of producing goods and services to meet Canada's particular needs.

I endorse that statement.

The small business unit has a flexibility to meet the local production and distribution requirements of Canada's various regions.

In addition to their significant economic role, small businesses make an important contribution to the development of Canada's social fabric. They foster the development of self-reliance, enterprise and are closely identified with community life.

How true that is!

A well balanced economy should, therefore, consist of healthy small businesses as well as larger units where scale of output is necessary to be internationally competitive.

Mr. Speaker, I could not agree more with the minister. Words are not enough, we must act. The Minister of Finance might say: That is what we are trying to do by increasing the guaranteed amount from $25,000 to $50,000. That will do some good, but could it be too late? Because of the current inflation, will the amount of $50,000 really be worth $50,000 or could it not rather be considered as $25,000 twenty years ago? That is the question we must ask ourselves and that needs to be answered.

During 20 odd years, members of all parties have very frequently—and sincerely, I hope—about industrial decentralization. We had to decentralize industry and all parties included this in their program. I think that nobody had enough faith in this policy to follow it efficiently and intensively. If we want to work to improve the social climate of our country, which is getting worse everyday, I think that one of the most effective measures that we could take immediately would be to decentralize industry by bringing it to the rural centres, where there is an increasing number of qualified people who are able to meet the needs of the industries who will accept to settle in these centres. This would allow our young people to build family houses in unpolluted areas where there is space. This would allow them to have a normal family life because they would be able to settle in areas where the lack of air and space is not a problem yet. In this way, we should be solving a very difficult problem, that of space for those married couples who still wish to have children.

[Mr. Lambert (Bellechasse).]

When I visit the big cities, it disappoints me to see multiple unit buildings and, when I visit either relatives or friends, it makes me sad to see that in these two, three, four or five apartment buildings, space has been provided for the refrigerator, the range, and all types of electrical appliances, but there is no room for human beings. There is one bedroom and another small room for a baby. When the latter arrives, it is realized that there is no more space. Steps must be taken accordingly, and God knows how many are advertised on TV, over the radio and in newspapers!

Mr. Speaker, I still believe in the divine institution which the family is. We must try not to limit its possibilities to big business whims, but to accommodate incomes of families to their needs so that they may fulfil their task and remain themselves in this modern social world. Such an institution must remain the basis of our society, as otherwise, like other countries which have overlooked this, we will witness chaos which does not profit anyone.

That is why we must increase those small businesses loans, but for heaven sake's let us put an end to all the red tape that discourages those who want to use them. They have to overcome so many obstacles that they are disgusted right from the start and they give up after a few tries. There are qualified men who can operate a business or an industry, who have that natural ability but and all they can do is to sit back and say: It is no use trying; they make it so difficult and there are so many problems of all kinds that we are discouraged at the very beginning.

Mr. Speaker, I ask the Minister of Finance who is responsible for this legislation to encourage the banks to grant loans to those small businesses. We are not asking them for a gift, but a loan. I am convinced that the higher the interest rates, the more profits they make. To my mind, the Minister of Finance has a very heavy responsibility and he must intervene if need be, by introducing legislation so that an end might be put to those usurious interest rates. There is nothing to keep Canada from taking the first step. Some will say to me: Dear God, it is easy to talk about it, but we depend on the international market! Perhaps, but if only we were true to ourselves in Canada, we could at least try it out, try to be masters in our own country, and stop acting like sheep. For once we would show initiative, without jeopardizing anything, and do something concrete.

In closing, Mr. Speaker, since my time has almost expired, I should have liked to speak a bit more of the provisions of the act concerning fishermen. I know that this bill was introduced in the same spirit for the fishermen, and we know how difficult their work is, and the hardships they encounter every day.

I trust my remarks will at least spur on those who are responsible financially. I can assure the Minister of Finance of this: he need not hesitate if he wants to go ahead and, as I said a while ago, if he wants to grab the bull by the horns, I shall help him and grab its hoofs.

[*English*]

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I feel it is a worthwhile opportunity to join in the third reading debate on Bill C-14. I say this because the bill deals with the farmer, the small businessman and the fisherman in this country. I believe it is wise that we in parliament first take a look at the record of what the government has done for the farmer and the small businessman in the 10 years it, and its predecessor, have been in office. I refer to the share of net national income enjoyed by the farmers and small businessmen. The short answer is that the farmer and the small businessman have not had it so good since the last year of Conservative rule in Canada.

I think it is pertinent to recall that in 1963 total business income of an unincorporated nature was 10.3 per cent of the national income, and that under Liberal government rule that share has declined every year to the present level of 7.5 per cent of the national income.

● (2130)

Some hon. Members: Shame!

Mr. Turner (Ottawa-Carleton): Perhaps more companies are being incorporated.

Mr. Stevens: I can assure the minister that small businessmen are not being incorporated as a result of any encouragement given by the present government.

Some hon. Members: Hear, hear!

Mr. Stevens: I wonder how the Minister of Finance (Mr. Turner) would explain the lot of the farm operator. In 1963 the farm operator had 4.5 per cent of the national income in this country. Last year he had 3.4 per cent, and that was one of his better years under the Liberal government reign. As was mentioned during the question period earlier today, the lot of all in Canada, particularly the lot of the bigger corporations, has not been so poor under the Liberals. I think it bears reiterating that corporate profits after taxes in the last quarter of 1973 have soared to 12 per cent of the nation's national income from 6.7% three years earlier, while the share of labour has fallen from 75 per cent to 70 per cent. Not only is this government fond of big government but it is fond of big business, judging from how it has treated certain of the larger corporations in the country.

I gave some background because I believe it is important that we get into perspective the true nature of the Trudeau government in Canada. This bill is tokenism; it is a gesture; it is something that the Liberals can hang a press release around when they have to answer on what they propose to do for the farmer, the fishermen or the small businessman in Canada. For example, I followed the remarks of the Minister of Finance when this bill came up for second reading in the House and I found it interesting that he pointed out that the Small Businesses Loans Act came into effect in early 1961, and then, presumably in a moment of great pride, he said:

> Since inception, including the last full year of operation, $290 million have been made available to small businesses under the provisions of this legislation. Lending reached a peak of $30 million in the year ended December 31, 1973.

I would have thought that the minister would have been ashamed to put such figures on the record as justification for this act. Imagine talking about a peak year in which $30 million were given in loans to small businesses! Last week Canadian chartered bank assets went up $550 million alone. That is the type of financing in the country at present, yet we have a Minister of Finance who feels it is a credible showing that in an entire year small businessmen received loans under the relevant legislation totalling $30 million.

Again, as we know, part of this bill is to increase the aggregate amount that chartered banks may lend under the act to $250 million, and the aggregate amount that other lending institutions may lend to $100 million. That is the government's answer to the small businessman in Canada.

There is another bill on the order paper. I refer to Bill C-10, an act to amend the Export Development Act. Surely it shows the true colours of the present government when we consider that it is proposing to increase the share capital alone of the Export Development Corporation from $125 million to $400 million. It is proposing to increase the capital of the Export Development Corporation by almost the total amount that it is willing to guarantee in chartered bank loans to small businesses.

That is only the beginning. It also proposes, if this parliament should be so foolish as to allow the bill to pass, to permit the Export Development Corporation to borrow up to ten times the authorized capital, that is $4 billion. It proposes that the present lending limit in one category be increased from $1.5 billion to $4.25 billion. Under another heading it proposes that that corporation should have the right to lend not $450 million—the present level—but $850 million. I mention this because here is a corporation that has been dealing with the favoured few corporations that the government likes so much.

Here the average loans are in the neighbourhood of $20 million to $30 million. The loans are granted to countries lucky enough to get this benefit while those Corporations in Canada, which in practice are mainly over 50 per cent foreign controlled, in turn get the benefit of the financing which has been at a rate slightly over 7 per cent per annum. What a strange situation! Here we have a government proposing to extend the limits of the Export Development Corporation so that it may facilitate financing for foreigners of over $5 billion, at interest rates in the neighbourhood of 7 per cent, and we are told on the other hand that it is a worthy amendment which would allow small businesses in Canada to borrow up to $250 million, not from the government but from chartered banks at 8 per cent plus.

We are told that the small business rates will be pegged to the long term bond rates in Canada which, as the Minister of Finance pointed out, beginning on April 1 would justify a rate of 8 per cent. So not only is the government proposing extremely high limits for one sector of the economy, the big business community, compared with the limits that it is proposing for the small business sector, but it is also proposing to continue a rate differential so that small businesses in Canada will have to pay 1 per cent above the going bond rate in Canada,—now 8 per cent whereas those who are lucky enough to get the

Export Development Corporation financing do so at roughly the rate the government borrows, namely, 7 per cent.

I mentioned that figure of 8 per cent because, as the Minister of Finance pointed out, the going rate beginning April 1 will be 8 per cent for loans to small businessmen, farmers or fishermen. But I would emphasize that in the last few weeks the bond levels in Canada have shot up most dramatically. For example, in the two weeks ending April 10, the yield on long term government bonds on average has jumped .35 per cent. I would suggest that when the new rate is pegged, as this formula will cause it to be pegged for small businessmen, farmers and fishermen, it could well be that the average lending rate for small businessmen, farmers and fishermen will be 9.5 per cent, or higher, under this legislation in Canada.

● (2140)

As we know, Mr. Speaker, there is an amendment before us in which the hon. member for Skeena (Mr. Howard) has proposed that the bill be sent back to committee for the purpose of studying clauses Nos. 2, 7 and 9. It is my understanding that the hon. member hoped that some interest ceiling might be written into the bill to guarantee that the farmer, the fisherman and the small businessman will not have to pay rates of interest of 8 per cent or 9 per cent, or whatever rate the present formula will dictate.

One can sympathize with the hon. member's intention, but I feel that he is missing the point. There is little purpose in this government, or any other, setting a rate that is below the going rate, and expecting the chartered banks to abide by it. Obviously the government must accept the basic problem and decide what course to take. If it wishes to utilize chartered bank assets it knows there are ample assets to utilize.

I have pointed out that our money system went up $550 million in the last week alone, but perhaps it is more relevant to point out that in 1963 total Canadian bank assets, net of any foreign assets, were $17.8 billion, and in 1973 they had reached $55.1 billion. In that short period bank assets in this country have more than tripled. There can be no question, therefore, that there are ample loanable funds available if the banks can be induced to lend them to small businesses.

I suggest that the government knows, as certainly the business community knows, it is only gesturing to say that any chartered bank should be expected to loan any sizeable amount of its loanable funds at below the going rate, yet that apparently is what the government expects in this legislation.

I would suggest that if the government wishes to see lower rates for businesses, the farmer or the fisherman, it must accept one of two alternatives. It must subsidize the lending institutions to ensure the lower rates, or it must take the Export Development Corporation route and loan the funds to the smaller businessman through some corporation, or directly from the government itself.

Those are the alternatives, Mr. Speaker. It is not fair for the government to pretend that this is legislation that is readily available and may be used by small businessmen, as is suggested so often by members of the government when they are asked what they are doing to help small businesses in this country.

I have attempted to show the virtual misrepresentation that the government has placed before this House concerning the bill and the legislation we are now considering.

There will be a day of reckoning, Mr. Speaker. I think it is important that members of this House not become implicated in a government charade without pointing out the facts for the people of Canada to decide. The facts are, Mr. Speaker, that we have a government that literally has not dealt with inflation in a prudent manner, that has decided to take a laissez faire attitude with respect to inflation. It is a government that to date has had the support of a certain caucus in this parliament that oddly enough has felt that a more determined stand to contain and control inflation would somehow not benefit the labouring man in this country. Mr. Speaker, nobody in Canada has been hurt more than the average wage earner through the incompetence of the present government.

There is no other way for this government and this Minister of Finance (Mr. Turner) to explain why labour income in this country has fallen by 6 per cent in the last three years as a share of national income, while corporate profits, after taxes, have jumped by 79 per cent. This is the hard reality of the government's lack of policy concerning inflation in Canada: the favoured few in the eye of the Trudeau government have benefitted from inflation whereas others, especially the unorganized in our labour force, have been hurt severely by rampant inflation.

I would suggest that not only has the labouring man been hurt but the smaller businessman has been hurt as well, and the gesturing, the press releases, and the statements of good intentions which have come from the government are not enough to restore the imbalance that has taken place as a result of the cruellest tax of all, namely inflation.

When we are touching this, Mr. Speaker, I have already referred to the fact that the bond market in Canada has sold off dramatically in recent weeks. It is common knowledge, for example, that the Bank of Canada had to enter the Canadian bond market to support it, and that it now owns over half a billion dollars of Canadian securities that it did not intend to buy a few weeks ago, and that one of the reasons for this is the over-spending of the government. The day of reckoning is coming, Mr. Speaker.

Mr. Turner (Ottawa-Carleton): You guys are not going to be standing on the mountain!

Mr. Stevens: The day is coming when the government will have to make its peace with the money markets of Canada if it intends to continue to fund its heavy spending programs in the manner it has been funding them over the past few years. Until last year it was able to do much of its funding through the sale of Canada savings bonds, but not last year. Consequently the government's cash position has deteriorated by approximately $1.2 billion in the past year, so it now has considerable financing to raise in the coming months.

● (2150)

The Bank of Canada has decided to raise the bank rate, but not only for the little reasons given by the Minister of Finance. It has acknowledged that the Canadian bond market has to adjust to substantially higher interest rates, to allow the government to finance the spending program it is determined to put before the House and to finance with debt issues. These are the facts. The unfortunate victims of this lack of government planning and of the government's poor approach to economics are those whom this legislation is purported to assist, the farmers, fishermen and small businessmen.

I know nobody likes to interrupt a vacation, but I strongly urge that it is time for the man who calls himself Prime Minister of this country, and who feels that he should have the confidence of the House, to return to this House and see if in fact he has the confidence of the House and of the people of Canada.

Mr. Alexander: Where is he?

Mr. Turner (Ottawa-Carleton): Cheap shots.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I welcome this opportunity to speak on the third reading stage of the small loans bill. The concept underlying this bill has been around since 1944. In this bill the government has not really brought forward any new approach. I suggest that an approach different from that first contemplated in 1944 is necessary. Legislation such as this was first enacted, as I say, in 1944, and has been updated over the years.

This bill will increase the ceilings for lending, in line with the inflation we are living with in our economy. I agree with the main thrust of the bill, but I think there are forces in our economy which are working grievously against the operation of small businesses, among which I would include unincorporated farms and fishing. This bill will do little to alleviate the disadvantages from which those businesses suffer. It will only act as a palliative and will not solve the real problem.

The real problem of a small businessman is the accumulation of the capital which is necessary if he is to function properly within the economy.

This bill will make it possible for him to acquire more capital. The state will guarantee the funds he may borrow from the bank, in order that he may compete and remain viable in the economy. The accumulation of capital with which to pay off these loans is becoming increasingly difficult because of our tax structure. As inflation expands, the tax bite put on an individual through the income tax increases the government's take.

The government's share of the income of the individual who is in business for himself expands steadily. Thus he finds it increasingly difficult to make ends meet. Furthermore, people find it difficult to accumulate the capital which is necessary to own a farm or small business. This bill will not help the underlying weakness in our economic system, which puts little emphasis on the accumulation of savings, savings which are necessary if someone is to own a farm or small business.

People accumulate capital for various reasons. For instance, they may want to pass the money on as a legacy to their children and those who come after them.

Some, who through good fortune in this world have acquired wealth, want to pass it on to their families. This attitude, while important some years ago, no longer seems to be quite so prevalent. Of course for people of modest means there is little point in accumulating capital for their children, who are usually as well off or better off than their parents were. As well, the provincial estate tax takes large portions of estates, so that the incentive to pass on capital in the small business community is seriously diminished.

Sometimes part of a business or farm must be sold to meet the estate tax. In addition, the capital gains tax brought in by the present government will seriously limit one's ability to pass capital on to one's family. Actually, the capital gains tax and the estate tax represent severe deterrents to the accumulation of capital. As assets must be sold to pay the capital gains and estate taxes, one can see that we are really taxing inflated gains. To a large extent the capital gains tax contains a large element of inflation. This bill does nothing to help in that regard. May I call it ten o'clock, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

Mr. Baker: Mr. Speaker, before we call it ten o'clock may I ask the Minister of Finance (Mr. Turner) if it is intended to carry on debating this bill tomorrow and, hopefully, to conclude it?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think we are having such a stimulating debate on this bill that we ought to continue it tomorrow and, if the House should so decide, dispose of this legislation one way or another. We could then get on with the Canada Pension Plan amendments.

Mr. Knowles (Winnipeg North Centre): And after that?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

NATIONAL REVENUE—REPORT THAT CERTAIN QUEBEC OIL COMPANIES DID NOT PAY FEDERAL INCOME TAX LAST YEAR

Mr. René Matte (Champlain): Last week, Mr. Speaker, I had the opportunity to ask a question. In my opinion, this question was extremely important and deserved an answer which, although incomplete, might have shed some light on the situation.

Adjournment Debate

If there is a area of universal concern to Canadian taxpayers, it is certainly that of income taxes, since every individual with an income must turn over part of it to the internal revenue department for the administration of his country. People with fixed inomes are perfectly aware of what they are paying in income tax. They are equally aware of their neighbours' contributions.

However, in the case of corporations and especially multinational corporations, it is very difficult to find out whether they are really paying their share to the country in which they operate. It is extremely important because those companies do not pay their fair share of taxes and the small wage earner will have to make up the difference needed for a sound administration of the country. A few weeks ago the Quebec government learned that seven oil companies had not paid income tax.

● (2200)

Mr. Speaker, owing to the price escalation of oil products which in certain cases have increased by 50 per cent, we wonder how a company can avoid income tax. Since the same companies are found throughout Canada and must file income tax returns with the federal government, it is therefore extremely important to compare their tax contributions to the Quebec and federal governments.

I ask to the Minister of National Revenue whether there have been meetings, negotiations, inquiries and controls made in that connection. It is an important and even urgent question since it is high time that we should know exactly what are the facts in order to plug utterly unacceptable loopholes. Mr. Speaker, it is all very well to exhort people to stay calm, to pay their taxes quietly, but the fact remains that the report stating that seven oil companies have paid no taxes in the province of Quebec is a cause for misgivings in the average citizen's mind.

It can be asked therefore why there are so many complaints which sometimes get to the point of revolt. I think that these things must be clarified. We must know if the same situation is prevailing at the federal level. That is the purpose of my question. Without divulging secrets, can the Minister of National Revenue say if these companies are in the same situation with regard to federal income tax?

The public has a right to know and, obviously, as their representatives, it is our duty to throw some light on this situation. If the system is maintained, we might eventually have a dreadful future.

Therefore, Mr. Speaker, I ask simply if some of these companies have neglected to pay federal income tax and secondly if there have been, or will be, meetings with officials of the Department of Revenue of the province of Quebec, so as to compare tax returns of these companies with those submitted to the federal Department of National Revenue.

[*English*]

Mr. Maurice Foster (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the Minister of National Revenue (Mr. Stanbury), I would like to remind the hon. member that Revenue Canada, Taxation, is not free to disclose income tax information in respect of identified taxpayers. Therefore, I cannot state whether a particular corporation or a particular group of named corporations did or did not pay federal income tax for any given taxation year. However, it can be seen from the latest statistics for the 1970 taxation year that approximately 145 corporations which can broadly be classified as oil companies paid federal income tax, and some 640 did not.

Statistics issued by Statistics Canada in a publication Corporations Statistics shows that for the 1971 year oil companies paid federal income tax in the amount of approximately $150 million.

There are a number of reasons why an oil company may not pay federal income tax in any particular year. A corporation may have a loss for a year, or the profit for the year may be offset by losses carried forward from previous years. An important factor in arriving at the amount of taxable income of an oil company is the deduction that is allowed for exploration and development expenses. Most of the major oil producing companies in Canada have incurred very heavy expenditures in exploring for oil and developing new wells. Under the Income Tax Act such costs are deductible in a taxation year to the extent the company has income, and any such costs not deductible because of the income limit may be carried forward and claimed as a deduction in a subsequent year when the company has profits. The total amount of exploration and development expenses claimed by all oil companies in the 1971 taxation year was approximately $820,000,000.

It must be recognized that a company engaged in producing oil is subject not only to federal and provincial income taxes but is also required to pay royalties to the government of the province in which the oil is produced. The amount of such royalties paid is a business expense of the company, and is therefore deductible in arriving at taxable income for federal income tax purposes.

There is no evidence to suggest that the oil companies in Canada are not reporting their taxable incomes properly in accordance with the provisions of the Income Tax Act.

CONSUMER AFFAIRS—ADVERTISEMENTS FOR SALE OF HOUSES IN TORONTO AREA—CONTRACTS WHEREBY BUILDER CAN CHANGE PRICE AND MORTGAGE TERMS

Mr. Don Blenkarn (Mississauga): Mr. Speaker, on March 5 last I asked the Minister of Consumer and Corporate Affairs (Mr. Gray) a question concerning the activity of certain building corporations advertising houses for sale. I related to the minister the problem which arose when some persons went to buy a home and were advised on the site, by the agent of the builder, that the homes were really not for sale—that they could put in a reservation but the reservation would provide that their deposit would be returned without interest if the builder-developer felt the price was not sufficient. Moreover, the terms of payment, price, closing date and the rest could be altered unilaterally by the builder.

As a result of my question the activity of a number of builders in Toronto advertising in the Toronto *Star* and the Toronto *Globe and Mail* were severely curtailed, and the Urban Development Institute disciplined the builders involved by advising them that such advertising was improper.

I want to say to you, Mr. Speaker, that the effect of my question in bringing this matter to the attention of the House was probably to remedy the problem as far as advertising is concerned. However, it clearly did not go to the root of the matter, since this problem is one which arises because of the fact that inflation is taking place in Canada at a totally unrealistic rate.

In Mississauga, for instance, the cost of housing is rising at the rate of $50 a day at the very least, seven days a week. In these circumstances one cannot really blame a builder-developer if he says to a prospective purchaser, "I, as developer, am entitled to the inflation which takes place between the time you order the house and the time the house is delivered." I might add that this period is sometimes as long as eight months.

One cannot really blame a builder and accuse him of gouging when he says, "I want at least the inflation which takes place during the time I am responsible for the property." After all, with building costs of all kinds going up by between 2 per cent and 5 per cent a month there is no way in which a builder or a developer can be sure what his costs will be half a year from now.

• (2210)

Earlier last fall the Minister of Agriculture (Mr. Whelan) said he would freeze the price of milk for one year, and he applied a five cents a quart subsidy. That was four to five months ago. The price is now going up another nickel a quart on top of the nickel a quart of last fall. This is what is happening in our economy. We have runaway inflation. We have a government that does not give a darn about runaway inflation.

This runaway inflation is most spectacularly shown in the price of housing in the metropolitan areas. Time and time again it has been related in the House how the price of housing in the greater Toronto area has escalated by 40 per cent in the past year. This may be the result of speculation. It may be because the banking system is financing this speculation. Certainly it is because there is an acute shortage of serviced land. It is certainly due to the fact that all we have from the Minister of State for Urban Affairs (Mr. Basford) are demonstration programs.

We do not have an attack on the quantum of serviced land. We do not have a concerted attack to increase the supply of housing. We have innovative programs. We have Habitat 2000. But we have nothing that will correct the problem of a young couple who need a house.

Housing is a basic commodity. Bricks and mortar are basic commodities. We need to put shelter over our people. Society today demands warm, comfortable, decent housing, yet the government slaps an 11 per cent sales tax on this very commodity and refuses to remove it. The government has collected over $1 billion from this tax in the last five years, but uses none of this money to increase the supply of land which will make housing cheaper. The provision of housing is probably the main concern of most people in urban society. The escalation in the price of this one commodity alone is evidenced by this business of reservations that are still being sold.

I do not blame the builder-developer for this since the government says, in effect, "Look after yourself." As far as we are concerned, says the government, housing is an international problem, and so is inflation. I ask: when in Canada was the cost of housing an international problem? Our houses are built with Canadian materials, on Canadian land, with Canadian labour. What international matter is involved? Yet the government continues to allow prices to escalate. It continues to allow the financing of this speculation to escalate, and cares little about the ordinary guy who wants a house for his family and kids.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, it would be hard to compete with the hon. member whose demagogy and hypocrisy are equalled only by his self-complacency when he tells us that his action in the House has solved the problem of misleading advertising in Toronto. I can assure him that seldom has a member of parliament been so far from the truth.

If misleading advertising has been decreasing in the Toronto area, it is precisely because the research and investigation branch of the Department of Consumer and Corporate Affairs proceeds vigorously against any industry, in the field of construction or any other field, which resorts to misleading advertising. And in the field that he has referred to, I can tell him indeed that the department suing certain home builders actually led to some convictions in the Toronto area and had a salutary and exemplary effect on all other industries. If he can be consoled in thinking that he is the one who produced such an effect, good for him, but I want to say to him that as far as we are concerned and as far as the Toronto metro area is concerned, it is not this kind of self-indulgence that will impress people.

In the matter of land speculation, I have been astounded when the hon. member said that he did not blame those who speculate on land. Personally, I think it is despicable and that on the contrary speculators should be condemned for a basically immoral act, because it is speculating on something where no capital gains is derived from our own investment.

Therefore, I find it unfair to want to stigmatize an evil without blaming the responsible persons, because in this area it is evident that the speculation psychological pressures are assuredly something that has no economic basis.

Therefore, the way the hon. member puts all the blame on the government without admitting the abusive craving for profit making of those who have land or offer public services nor the primary responsibility of governments and of the Ontario Conservative government in particular, I suggest, is a wrong and inaccurate way of reporting the facts.

As to the fight against inflation I suggest that any reasonable person will admit that the present government provided much assistance to citizens, through the various

subsidies they granted. The hon. member referred to the dairy production. I might in turn mention subsidies on the price of bread, subsidies granted under the welfare program, the old age security pensions, the family allowance plan and the escalation of pensions. Those are all programs that the government put forward, precisely to enable the people who live on fixed incomes to fight with some success against the problem of the rising cost of living.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Tuesday, April 16, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED ISSUANCE OF WARNING TO STUDENTS CONCERNING DRUG OFFENCES IN FOREIGN COUNTRIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely, the incarceration for the past month of four Canadian students in an Iranian jail, as well as the large numbers of requests received by Canadian Embassies around the world for help on drug charges. I, therefore, move, seconded by the hon. member for Hamilton-Wentworth (Mr. O'Sullivan):

That this House instruct the hon. Secretary of State for External Affairs (Mr. Sharp) to issue a directive to all high schools, colleges and universities in Canada outlining the dangers and possible penalties that tourists face when arrested on drug charges in a foreign country.

Mr. Speaker: The hon. member's motion proposed under the terms of Standing Order 43 requires the unanimous consent of the House.

Some hon. Members: No!

Some hon. Members: Agreed!

Mr. Speaker: There is not unanimity.

* * *

LABOUR CONDITIONS

POSSIBLE INVESTIGATION OF LAY-OFFS AT GENERAL INSTRUMENTS PLANT, SYDNEY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise at this time under the terms of Standing Order 43 on a matter of urgent and pressing necessity, namely the drastic lay-off of employees at the General Instruments Corporation plant at Sydney, wherein the work force has been reduced from approximately 1,000 employees to the vicinity of 400 employees in the past few weeks.

In view of the fact that it appears close to impossible to secure from the corporation their intentions as far as their future operations at Sydney are concerned, the fact that certain pieces of equipment have been removed from the plant and the hardship that is being caused as a result of this mass lay-off, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. MacInnis):

That the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the Minister of Manpower and Immigration (Mr. Andras) immediately cause an investigation to be carried out to lend whatever assistance is possible to assist those employees affected by the lay-offs, ascertain as a result of the investigation what the future holds for this plant and also if those who have been laid off will be rehired. And, the minister's report back to the House.

Mr. Speaker: This motion is also proposed to the House under the provisions of Standing Order 43 and requires unanimous consent.

Some hon. Members: No!

Some hon. Members: Agreed!

Mr. Speaker: There is not unanimity.

* * *

INCOME TAX

SUGGESTED DEBATE ON DISCONTINUANCE OF TAX CONCESSIONS TO CORPORATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under the terms of Standing Order 43. The words of the motion speak for themselves so I shall not indulge in any preamble. I move:

That this House deems, since spokesmen for the official opposition have questioned the continuing of the government's tax concessions to corporations, that the requirements of subsection (3) of section 125.1 of the Income Tax Act regarding a motion supported by 60 members have been met, and that it is therefore in order for the House, within 15 days, to debate a motion calling for the discontinuance of the corporate tax deductions granted by last session's Bill C-192.

The motion is seconded by the hon. member for York-Simcoe (Mr. Stevens).

Mr. Speaker: I am not sure about the hon. member's seconder. In any event, I will inquire if there is unanimous consent.

Some hon. Members: No!

Some hon. Members: Agreed!

Mr. Speaker: There is not unanimity.

Report on Regulatory Boards and Agencies

● (1410)

[*Translation*]

UNEMPLOYMENT INSURANCE

DATE OF INTRODUCTION OF AMENDING LEGISLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. André Fortin (Lotbinière): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity, namely the unacceptable delays in the payments of unemployment insurance benefits. I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this House instruct the Minister of Manpower and Immigration in charge of the Unemployment Insurance Commission to table as soon as possible the new Unemployment Insurance Act, as announced in the Throne Speech, or the candies speech.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

CONSUMER AFFAIRS

REFERENCE OF CANADIAN CONSUMER COUNCIL REPORT ON REGULATORY BOARDS AND AGENCIES TO STANDING COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, notice of the following motion was given to the government House leader well in advance, and he has had time to consider it. I would therefore move, under the provisions of Standing Order 43, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the report on the Consumer Interest in Regulatory Boards and Agencies by the Canadian Consumer Council, released on April 15th, by the Minister of Consumer and Corporate Affairs, be referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: The motion proposed by the hon. member for St. John's East, and seconded by the hon. member for Winnipeg North Centre, requires the unanimous consent of the House. Is there unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[Mr. Speaker.]

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

BUSINESS OF SUPPLY

FAILURE OF GOVERNMENT TO GRANT ALLOTTED DAY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I ask leave to move a motion for the adjournment of the House, for the purpose of discussing a specific and important matter requiring urgent consideration and falling within the responsibilities of the government under the heading of supply, as admitted by the President of the Privy Council, namely, the refusal of the government to grant an allotted day within the provisions of Standing Order 58.

Mr. Speaker: The hon. member for Peace River (Mr. Baldwin) has given the Chair the required notice under the provisions of Standing Order 26. This has given the Chair an opportunity to reflect on the important point raised by the hon. member. In passing, may I thank the hon. member for the background documents submitted by instalments to the Chair, which have been found both interesting and intellectually stimulating.

As all hon. members know, Standing Order 58 is the governing order in relation to the matter raised by the hon. member for Peace River and deals, generally speaking, with the businesses of supply and ways and means. Under that Standing Order, at the commencement of each session, there is designated by motion a continuing order of the day. The parliamentary timetable for the consideration of business under Standing Order 56 is divided into three distinct periods. One of these periods terminates not later than December 10, and during that time five sitting days shall be allotted to the business of supply. The second period of the timetable expires not later than March 26 of each year, and during that time a further seven days is allotted. This brings us to the third distinct period, which ends not later than June 30. In each of the periods, and more particularly for the purposes of the current problem, two days may, at the option of members in opposition, be declared to be non-confidence days.

The question the Chair has to determine is whether or not, during the period commencing March 27 and expiring on June 30, that the hon. member refers to as "the refusal of the government to grant an allotted day" is the foundation for an adjournment debate under Standing Order 26. The requirements of Standing Order 26 are well known to all hon. members. Section 5 of the Standing Order states that in determining whether a matter should have urgent consideration Mr. Speaker "shall have regard to the extent to which it concerns the administrative responsibilities of the government or could come within the scope of ministerial action—"

Precedents extending over a long period of time indicate that these words always have been interpreted as referring to a sudden emergency requiring immediate ministerial intervention. The Standing Order has never been interpreted as applying to the operation of other Standing Orders. In this particular instance, the hon. member's proposed motion seeks precisely to adjourn the House for the purpose of discussing the operation of Standing Order

58, a situation which in my view is not contemplated by subsection (5) of Standing Order 26.

In the circumstances, I am afraid I cannot agree with the contention of the hon. member for Peace River that an adjournment debate under the provisions of Standing Order 26 can be invoked to debate the application or the interpretation of another Standing Order.

Mr. Paproski: Mr. Speaker, I rise on a point of order. It concerns the question I asked the parliamentary secretary yesterday when he was reading the answers to the questions on the order paper. The parliamentary secretary was misleading the House when he stated it would cost the government $1.5 million to answer Question No. 319 standing in my name on the order paper. If the parliamentary secretary has proof of this accounting, I would like him to present it to the House so that the rest of the members can have a look at it.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, I rise on a point of order. It concerns a very dangerous practice that seems to be creeping into our proceedings. In the absence of the Minister of Consumer and Corporate Affairs (Mr. Gray) yesterday, a very important study which had been commissioned by the Canadian Consumer Council was released by the minister's office. The study deals with the consumer interest in regulatory boards and agencies. It has been in the minister's hands since June. We understand the minister has every right to have this document as long as it is necessary for him to understand it. We further understand it takes the minister a little longer than most to be able to absorb what is in these documents.

My point of order is that this document more properly should have been placed before the House under the provisions of Standing Order 41. I raise this point to get the guidance of Your Honour, because if parliament is sitting and if ministers are allowed to circumvent the rules in this way, I see no purpose in parliament being in session in the first instance. This very important document should be officially laid on the table of the House under Standing Order 41. I say the minister is in contempt of this House by circumventing the rules and releasing this study outside the House yesterday.

Mr. Speaker: I am not sure that the hon. member for St. John's East (Mr. McGrath) requires a ruling of the Chair. He has raised a point of order. There being no further debate, I wonder whether it would be helpful for the Chair to make a ruling.

This standing order clearly provides a way for ministers of the Crown to table documents. It was introduced several years ago in order to make it easier for members of the ministry to table documents without points of order and without debate. I am not sure the standing order can be interpreted as imposing an obligation on ministers to table documents in the House under Standing Order 41. That may be so, although I do not think I could interpret the standing order as it now stands in that way.

It may well be that the standing order was designed and devised to make it possible for ministers to table their documents, and to encourage them to table them in the House rather than publish them outside the House. My impression is this general rule has been followed for some time. I have not observed, nor have I sought to observe or study, whether there has been a departure from that rule. I will perhaps look at the matter in this light. However, my ruling on the point of order raised by the hon. member will have to be that I cannot interpret the standing order as imposing an obligation on the minister to table the document or to publicize the document under the terms of Standing Order 41.

• (1420)

Mr. Stevens: On a question of privilege, Mr. Speaker. Before I took my seat in the chamber I understand the hon. member for Winnipeg North Centre proposed a motion of which, perhaps inadvertantly, he suggested I was the seconder. Possibly he intended to mention the name of the hon. member for York South, not York-Simcoe, because I had never seen the motion before.

Mr. Knowles (Winnipeg North Centre): On that point of order—

Mr. Speaker: My understanding is that it was a question of privilege, not a point of order, though the hon. member did make a point which was more in the nature of a point of order than a question of privilege. Anyway, he is on the record now as divorcing himself from the motion proposed by the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): I rise, then, on a point of order. I do not accept the accusation of having made a mistake. I deliberately named the hon. member for York-Simcoe because I took him at his word—

Some hon. Members: Hear, hear!

An hon. Member: That is where you made your mistake.

Mr. Stevens: Clearly, Mr. Speaker, the hon. member for Winnipeg North Centre did not follow my words yesterday.

Mr. Knowles (Winnipeg North Centre): I certainly did. Read *Hansard*.

ORAL QUESTION PERIOD

[*English*]

FINANCE

EFFECT OF INCREASE IN PRIME RATE BY BANK OF CANADA—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): A question to the Minister of Finance, Mr. Speaker. In view of the fact that the move over the weekend by the Bank of Canada to increase the bank rate has been interpreted by managers of money as being a signal to tighten the screws on credit, and has already led to increases charged by the chartered banks and so on down the line, and since it is

clearly leading to a substantial change in the monetary thrust, I should like to ask the minister whether it is a firm indicator that the bank, and in association with the bank the government of this country, are again resorting to the discredited approach of drastic tightening and slowdown to deal with inflation—in other words, whether we are back again to the discredited policy of 1969 and 1970?

Hon. John N. Turner (Minister of Finance): Without accepting the preamble advanced by the hon. gentleman, the answer is, no.

Mr. Stanfield: Since this move by the bank will clearly lead to a general increase in credit costs, in particular to higher mortgage rates and higher operating costs for small businesses, costs which are in themselves inflationary since they make for higher prices, I should like to ask the minister whether it is the government's intention that this should happen, or, if not, what the government proposes to do.

Mr. Turner (Ottawa-Carleton): The government takes the view that an undue increase in the money supply, which would have occurred had interest rates remained as they were, would have been more inflationary than the results of the allegation set forth in the hon. gentleman's preamble. As a matter of fact, the government might well receive an endorsement from the speeches by the hon. gentleman's colleague, the hon. member for Don Valley.

REASON FOR INCREASE IN PRIME RATE BY BANK OF CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Finance whether it would not be nearer the truth to say that the Bank of Canada felt it necessary to take this drastic action to increase the bank rate, with resulting severe increases in the cost of goods for Canadians across the board, because of the lack of any other policy on the part of the government to deal with the inflationary expectations of the people.

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, that would not be nearer the truth.

* * *

TRANSPORT

GROUNDING OF TANKER IN ST. LAWRENCE—MEASURES TAKEN TO DEAL WITH OIL SPILL

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Transport. In view of the recent report about the grounding of an Imperial Oil tanker in the St. Lawrence waterway with a resulting serious oil spill in that waterway, I would ask the minister whether he would inform the House of the extent of the oil spill and the measures being used to contain it.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this spill occurred in American waters, not Canadian waters, but as the water comes down, of course, the spill constitutes a danger. We have taken immediate and appropriate measures. The ship has been boomed so that the oil does not flow into Canadian waters. I hope that the Americans, with our help, can handle this spill.

GROUNDING OF TANKER IN ST. LAWRENCE—ASSURANCE OF USE OF QUALIFIED PILOTS

Mr. Randolph Harding (Kootenay West): A supplementary question, Mr. Speaker. Could the minister give the House the reasons for the grounding of the tanker in this waterway, as it was obviously off course, and did it have a properly qualified pilot on board?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is part of the normal inquiry that the Americans are supposed to hold, because in this case they are responsible for this section.

Mr. Harding: A further supplementary question, Mr. Speaker. In view of the inherent dangers involved in ships using the St. Lawrence River without fully qualified pilots, I would ask the minister what steps are being taken to ensure that all ships in this area be required to utilize only those pilots fully qualified.

Mr. Marchand (Langelier): Mr. Speaker, there is no obligation under the law at the moment to have pilots in this section. It may be the shipowners and pilots association will decide to change their minds, and perhaps the department can discuss it with the Americans. Up to now, however, there has been no obligation to have pilots aboard in this section of the river.

* * *

[*Translation*]

POST OFFICE

MONTREAL POSTAL WORKERS STRIKE—STRIKE BY MONTREAL EMPLOYEES—REQUEST FOR REPORT ON EFFORTS AT SETTLEMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Postmaster General.

On television last night, the minister looked rather annoyed at the goons who have been intimidating the Montreal postal workers. Is he in a position to tell this House where the negotiations stand with the Montreal postal workers union, negotiations meant to insure an early settlement of the dispute?

Hon. André Ouellet (Postmaster General): Mr. Speaker, according to the latest news, a great many workers have returned to work in Montreal. There has been enough mail handling to enable postmen to deliver the mail at the beginning of the afternoon. Incidentally, the postmen are very anxious to do their work. I trust this good example will be followed by all Montreal employees and I hope the situation will be cleared up very soon.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to put a supplementary question to the Postmaster General.

Can the minister assure the House that the employees who have gone back to work are adequately protected against the hired muscle boys who are now intimidating these people?

Mr. Ouellet: As much as possible, Mr. Speaker, security measures are being taken so as to enable all our employees wishing to work to fulfill their task according to the clauses of the collective agreement which stipulates that no strike must take place before the expiration of the agreement, that is by the end of December this year.

Mr. Claude Wagner (Saint-Hyacinthe): I would like to put a supplementary question to the Postmaster General.

In view of the very real technological changes and therefore the difficulties that postal workers are having in Montreal, is the minister prepared to postpone the deadline of the postal code operation in order to negotiate with union representatives concerning all the consequences that this new system may have on employees and guarantee job security?

Mr. Ouellet: Mr. Speaker, the hon. member's comments indicate that he does not know what he is talking about.

● (1430)

[*English*]

Mr. Speaker: Order, please; I will recognize the hon. member—

[*Translation*]

I recognize the hon. member for Saint-Hyacinthe.

[*English*]

I notice that the hon. member for Mackenzie has been trying for sometime today as he was yersterday to ask a question and I will recognize him in due course.

[*Translation*]

For the time being, the hon. member for Saint-Hyacinthe has the floor.

Mr. Wagner: Mr. Speaker, I wish once again to ask the Postmaster General a question.

Although I may be willing to submit to the hon. member's arrogance, unionized workers in Montreal will not.

Would the hon. member kindly reply to my very precise question and advise the unionized employees of the Post Office whether he intends to grant them job security and postpone the deadline for the introduction of the postal code operation in order to facilitate the present round of bargaining? Is the hon. minister willing to reply to this question, instead of giving new evidence of his well-demonstrated arrogance?

Mr. Ouellet: Mr. Speaker, union leaders have not asked for any postponement. They only asked that the classifications of a number of employees be reconsidered. The statements made are nonequivocal in this respect. Nobody opposes automation in the Post Office Department or the mechanization of our work. While the hon. member is asking us to postpone the mechanization process, this is not even what is being asked by the very employees concerned.

[*English*]

Mr. Speaker: The Chair will recognize the hon. member for St. John's East on a supplementary, to be followed by the hon. member for Broadview and then the hon. member for Calgary North.

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FINANCE

MEASURES TO OFFSET EFFECT OF HIGH INTEREST RATES ON DEVELOPMENT OF ATLANTIC REGION—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the Minister of Finance. In view of the fact that the most recent figures indicate an upward trend in unemployment in the Atlantic provinces, and in view of the fact that the latest survey shows that high interest rates are operating counterproductive to the government's regional development policies, I would ask what steps the minister proposes to take to offset the effect of these high interest rates on regional development, especially in the Atlantic provinces?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the fiscal policies of the government include the initiatives proposed and fulfilled by my colleague the Minister for Regional Economic Expansion, and the Atlantic province region is one of the prime beneficiaries of those policies.

Some hon. Members: Hear, hear!

POSSIBLE CHANGE IN GOVERNMENT POLICY ON EXCHANGE RATE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday when the minister was trying to explain the policies the government has followed he suggested that one reason for the rise in the interest rate in Canada was related to the international situation, yet consistently he has said in this House that the government's policy in respect of the exchange rate is to let it float freely. I would ask the minister today whether there has been a pronounced change in the government's policy in respect of the exchange rate, and what it is?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

An hon. Member: That's absolutely ridiculous.

Some hon. Members: Hear, hear!

POSSIBLE INCREASE IN MORTGAGE INTEREST RATES—GOVERNMENT ACTION TO PROTECT PURCHASERS OF HOMES

Mr. John Gilbert (Broadview): Mr. Speaker, my supplementary question is directed to the Minister of Finance. In view of the predicted increase in mortgage interest rates of one per cent, making a $40,000 mortgage at 11¼ per cent interest cost an additional $8,205, thereby increasing the

monthly mortgage payments by $27.45 a month for a period of 25 years, what immediate steps will the minister take to protect the purchasers of homes against these unconscionable increases?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when the hon. gentleman uses the word "predicted" in his preamble he converts the question into a hypothetical one which I feel should better be—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Broadview on a last supplementary question, and then the hon. member for Calgary North.

Mr. Gilbert: Mr. Speaker, will the Minister of Finance assure the people who will be purchasing homes under the social housing policies of the Central Mortgage and Housing Corporation that the present rates will be frozen and that no increases will take place?

An hon. Member: Don't hold your breath.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I cannot give that assurance but I can assure the hon. gentleman and the people that the thrust of the policy of my colleague will continue to achieve the results it is achieving—

An hon. Member: Yes, high prices and more inflation.

Some hon. Members: Hear, hear!

An hon. Member: And fewer houses.

Mr. Turner (Ottawa-Carleton): —including the fact that the first quarter results show housing starts are again at a record level.

Some hon. Members: Hear, hear!

Mr. Stanfield: Certainly record prices.

POSSIBILITY HIGHER MORTGAGE RATES CAUSED BY INCREASE IN BANK RATE DESIGNED TO CURB DEMAND FOR HOUSES—SUGGESTED INCREASE IN SUBSIDIZED MORTGAGE PROGRAM

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Finance a question in relation to the bank rate. In view of the fact that the bank rate increase will be reflected in higher mortgage rates for those who wish to own homes, is the bank rate increase intended by the minister and his government to curb the consumer demand for housing and thus alleviate the demand side of the housing crisis?

Hon. John N. Turner (Minister of Finance): No, Sir.

Mr. Woolliams: Mr. Speaker, may I ask the minister this one further supplementary question? In view of the fact that bank rate increases will, of course, make first mortgage rates climb to 12 per cent and second mortgage rates to as high as 16 per cent, thus making it even more difficult for the average Canadian to own a home, does the minister, when talking this over with his colleague the Minister of State for Urban Affairs responsible for housing, intend to increase the subsidized mortgage program to compensate for those who have been forced to drop out of the commercial mortgage market due to prohibitively high interest rates?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman's question is founded on a hypothesis he has created for himself.

Some hon. Members: Oh, oh!

* * *

HOUSING

GOVERNMENT POSITION ON FREEZING OF RENTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should then like to direct this question to the Minister of State for Urban Affairs who is responsible for housing. In light of the high interest rates of 12 per cent on first mortgages and as high as 16 per cent on second mortgages, about which the Minister of Finance does not seem to care, does he have any program to freeze rents at present levels, which are, of course, eroding the incomes of not only old age pensioners but all those on fixed incomes?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, without accepting the hypothesis of the hon. member's question, I must say that programs under the National Housing Act are aimed directly at those people the hon. member's question mentions, to provide them with housing.

An hon. Member: They are aimed, but they are not hitting the target.

Mr. Basford: I would mention specifically the program referred to by the hon. member, namely the assisted Home Ownership Program which is a subsidized assistance program.

* * *

THE BUDGET

EFFECT OF INCREASE IN BANK INTEREST RATES ON DATE OF INTRODUCTION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Finance. Will the fact that the Bank of Canada has increased its interest rate by one per cent have an effect on the date the minister will bring down his budget, or is this in line with government policy?

Hon. John N. Turner (Minister of Finance): The answer is no, Mr. Speaker.

An hon. Member: No what?

Mr. Korchinski: Does that mean it will have no effect on the date he will bring down his budget, or no this is not in line with government policy?

Mr. Turner (Ottawa-Carleton): No—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is a little difficult to separate the wheat from the chaff in this question.

An hon. Member: You don't even know the difference.

Mr. Turner (Ottawa-Carleton): The answer is no, Mr. Speaker, the action by the Governor of the Bank of Canada will not affect the date of the budget.

* * *

BUSINESS OF SUPPLY

PROPOSAL TO REVIVE COMMITTEE OF SUPPLY ON CERTAIN OPPOSITION DAYS—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the government House leader. In light of the refusal of the government to make available an allotted day for the opposition before the budget, which will result in 13 allotted days being concentrated within the period of 22 sitting days, a clear violation of the spirit of the rules and a breach of the undertaking by the Prime Minister, will the government House leader consult with his colleagues in respect of reviving the Committee of Supply for five of the opposition days, permitting the opposition to choose the department's estimates to be debated in the Committee of Supply, in order that the people of Canada will have the chance, through their elected representatives, to say what they think about the number one issue in this country today?

Some hon. Members: Hear, hear!

● (1440)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I certainly appreciate the implicit assumption in the hon. member's question that the government can survive a budget and will be able to continue into the normal supply period. I have always had a hankering for the Committee of Supply, and I certainly would consider some method by which that objective could be achieved in the Committee of Supply or with Mr. Speaker in the Chair, so that members could deal with the estimates. I certainly would consider that.

Mr. Baldwin: I thank the hon. gentleman for what he is saying, which is of course in accordance with what the procedure committee proposed in its first report last session. Will the government House leader then consider adopting this suggestion within the next ten days so that we will not have to wait until a period after the budget when we will have all these days concentrated together, which will not be good parliamentary practice?

Mr. Hees: I have a supplementary question, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. MacEachen: I do not think I can commit myself to the timing of any allotted day, but I certainly will keep in mind the general advice that the hon. member has given.

Mr. Speaker: The Chair will recognize the hon. member for Prince George on a supplementary, and then the hon. member for Bellechasse.

REASON FOR FAILURE TO GRANT OPPOSITION DAY

Hon. George Hees (Prince Edward-Hastings): You said George, Mr. Speaker.

Mr. Speaker: I recognized the hon. member.

Mr. Hees: I have a supplementary question for the Acting Prime Minister. Since the present week gives the government five days which the government did not expect to have for its legislative program, could the Acting Prime Minister give one good reason why the government will not allow an opposition day to be held this week in this found time?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have the utmost confidence in the leader of the House who has done such an excellent job.

Some hon. Members: Hear, hear!

Mr. Baldwin: Let's put it to a vote.

Mr. Speaker: The hon. member for Bellechasse.

* * *

[*Translation*]

HOUSING

DATE OF AGREEMENT WITH QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I direct my question to the Minister of State for Urban Affairs.

Since several municipalities in Quebec cannot fully benefit from Bill C-133 because no overall agreement has been concluded by Ottawa and Quebec, will the minister tell the House whether such an agreement is about to be signed and, if not, what prevents the conclusion of this agreement?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, it has not been signed simply because it is still being negotiated between the government of Canada and the government of the province of Quebec.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

I remember distinctly that the minister declared at the beginning of the session that negotiations were getting to an end. May I ask once more whether we can hope that an agreement will be reached and signed in the near future so that an encouraging answer may be given to municipalities?

[*English*]

Mr. Basford: I, along with the hon. member, would certainly hope so.

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FINANCE

EFFECT OF INCREASE IN BANK RATE ON REGIONAL DISPARITIES—GOVERNMENT ACTION TO COMPENSATE

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Finance, but in his absence perhaps I could direct it to the Acting Prime Minister.

Considering that the problems of investment financing resulting from a higher bank rate are likely to be most easily overcome by the established industrial base of central Canada, which has more extensive capital reserves to draw upon, does the minister anticipate any worsening of regional disparities as the result of the expensive credit policies of the Bank of Canada?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker.

Mr. Howie: Has the minister consulted with his colleague, the Minister of Regional Economic Expansion, as to whether additional regional stimulative measures will be required in order to compensate for the increased financing difficulties faced by firms considering plant establishment or expansion in areas of regional disparity?

Mr. Sharp: I can assure the hon. gentleman that if such difficulties do arise there would be such consultations and such action.

* * *

TRADE

REQUEST FOR AMOUNT OF EXPORTS AND NAMES OF UNITED STATES CORPORATIONS USING DISC

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Acting Prime Minister. In view of a report made public in the United States yesterday that more than a quarter of U.S. exports to Canada were funnelled through the DISC program, and that this includes most if not all companies which take part in the auto pact, and in view of the government's declaration in April, 1972, that DISC subsidized exports are a violation of the auto pact, what steps is the government taking and has the minister been in contact with American government officials with regard to this matter?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, one of the reasons the Minister of Finance introduced his special concessions for Canadian manufacturers was to offset actions of this kind. I think the success of this program has shown that, in fact, we have done extremely well.

Mr. Nystrom: I am not interested in a speech on behalf of CMA, Mr. Speaker, I am interested in knowing what this government is doing, especially in view of the fact that reports yesterday indicated that U.S. automobile companies may have saved some $400 million in taxes because of DISC. I want to know whether or not the Acting Prime Minister knows what companies are taking advantage of DISC and how much of their exports have been channelled through the DISC program. Could he give some definitive answers?

[Mr. Lambert (Bellechasse).]

Mr. Sharp: I cannot give a positive answer. We do not know which companies are taking advantage of DISC, but it was in response to measures like this that the government of Canada introduced the measures that are now on the books and that have enabled us to do so well in competition with the U.S.

Mr. Speaker: The hon. member will be recognized for a further supplementary, after which I will see the hon. member for Red Deer.

Mr. Nystrom: In view of the fact that the minister is saying he does not know what companies are taking advantage of DISC or what is happening, will the minister undertake to contact U.S. officials to find out which companies are taking advantage of DISC and to what extent? Will he make that undertaking to the House?

Mr. Sharp: I do not personally know which companies are taking advantage of DISC but the hon. gentleman will recall that the government has a surveillance program which enables it to watch the situation. We cannot, of course, reveal the tax position of any particular Canadian or particular corporations.

* * *

TRANSPORT

POSSIBLE PURCHASE OF HOPPER CARS BY WHEAT BOARD—POSITION OF MINISTER

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Transport. Would the minister inform the House what his position is as Minister of Transport, in view of the fact the minister responsible for the Canadian Wheat Board stated that the government will purchase 4,000 hopper cars, the Canadian Wheat Board offered to buy 4,000 hoppers cars under certain conditions, and the CPR and CNR said that the supply of railway cars is not the problem?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I understand the wording of the question, but I would like to know exactly what the hon. member wishes to know. I think the Minister of Justice announced that we were going to buy 4,000 hopper cars.

Some hon. Members: When?

Mr. Marchand (Langelier): I think that they have to ask for submissions to find somebody who would build them.

Mr. Woolliams: 1980.

Mr. Marchand (Langelier): If the hon. member knows the answer, let him put it in *Hansard*, but I think he is

wrong. The answer is: as soon as they can be built. We were told by the Wheat Board that they intended to do the same. As to what date, it would be preferable to ask the Minister of Justice himself.

Mr. Towers: I have a supplementary question for the Acting Prime Minister. Does the Canadian Wheat Board have jurisdiction to purchase hopper cars without the approval of the grain producers?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, that is an even more appropriate question for the Minister of Justice.

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FINANCE

EFFECT OF OIL POLICY DECISION ON DATE OF PRESENTATION OF BUDGET

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, in view of the remarkable statement by the Minister of Finance yesterday in the House that the budget was being delayed because of the uncertainties in the economy surrounding oil price increases, and in view of the further fact that on January 22 the Minister of Energy, Mines and Resources presented on behalf of the government a very specific forecast to the First Ministers Conference on Energy indicating the impact of the oil situation on the consumer price index, could the Minister of Finance today tell us either the date of the budget or the real reason why the government does not want to present it to the House immediately?

● (1450)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman's preamble just does not hang together.

Mr. Wagner: You are going to hang.

Mr. Turner (Ottawa-Carleton): I said yesterday that one of the reasons for delaying the budget was to ascertain the results of the first ministers' conference in dividing the benefits and burdens of the $5 million potential revenue and $5 million potential burden in sharing the oil price situation in Canada. That having been done, that situation is being satisfied; that is what I put to the House yesterday.

PARTICIPATION BY DEPARTMENT IN PREPARATIONS FOR CONFERENCE ON ENERGY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, a supplementary question. In spite of the fact that is not what the minister said yesterday, I wonder if I could ask if he or members of his department had any hand in the paper presented by the Minister of Energy, Mines and Resources to the first ministers' conference in January?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, without revealing the total ingredients and participation in government policy, I can say that the Department of Finance was involved in any statement of my colleague, the Minister of Energy, Mines and Resources, and in the preparation leading up to the Prime Minister's participation in the meeting of first ministers.

* * *

INQUIRY OF THE MINISTRY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Acting Prime Minister. I should like to ask if and when the governor of the Bank of Canada will have a budget to present to the House?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is not within his terms of reference as approved by parliament.

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LABOUR RELATIONS

STRIKES BY ST. LAWRENCE RIVER PILOTS AND AIRPORT FIREFIGHTERS—POSSIBLE REPRESENTATIONS ON REGIONAL PAY DIFFERENTIAL—REQUEST FOR REPORT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Transport. Can the hon. gentleman tell us briefly how negotiations are proceeding with regard to the difficulties in the St. Lawrence River with the pilots and at the same time can he indicate whether the problems with the firefighters are completely resolved?

An hon. Member: And how about the postmen?

An hon. Member: How about the controllers?

Hon. Jean Marchand (Minister of Transport): And the whole report on labour relations in Canada! Mr. Speaker, as the hon. gentleman knows I am not the one who negotiates for all these groups. As far as the pilots are concerned, I met with them for two hours this morning and we tried to find a solution. We hope we are on the right track, but I am not sure it would be accepted the way it was presented. As far as the firefighters are concerned, this is a problem between the alliance and the firefighters. I am still hopeful that the firefighters are going to follow the advice of their union.

Mr. MacKay: Mr. Speaker, I shall try to be brief with my supplementary. In view of the fact that Treasury Board pay policies, which appear to be regional pay as far as the west is concerned and national pay in the east, appear to be root causes in both these situations as well as others, does the minister intend to make representations to the President of the Treasury Board to take a fresh approach in this whole matter?

Mr. Marchand (Langelier): Mr. Speaker, I think if you look at the two problems you will see they are different because the airport firefighters in British Columbia want to compare themselves with the Vancouver firefighters, and the St. Lawrence pilots want to compare themselves

with the British Columbia pilots, so it is not exactly the same thing.

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HOUSING

INQUIRY AS TO FUTURE INTEREST RATES ON MORTGAGES—GOVERNMENT ACTION TO AID PURCHASERS OF HOMES

Mr. Jake Epp (Provencher): Mr. Speaker, I have a question for the Minister of State for Urban Affairs, supplementary to one asked by the hon. member for Calgary North to which he replied that the government did not accept the hypothesis on mortgage rates. Could the minister indicate what interest rates home owners who are presently contemplating building homes in Canada could anticipate, and what relief the minister has in mind for middle income people who presently cannot afford housing and are not eligible for housing programs?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the interest rate would depend upon the agency from which the prospective home owner intended to borrow. My answer to the hon. member for Calgary North referred to assisted home ownership programs which start interest rates at 9 per cent and effectively subsidizes them, given certain income conditions, down to 6 per cent.

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[*Translation*]

POST OFFICE

UNION PROPOSAL FOR EARLY RETIREMENT—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a supplementary question to the Postmaster General.

I expect a very good answer in any event. Did the union first ask that a policy be established for the retirement of older employees to increase job security and if it did, can the minister say whether he is in favour of such a policy?

Hon. André Ouellet (Postmaster General): No, Mr. Speaker, I do not think the union has made such a request.

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[*English*]

PENITENTIARIES

MILLHAVEN—ASSAULT ON GUARD—REQUEST FOR INVESTIGATION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I have a question for the Solicitor General pertaining to a recent incident of violence committed by a convict in Millhaven penitentiary who assaulted and seriously injured a guard, Mr. Izard, last Sunday, April 14, when the latter was performing his duties. Will the minister investigate this offence and deal with it forthwith?

[Mr. Marchand (Langelier).]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, this incident is already under investigation by the Ontario provincial police and the inmate who attacked the officer has been put in disassociation.

Mr. Andre: You mean he is free!

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EXTERNAL AFFAIRS

REPRESENTATIONS TO UNITED STATES ON RETURN OF CANADIAN RAILWAY CARS—REQUEST FOR REPORT

Mr. Frank Howard (Skeena): Mr. Speaker, could I direct a question to the Secretary of State for External Affairs? Following upon the information given to the House yesterday by the Minister of Transport that representations would be made to the United States government in the hope of bringing some pressure to bear upon railroads in the United States to return Canadian railway cars to Canada, can the minister tell the House whether he has yet made those representations to the United States government and what response he got?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, my department may already have done so but I expect if they have not already done so I will be getting word today.

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SPORTS

ABANDONMENT OF STUDY OF SUPPLY OF RECREATIONAL FACILITIES—ADVICE TO STUDENTS—POSSIBLE ALTERNATIVE EMPLOYMENT

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the fact students hired in March to work on the National Sports and Recreational Facilities Supply and Demand Study were informed on April 1 that this project would not be continued because federal funds were not forthcoming, and in view of one student reporting that he was advised by his regional co-ordinator not to contact his member of parliament as this would not assist passage of this project through Treasury Board and might put undue pressure on the minister and also not to advise the press, would the minister tell the House if this advice was given generally to the students affected and was the minister aware of it?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer is no.

Mr. Stackhouse: Mr. Speaker, a supplementary question. Would the minister inform the House what alternative employment or compensation may be offered to the close to 100 young people affected by being deprived of summer job opportunities by this change of government policy?

Mr. Lalonde: Mr. Speaker, there have been various possibilities in terms of employment in the economy general-

ly and there is also the federal program for student employment this summer.

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AGRICULTURE

POSSIBLE INCREASE IN COST OF FARM LOANS—GOVERNMENT POSITION

Mr. William C. Frank (Middlesex): Mr. Speaker, I have a question for the Minister of Agriculture. In light of the fact that farm credit loans recently were allowed to rise from 7 per cent to 8¼ per cent, further increasing the cost of farm inputs and in turn higher consumer costs and now the prime bank rate has been allowed to rise to 8½ per cent, can the minister assure the House that the cost of farm credit loans will not further increase?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, before any interest rate is changed on Farm Credit Corporations loans it will be duly considered, that is for sure.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Lincoln and also the hon. member for Saint John-Lancaster whom I meant to recognize a moment ago.

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FLOODS

POSSIBLE MEASURES TO LOWER LEVELS OF LAKES ONTARIO AND ERIE—GOVERNMENT ACTION

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, my question is directed to the Minister of the Environment. In view of the fact that Mr. Cohen and Mr. Herter, co-chairmen of the International Joint Commission are of the opinion that the commission itself does not have the power to initiate studies relating to measures which might be undertaken to reduce the dangerously high water levels of lakes Ontario and Erie, but must on the other hand rely on the initiatives of the governments of Canada and the United States. Can the minister advise the House what measures are being taken or contemplated by the government to assure that the water levels are reduced to the maximum extent possible?

● (1500)

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, references have been made from time to time to the International Joint Commission jointly by Canada and the United States. I know that numerous studies have been carried out, and the International Joint Commission have advised that little can be done to affect the levels substantially. Further studies are under way.

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

Mr. Speaker: Order, please. We have almost reached the end of the question period. The hon. member for Lincoln may ask a supplementary, followed by the hon. member for Saint John-Lancaster and the hon. member for Esquimalt-Saanich, who also has a supplementary, after which we will call orders of the day.

Mr. Higson: A supplementary question, Mr. Speaker. What has been the government's response to the request from the International Joint Commission's lake level board with regard to studying the feasibility of better controlling and possibly increasing the flow of water from the Great Lakes down through the St. Lawrence River?

Mr. Davis: Mr. Speaker, we have committed additional staff and moneys to carrying out these investigations.

Mr. Speaker: Order, please. In fairness, before I recognize the hon. member for Saint John-Lancaster I should recognize the hon. member for Montreal-Bourassa.

[*Translation*]

POSSIBILITY OF AGREEMENT WITH QUEBEC ON WATER LEVELS AROUND MONTREAL

Mr. Jacques-L. Trudel (Montréal-Bourassa): Mr. Speaker, I have a supplementary. Can the minister tell the House whether an agreement has recently been signed concerning the control of rising waters in the Montreal area?

[*English*]

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I am sorry; I did not hear the first part of the question.

[*Translation*]

Mr. Trudel: Mr. Speaker, may I put my question again to the minister?

Can he tell the House whether an agreement has recently been signed with the province of Quebec with regard to the control of rising waters in the Montreal area?

[*English*]

Mr. Davis: No, Mr. Speaker, but there are discussions going on with the province of Quebec in this connection.

* * *

HARBOURS

SAINT JOHN, N.B.—REQUEST BY CITY FOR MEETING OF SENIOR OFFICIALS TO ASSESS DEVELOPMENT OF PORT

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport. It concerns the Atlantic area. Now that the minister's departmental officials have made an assessment of the multimillion dollar fire damage to the port of Saint John, will the minister accede to the request of the city of Saint John for a top-level meeting, hopefully attended by the minister himself, to assess the entire port development as it affects the future of that city?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am ready to meet with the mayor of the city of Saint John. I know the situation there is serious. I presume that they will get in touch with Mr. Taylor, the head of the National Harbours Board. Up to now Mr. Taylor has

not given any report to me. As soon as I get one I will let the hon. member know.

Mr. Speaker: Order, please. I will recognize the hon. member for Esquimalt-Saanich on a supplementary and then call orders of the day.

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PUBLIC SERVICE

LABOUR DISPUTES—SUGGESTION GOVERNMENT EXPEDITE CONTRACT NEGOTIATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I hoped again today to address a question to the President of the Treasury Board. I like to think that he is presiding over one or other of the bargaining sessions which, hopefully, are going on at this time. In his absence, may I ask a question supplementary to that asked by the hon. member for Central Nova. I ask the Acting Prime Minister whether the present rash of labour disputes and strikes has caused the government to urge Treasury Board to act more expeditiously in its contract bargaining, particularly in areas where employees are providing essential services such as airport firefighters?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, like my colleague the Minister of Transport, I do not think that this is the essence of the problem. The problem relates to the fact that the members of the union have not followed the lead of their leaders.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

FARM IMPROVEMENT, SMALL BUSINESSES AND FISHERIES IMPROVEMENT LOANS ACTS

AMENDMENTS RESPECTING LOANS AND GOVERNMENT LIABILITY

The House resumed from Monday, April 15, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-14, to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act, be read the third time and do pass, and the amendment thereto of Mr. Howard.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, just before ten o'clock last night I had been pointing out that it is difficult for the small businessman to accumulate capital. Capital accumulated in a farm or business has often been used for purposes of a retirement pension for the owner and his wife. The advent of the basic old age pension, the Canada Pension Plan and the provision for increasing the size of these pensions in accordance with the increase in the cost of living has made the accumulation of an annuity for use after the normal retirement age of 65 almost superfluous. Certainly it is less important. No amount of saving which the normal person is able to do can match what the government has offered by indexing the cost of living as it applies to the basic old age pension and the Canada Pension Plan. Therefore, the accumulation of capital to be used as retirement income is much less important now than it was even four or five years ago. Indeed, one could enter one's retirement years in a shroud, so to speak, and still be assured of a fairly reasonable living because of state help.

What I am saying is that we are entering a new era in which there are new attitudes toward accumulation of capital. People think differently about savings. This, of course, has a great deal to do with the legislation before us. Today, five of the major banks set their prime lending rate at 10.5 per cent following the move of the central bank. They did this to stimulate savings because at present inflation rates one can borrow money virtually at zero cost: the rate of inflation is greater than the rate of interest. One would be foolish not to borrow money under such circumstances.

In today's *Globe and Mail* appears an article by a member of the C.D. Howe Research Institute. The author points out that our savings will supply insufficient capital for our needs in the 1970s and 1980s. That fact will affect the workings of this legislation. Will our financial institutions have enough funds to make this bill effective? Furthermore, the article points out that a high proportion of people in the 20 to 35-year age group save relatively little of their income. This proportion will remain high for the next decade. The author makes one assumption which I feel is not likely to be fulfilled. He assumes that with rising personal incomes people will save more. The evidence does not bear him out because as the state, by paying the Canada pension and the basic old age pension, will look after people in their retirement years, it seems evident that savings will not be that important.

This bill will not do much to help the small businessman in the short term. The sharp increase in the Bank of Canada lending rate has come about in response to the increase in the number of bank loans. The banks evidently were running out of money to lend. It is difficult to say who was getting these loans. It appears that some of this money was used for purposes of liquidity. Apparently it has not been lent to those whom this legislation is supposed to help.

That brings me to this point: business has not been able to expand in the last few years and now we are paying the penalty by seeing shortage of supply and lack of capacity for the production of goods. The minister suggested shortly after introducing the bill that losses in connection with farm improvement loans have been remarkably low, amounting to about one-fifth of one per cent of the face value of loans. That may be so. The significant fact is that we are facing a real shortage of supply of agricultural products, which indicates that the loan program has been administered too rigidly.

One of the prime causes of inflation is the steadily expanding tendency of governments to spend more and more of the gross national product. The increase in the bank rate of interest is designed to cut down consumer demand and is a modest effort to moderate the increase in the money supply. That brings me to this point: this bill

will not be effective unless money can be directed, through the medium of small loans, to farmers, fishermen and small businessmen. A good deal of it will be lent by the banks. To keep costs down, the government should reduce the increase in its rate of spending.

Most government spending is inflationary because it consists of transfer payments which are spent immediately. Savings could be redirected through such institutions as the Industrial Development Bank which could be told to take greater risks with small loans so that small businessmen have access to capital. The administration of these loans acts could take greater risks in order to aid small businessmen, farmers and fishermen. I have some serious doubts whether raising the ceiling on these loans will be as beneficial as it should be unless certain directions are taken in lending money to individuals, farmers in particular. Unfortunately, governments federal and provincial become so involved in lending money to the agricultural industry that not much private money is left for investing. In other words, we look to this type of legislation for much of our total investment in farming.

● (1510)

As far as farming is concerned, we are in general agreement that the family farm is one of the best units for agricultural production and for the fabric of our rural countryside. When one considers that in the Soviet Union the state is considering extending farm units so there will be emerging many larger farms, we might ponder the philosophy of enlarging farm units even more. I reject the point of view that we need abnormally large farm units. However, we must recognize that in this country, and particularly in the farmlands of western Canada, very large acreages are being farmed as units with a minimum number of families involved. Much of the reason for these large-sized units has been the availability of government-financed loans obtained by individuals who would not have been able to expand had they had to depend on private money. In other words, governments both federal and provincial have made possible larger units than the private lending institutions would have allowed.

In this bill which extends the loan limits we have the elements of an undesirable feature, and this will be used by owners of large farms to acquire even larger units. If these loans could be earmarked for individuals with smaller operations, it would help them become more self-sufficient and more viable. At the same time, it would ensure that large-scale operators would have to acquire their money from private lending institutions for any expansion they wish to undertake. This is preferable to the suggestion that farm sizes should be limited by legislation.

Farm improvement loans might well have the social function of preserving small farms and assisting new and young farmers to become established. They might well have to assume more risks than those in which the lending institutions are currently involved. Farm population has dropped from almost 40 per cent at the beginning of World War II to 7 or 8 per cent at the present time. Many people consider this abnormally low. With the worsening energy shortage it is evident that more individuals will have to become involved in food production. Indeed, a great deal of food has always been produced by units which were considered by the so-called agricultural experts to be inefficient.

We have to realize that the term "viable unit" has many different aspects and means many different things within an individual's life. I think the banks which are involved in the loan operation under this legislation could take more risks and give small and new operators more risk capital. The aspect of the bill which raises the limits will not let the operator become more viable or the new operator become established unless direction is given to lending institutions that these people should have a preferred position.

Turning to small business, this is an area in which I am very interested. I sincerely believe that small business provides a very strong pivot in our economy. It provides a built-in flexibility that large corporations cannot match. While it may not always be efficient, enough of it is efficient to make it an extremely valuable component of our society. In addition to the lending aspect or liability of small business, the most important thing for small business is that government leaves them alone. They are deluged with inspectors and advisers who create work and are an unnecessary expense for government. This is a much greater problem for small businesses than that of raising money. In fact, if governments could limit their demands on the management of small business it would go a long way toward making small business more viable. I thank you, Mr. Speaker, for giving me the opportunity to speak on this bill.

Mr. William C. Frank (Middlesex): Mr. Speaker, I again rise to speak on Bill C-14 because of great personal concern and obligation to many of my constituents, namely, small businessmen and their allied suppliers. When I spoke during the second reading debate on this bill last Wednesday I had the impression there would be an opportunity to move an amendment. Because we receive limited warning as to when a bill will be brought before the House I expected to have that opportunity when the bill was at the standing committee stage. However, immediately following second reading the House went into committee of the whole which, according to my limited knowledge of parliamentary procedure, did not allow for amendments.

The content of the amendment I would have moved would have counteracted what the Minister of Finance (Mr. Turner) said was not in the bill when answering a question put to him by the hon. member for Red Deer (Mr. Towers) in committee of the whole. I quote from page 1396 of *Hansard:*

> I have a further question, Mr. Chairman, with regard to the small business loans. Is this going to allow for the operation of the business, or is it strictly for the purchase of property and machinery?

The minister replied:

> It is not for working capital, Mr. Chairman.

Having experienced first-hand the need for such working capital in my own business in the early stages of its existence, I feel very strongly that the minister, along with the amendments that were included in the bill, should have given very serious consideration to a provision for working capital. Perhaps it is quite easy for the Department of Finance to overlook the importance of and the necessity for working capital. The minister and his

department are so accustomed to being big spenders that they cannot comprehend the plight of small business owners. They obviously do not appreciate the fact that the only way many small business owners can survive is to take out only enough money after meeting employee payroll and operating expenses to provide the bare essentials for their families.

● (1520)

The absence of working capital is not nearly as evident in the two segments of the bill dealing into the Farm Improvement Loans Act, and the Fisheries Improvement Loans Act. These two areas are not involved in having accounts receivable to contend with to the same extent as the small businessman. As I have stated before, the most crucial area that has contributed to the bankruptcy of small businesses has been the lack of working capital. The business is launched, in many cases, with very little surplus cash in the bank. In many cases, if the owner could trade the overabundance of enthusiasm he must have possessed in order to have had the nerve to start the enterprise in the first place, for some working capital he would not have too many financial problems as he progressed. However, this is not the case, as the minister indicated. The bank demands sufficient collateral before lending small business any money. This in essence proves, even if the loan is granted, just how necessary it was in the first place.

Mr. Speaker, the necessity for freer working capital has always seemed so evident that I cannot help but wonder why it has not exercised a more important influence in the structuring of this bill and similar bills over the years since the introduction of the act. The most obvious reason working capital is not considered is that receivables have not nearly the collateral value of physical structures, equipment or real estate. However, take away receivables and most business would not need to exist. So they are, Mr. Speaker, an important cog in the cycle of success. But for banks to use this excuse to support their negative approach to small business loans only supports my further argument that banks should have some degree of obligation to make loans supported by applications which obviously if approved would help the advancement of Canadian products and also create more employment.

We have ambitious young people and, yes, some not so young who, given financial encouragement beyond the normal guidelines laid down for lending money, would continue to create the ideas necessary to keep alive the free enterprise system which has been so significant in our first century of Canadian progress. I have many constituents who are interested in starting a business or looking for ways to continue one already in progress. But by the time they have checked the sources of capital and the red tape involved, they are either discouraged from pursuing their dream of a business of their own or ready to throw up their hands in frustration at being able to continue the one they already have.

Mr. Speaker, we spend a lot of time debating how to encourage more Canadian investment. One obvious way would be to encourage the banks to show some compassion to our small business community, thus discouraging them from having eventually to sell out to foreign investors in order to keep from ultimate bankruptcy. But the only way

[Mr. Frank.]

I can see banks ever doing this is to make it obligatory for them to loan to at least a percentage of applicants. The minister in committee of the whole stated as follows:

I suppose the best way to know what is going on in terms of refused applications is for members, when they are approached by their constituents regarding refused loans, to inform me of these complaints and I will make inquiries directly from the bank concerned to find out what the reasons were for the refusal. I am prepared to do that on a continuing basis.

To me, Mr. Speaker, that sounds like a very diplomatic way of passing the buck, and as far as I am concerned the taxpayer sees far too much evidence of buck-passing now. There must be guidelines laid down so that the banks and their potential customers know what could take place. I do not blame the banks for not wanting to be any more involved than is necessary, and past lending statistics will bear this out. The fact is that from the date the Small Businesses Loans Act came into effect in January, 1961, until September, 1973, approximately $283 million was lent for all of Canada. This is about $23 million per year on average. But something is wrong when we find the loans total for small business was no more in 1973 than in 1972, being about $15 million per year. And now Mr. Speaker, with the recent turn of events of the central bank's interest rate increasing, we will probably see less activity than before. Not only will we see growth restriction, but small business owners already in a bind for working capital will find increased costs in maintaining inventory and receivables because of an interest rate of probably 12 per cent.

Many businesses in the past have had to resort to short-term loans of 12 per cent, or even much higher, from private sources but now they will be faced with 12 per cent from even the banks, and heaven knows how high from private sources. I am afraid this could be the so-called straw that broke the camel's back. Mr. Speaker, many very credible businesses have already exhausted their credit supply. There have been many legitimate reasons for this increase in the cost of doing business. If they are retailers, an increase in the price of the merchandise they sell means more inventory cost. If they are small manufacturers, the increased cost of maintaining inventory also applies. In both cases their cost of maintaining higher receivables will increase.

No one denies business today is strong, and all types of small business is no exception; but with runaway inflation so evident in every phase of our economy, many small businesses could be unknowingly accelerating themselves right into bankruptcy. Unhappily, the government has proven itself bankrupt of any solutions which might slow down this inflation. The inflation we see all around us is not totally induced from outside, as this government would have the Canadian people believe. Better than half of the now well over 10 per cent total inflation rate could be slowed down by a responsible government. It is obvious that we cannot expect any new ideas for fighting inflation from this government, but for the sake of Canada's future let us hope we shall not have to wait too long before the Canadian people have the opportunity to change the government.

As was stated earlier by my colleague from Ottawa West (Mr. Reilly) 60 per cent of the labour force in Canada is supported by small or medium-sized business. That statement in itself should be encouragement to take another

hard look at just how little these amendments will actually do for small business. Mr. Speaker, couple that statement with the fact that even though actual farmers represent only 5 per cent of Canadians, when you include all segments of our economy allied to agriculture the figure is raised to 70 per cent. This government is looking over or, perhaps I should be saying, overlooking a lot of people who I am afraid have been taking too much for granted.

However, Mr. Speaker, I realize it is too late at this stage to do any more than remind the architects of this bill, whoever they may be, of some of its shortcomings. The real changes will have to wait until the citizens of Canada have the opportunity to vote out of office this government which seems determined to stay in power even though their incompetence is becoming more and more evident week by week.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I appreciate the opportunity of participating in the debate on Bill C-14. Although in past years I had the opportunity of serving on the Standing Committee on Fisheries, changes in the electoral boundaries removed from my riding practically all the area in which fishing was an important matter of concern. The result is that at the present time I am inclined to leave discussion of the fisheries aspect to my hon. friends whose constituents are more concerned with that industry.

Nevertheless, in case there should be some misunderstanding, I want to state emphatically that I still have a strong interest in the fishing industry. When we remember the part the Fraser River system plays in maintaining these resources, it is understandable that such an interest should continue. However, it is my desire today to comment on the provisions of the bill which relate to agriculture, an industry of major proportions and consequence in my riding. I should like to deal, too, with the aspects of the bill which affect small businesses of which there are a great many in Fraser Valley East.

● (1530)

When I spoke on the budget last year, I stated that small business in Canada generates more employment, real growth, tax revenue, and bears more of the cost burden of government than does so-called big business. Small businesses are the backbone of the Canadian business community. For as my colleague from Halton-Wentworth (Mr. Kempling) pointed out the other day, they create over 50 per cent of the nation's gross national product and pay close to 50 per cent of the taxes collected by the government, while employing more than 50 per cent—I think the suggestion has even been 60 per cent—of the people working in Canada.

Canada, as was the case with most developed countries, had as its dominant form of enterprise before World War II, small business. I do not mean that there were no large corporations before that, but I do mean that the bulk of all manufacturing and trade was in the hands of family business and regional organizations. In 1951 the dominion bureau of statistics showed that 90 per cent of all retail stores, service establishments, wholesalers and manufacturers had less than 15 employees and accounted for over 30 per cent of the gross national expenditure.

Moving to the present day, Mr. Speaker, much of the output of our farms and factories is distributed to consumers through wholesale and independent retail stores. Many people who have studied economics have pointed out that the destruction of the small merchant carries with it a number of unfortunate and undesirable consequences, such as a depression in real estate values of business properties, a decline in tax revenues to municipalities, a complete displacement of normal credit arrangements within the community, and increased unemployment.

As well I should like to quote a former minister of the Crown, the Hon. E. Davie Fulton. Speaking in the House on May 30, 1960, as reported at page 4341 of *Hansard*, he said:

> —the best and soundest economy is that economy which is based upon the maximum participation of the greatest possible number of independent operators in that economy, and that it is an unsound economy which relies for its operations either on the employment of everybody by the government or the employment of everybody by some giant corporation or corporations. Our objective, therefore, and our philosophy in this field is to bring the maximum reconciliation in the way of the protection of small businessmen, on the one hand, and the interests of the community, of the consumers and of society generally, on the other.

That is still the philosophy of this party when it comes to small business. This bill shows the government is taking a step in the right direction, however, in raising the gross revenue allowable portion from $500,000 to $1 million and the amount of the loan from $25,000 to $50,000. As I say, this is a step, but I am sure the government has come to grips with the real problem. Small business in Canada is fighting for its very survival.

Part of the problem is that all businesses are valued either by the federal government from the point of view of assessing capital gains, or by provincial governments for estate tax purposes, either on the basis of seven times the profits or the net assets value, whichever is higher. Both levels of government assess the small business as though it were a pile of cash in the bank or on the desk from which each can take its shares, and possibly more than its share. It is wrong, I feel, to look on small business in this manner. It is not a pile of cash on the table; it is a vital, dynamic enterprise and should be treated as such. We must ensure that conditions remain favourable for small business to grow and thrive. This can be done through stimulative and expansionary tax regulations.

There have been many instances in which the taxes have been so onerous and the available funds so scant that small businesses have had to be sold in order to satisfy the tax collector. Because of this, those who have been the proud owners of businesses that have been in the family for generations are forced to sell out and compete on an inadequate labour market. It is my position, and the position of this party, that provision should be made for Canadian citizens to invest in the equity of Canadian-owned small business. We believe that the credit, which will be 50 per cent of qualified investments to a maximum of $5,000 each year, should either be offset against the person's income tax or rebated directly to him. This means that a Canadian who invests, for example, $1,000 in a qualified business or company will receive a credit of $500 against his income.

Another matter of great concern to the small businessman is the proliferation of duties imposed upon him by government, for which there is no compensation. The records dealing with unemployment insurance, taxes, workmen's compensation and statistical data of various kinds require hours of additional work per week and, of course, these many additional hours of work must of necessity be compensated for in higher prices for the goods and services provided. This is a matter that is constantly being raised by constituents engaged in small businesses who cannot see any adequate justification for many of the records they are required to maintain. As an aside, one constituent discussed with me the seemingly ridiculous demand made upon him by an income tax official who, in spite of the fact that his income tax forms had been filed and the auditors had been out to check his books and records and had confirmed their accuracy, warned him against destroying the files as he must store them indefinitely in case they wished to audit them again at some time in the future.

There are a multitude of demands and restrictions which, taken individually, are seemingly insignificant but which when accumulated make the small businessman wonder whether it is worth the trouble to remain in business. The small businessman provides a personalized service to the community in the conduct of his business as well as in his participation in community projects and activities. On the other hand, the large supermarket complex tends to be impersonal and perhaps aloof from community activities. In many instances the small business is found in areas where the population is of lower density than large urban communities, but here as well the small businessman provides a service that is worth preserving. The small businesses of our nation are operated by individuals who are not expecting to become giants in business or multimillionaires, but who desire to provide for themselves and their families a decent and respectable standard of living while contributing to the social, cultural and economic life of the community.

The small businessman is faced with another serious problem today, and that is how to cope with the results of the inflationary spiral in the matter of help. Many have stated their inability to obtain help even in areas of high unemployment. The rejoinder to that may well be that if a business cannot afford to hire help at the going rate, the owner had better shut up shop. But the question is, what is going to happen if thousands more do close up shop and go on to the labour market? Not only will we have the unemployment picture aggravated; we will have a great many intensely independent, public spirited individuals who are disillusioned and bitter over the fact that government action, or inaction, has forced them to close their doors.

In the Speech from the Throne the government promised counselling services as well as financial assistance for small business, but I am not convinced that the measures proposed will solve the problems faced by small businessmen. This will require much more adequate and far reaching measures. However, this bill may assist them in meeting for the moment the crisis of inflation, taxation, and a completely unnecessary and burdensome maze of red tape so far as their efforts to be responsible and worthy members of society are concerned.

[Mr. Patterson.]

● (1540)

I shall now proceed to another subject, although I would have liked to continue on the matter of small businesses. Let me refer to the bill as it relates to the agricultural industry. Canadians in this category are seemingly a vanishing breed. As pointed out in the National Farmers' Union submission to the government of Canada on March 14, 1973, the census statistics of 1971 indicate that Canada suffered a net loss in the number of farms of 64,394 from the census figures of 1966. This was considerably higher than the previous five-year period of 1961 to 1966 when the number of farms decreased by something over 50,000. In fact, it is about a 28 per cent increase.

These figures must be saying something to us; they must be telling us that in spite of the shortage of jobs on the labour market, thousands of Canadians are finding it impossible to overcome the obstacles in the path of continuing to maintain and operate a farm. Cost of land and equipment is such that ever-increasing amounts of capital are required and the returns are not sufficient to justify the risk of expansion at the current cost of money obtained on the open market. The provisions of Bill C-14 as they relate to agriculture are welcome, but in light of present developments it is questionable if even the expanded credit facilities proposed will meet the needs of today. As has been pointed out in this debate, it is questionable if even $100,000 is sufficient to establish a viable working agricultural unit.

The point has been raised that legislation providing for increased credit will be of little value if lending agencies can find a more lucrative investment in other areas requiring capital. I think sufficient illustrations have been given us during this debate to indicate that this is not a hypothetical situation, and it is possible that a very careful monitoring program will be required to ensure that what has been done theoretically by law will in fact become a practical program as far as the farming community is concerned.

I would just say in conclusion that while welcoming the amendments which are before us today, and without questioning the fact that they will assist these various areas of our economy to a degree, they fall far short of meeting the needs in the areas of fisheries, small business and agriculture today.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I should like to continue with the views so well expressed by the previous speaker, recognizing that in relation to the scope of this bill it is a shame a debate has to be undertaken by this House at all, since it provides the small business community and the small farming and fishing communities with so little. Indeed, considering the time devoted to this bill, it might well be said that never have so many words been said to accomplish so little for so few. Yet it is justifiable that the House deal with this bill in view of the significance of the issue. The significance of small business and the farming and fishing communities to the well-being of Canada as we have known it and would like to know it in the future cannot be overestimated. It is fundamental to the character of the Canada we have known and prized that the individual should have an

opportunity of entering into a business supporting himself and providing work for others.

The fact is that Canada needs leadership to preserve that tradition, and the present government, particularly with NDP support, is veering away from it. Canada is on its way to becoming a corporate and collective state in which the vast majority of people make their living in the employ either of big corporations or of big governments. One of the things this debate on the small business, farm and fisheries loans bill indicates to me and to the country is that we must try to recover the opportunity Canadians have traditionally enjoyed of entering enterprises on their own, of supporting the family farm and those participating in the important fisheries industry.

I think it is significant, when we look at statistics on income received by Canadians over the past 12 years, to note that the percentage of the national income enjoyed by small businesses has fallen from 10.4 per cent to 7.5 per cent, while at the same time the income for corporations has increased from 13.8 per cent to 16.3 per cent, with the income of governments increasing even more. At this time, governments in Canada at the three levels combined represent almost 40 per cent of our gross national product. Between governments and corporations well over half the income of this country is being monopolized. Therefore, I think we ought to be asking the government which has introduced this bill why more has not been done, and why it does not propose that Canada take a giant leap forward in assisting people to go into business and stay in business or to undertake family farming.

We certainly welcome the fact the government proposes that legislation in respect of small businesses loans should be changed so that loans will become available to businesses grossing $1 million a year and loans increased to $50,000. But when we realize that since 1961, when the small business loans system was introduced by the previous Progressive Conservative government, in all that time only $290 million in loans has been provided, the highest record for a year being one in which $30 million was made available to small businessmen, we see how triflingly little this small business loans administration means to the small business people of Canada.

I think it is evident to anyone who looks at the spending record of the government that this is almost nothing at all when compared with what the government puts into LIP, OFY and all the other alphabet soup organizations which have been funded with hundreds of millions of dollars. We then begin to see how this bill is in fact nothing more than economic tokenism and I would hope that the House is generally apprised of the benefits these amendments will provide to small businesses and how little they will actually achieve.

I think more benefit would accrue to small businesses if the government would consider some of the measures which I will now suggest. The first is an increase in information services provided by the government to small businessmen seeking financing of this kind. The fact is that all too few men are aware of what is available and all too few find themselves able to make the most of the opportunity that is provided. What we need is the government financing and undertaking an information and public relations program in order that small businessmen and other people willing to go into business will be aware of the financing available to them. Very frequently they have to come to members of parliament or to other public officers and ask for the basic information which should have been made known to them and which too often is almost hidden from them. So I hope the minister will consider this kind of information program as a basic way of helping the small business community to make the most of the financial opportunity that the act provides.

● (1550)

The second thing for which I would hope is that we might add to the incentive program so that greater assistance might be made available to people wanting to undertake the risks of private enterprise. The kind of incentive that could be made available is analogous to the kind of incentive that has been given to the big corporations, incentive that has been given through the various tax write-offs that are now part of our economy. If these are justified for big corporations, surely something comparable should be available to small businessmen, not necessarily in the manufacturing or the processing industries but those which play a vital part in the economy through the various small service companies they provide. I would hope that much more in the way of tax incentives could be made available to these people.

In my own municipality, the borough of Scarborough, part of metro Toronto, the industrial register indicates somewhat in excess of 1,800 different companies and firms doing business. One is impressed in looking through that register to see that the vast majority of those businesses employ fewer than 25 people. Basically, our municipality is comprised of very small companies and one-man firms. These people are providing the majority of the jobs available in that community but they are having the greatest difficulty staying in business. They need tax incentives, they need financial assistance and all too little of it is being provided by the government under the present legislation.

A third recommendation that I would make to the government is simply to get off the backs of the ordinary small businessmen and give them an opportunity to do their daily work without having to spend so much time working for the government. One of the complaints made most frequently to me by the small businessmen in the community I represent concerns the time they have to devote to answering questionnaires, filling out forms and tabulating statistics, all at no charge to the government but at their own cost. This work often is done by the businessman himself or by his wife at night, on weekends or in the little spare time they have available to provide the government with information which the government may or may not use.

Some hon. Members: Hear, hear!

Mr. Stackhouse: Recently I received from one constituent a copy of a form that had been sent to him by Statistics Canada. He complained that this was a typical example of the civil servants creating work for themselves. He says that no small businessman can answer questions of this kind with any kind of accuracy; he simply does not have the staff or equipment to provide the precise,

detailed information that the government demands of him. So one thing we would say is, "Get off the back of the small businessman and give him time to do his work. If you want to make work for the civil service, at least do not require the small businessman to help you do it."

Fourth, one of the things that the government could do most effectively in assisting the small businessman is to help the labour market become available to him again. One of the most common complaints of people striving to keep open a small factory, a store or some other enterprise is the difficulty of getting help at a time when unemployment insurance payments are increasing, when the premiums being levied upon these employers are being increased. At this time these employers find they simply cannot fill the job vancancies that they have. In one community, for example, some companies have sold out in the last 12 months to large corporations simply because of their discouragement at having suffered through being unable to hire employees who would help carry on this kind of enterprise and be self-supporting.

So I would say that surely the government cannot be content with the kind of tokenism that it has put before parliament. Surely it is not deceiving anyone but itself when it says that this is a fulfilment of the commitment made in the Speech from the Throne. If we are going to take the giant leap forward that this part of the economic community requires, we certainly need much more than the government has put before us. I hope that, not only for economic reasons but much more for social reasons, we in parliament will find the opportunity to take that leap forward.

Important as the small business community is economically, it is of even greater significance socially. We should recognize that the real value of the small business is the opportunity it gives the individual man or woman to fulfil himself or herself in a private and free enterprise that he or she is able to undertake, maintain and shape. Surely the day has not gone by when that is an opportunity before every Canadian willing to make the effort. Surely the day has not come when this parliament and this country will supinely accept the corporatism and collectivism now represented by this government and its New Democrat allies.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to say only a few words on bill C-14 which is designed to help farmers, small businessmen and fishermen obtain new credits which means that they will be allowed to get into further debts at prohibitive interest rates. Everyone knows that the current interest rate for small business amounts to 12 and even 12.5 per cent. For instance, if a small businessman borrowed, say, $10,000 over ten years at 12 per cent this means that in 10 years he will have to reimburse $22,000 in capital and interest.

Yesterday, my colleagues from Bellechasse (Mr. Lambert) and for Richmond (Mr. Beaudoin) have amply elaborated on the help we intend to extend to the farmers and even small businesmen. I think that the best way to truly help them would be to exempt them from taxes as is being done for major companies. The small businessmen should be helped in exactly the same way and they would not think of closing their doors as they do today. The farmers would not think of leaving their land or of selling their livestock because it is no longer a paying proposition. Allowing them to get into more debts only postpones bankruptcy.

Some day the present government or another one will have to consider other solutions than collective indebtness for farmers and small businessmen and this is why the Social Crediters have been suggesting for a long time that we resort to the Bank of Canada. Some people are beginning to admit—

An hon. Member: Here we go again!

Mr. Caouette (Témiscamingue): I hear an hon. member saying: Here we go again! He will see that some day. People have already laughed at our request in the area of pension and social welfare benefits. Today they say: Here we go again! Something will have to be done also in this area as we cannot keep on in this direction. This is why we say: Let us be the master of our credit through the Bank of Canada and then we will be able to help efficiently entrepreneurs, small businessmen, farmers, fishermen and the whole population. Mr. Speaker, that is all I had to say on this bill.

● (1600)

[*English*]

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Call in the members.

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

● (1610)

(Division No. 6)

YEAS

Messrs.

Barnett	Harding	Korchinski
Benjamin	Howard	Nystrom—9.
Blackburn	Knowles	
Gilbert	(Winnipeg North Centre)	

NAYS

Messrs.

Alexander
Alkenbrack
Allard
Allmand
Andre
Arrol
Baker
Baldwin
Basford
Beattie
(Hamilton Mountain)
Beaudoin
Béchard
Bell
Blais
Blaker
Boulanger
Breau
Caccia
Cafik
Campbell
Caron
Clark
(Rocky Mountain)
Clermont
Comtois
Corbin
Côté
Cullen
Darling
Davis
De Bané
Demers
Dionne
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Faulkner
Fleming
Fortin
Foster
Fox
Frank
Fraser
Gauthier
(Ottawa-Vanier)
Gillies
Godin
Goyer
Grafftey
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Hees
Herbert
Higson
Holmes
Hopkins
Howie
Hurlburt
Jarvis
Jelinek
Kempling
Knowles
(Norfolk-Haldimand)
Lachance
Laflamme
Lajoie
Lalonde
Lambert
(Edmonton West)
Langlois
Laniel
Laprise
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacGuigan
MacInnis
(Cape Breton-East Richmond)
Mackasey
MacKay
Macquarrie
Madill
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Masniuk
Matte
Mazankowski
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Muir
Munro
(Esquimalt-Saanich)
Neil
(Moose Jaw)
Oberle
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Patterson
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Richardson
Ritchie
Rompkey
Rooney
Roy
(Laval)
Schumacher
Scott
Sharp
Smith
(Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart
(Okanagan-Kootenay)
Stewart
(Cochrane)
Stollery
Thomas
(Maisonneuve-Rosemont)
Thomas
(Moncton)
Towers
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Wagner
Walker
Watson
Whelan
Whicher
Wise
Woolliams
Yewchuk—150.

● (1630)

Mr. Speaker: I declare the amendment lost.

Mr. Howard: I rise on a quesiton of privilege, Mr. Speaker. I regret I was not able to catch Your Honour's eye at the moment immediately following the reporting of the result of the vote by the Clerk and Your Honour's declaration with regard to the amendment. The question of privilege I wish to raise is this: there may appear on *Votes and Proceedings*, as a result of the vote which has just been taken, an indication alongside the names of some hon. members that they voted in a manner contrary to their wishes and ideas, and if Your Honour does find I have a prima facie case of privilege I should like to move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That the votes cast by the hon. member for Rocky Mountain, the hon. member for Hamilton West—

Some hon. Members: Sit down.

Mr. Speaker: Order. Would the hon. member kindly resume his seat. The hon. member knows that by long-standing practice it is completely wrong to reflect on a vote, and the hon. member is doing this when he calls into question the votes cast by other hon. members.

Mr. Alexander: On the question of privilege, Mr. Speaker, I must take issue with the hon. member for Skeena (Mr. Howard), who has shown irresponsibility—

Some hon. Members: Hear, hear!

Mr. Alexander: Speaking personally and for your information, Mr. Speaker, I can say this: anything which that hon. member moves, I will vote against.

Some hon. Members: Oh, oh!

● (1640)

Mr. Speaker: The hon. member rose on what he called a question of privilege. I suggested to him that there is no privilege and that it is irregular in every respect to raise the matter in this way. The hon. member knows very well, I am sure, that he did not propose an amendment as he attempted to do a moment ago. The hon. member for Rocky Mountain (Mr. Clark) is rising on a question of privilege.

Mr. Clark (Rocky Mountain): Mr. Speaker, I rise on a question of privilege simply because my name was mentioned by the hon. member for Skeena (Mr. Howard). I think his problem in this regard is simply his inability to read my remarks, or perhaps to understand what he read.

Mr. Speaker: Is the hon. member for Skeena rising on a question of privilege?

Mr. Howard: Or a point of order, Mr. Speaker, whichever way it is classified. I just want to point out the insincerity and two-facedness of the Conservative Party which have just shown themselves.

Mr. Speaker: Order, please. I refer the hon. member to Standing Order 35, which I am sure he as well as every other hon. member knows. Standing Order 35 provides that no member may reflect upon any vote of the House, etc.

The question has been put. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Turner, Ottawa-Carleton) agreed to and bill read the third time and passed.

[*Translation*]

CANADA PENSION PLAN

AMENDMENTS RESPECTING RELIGIOUS SECTS, EARNINGS FORMULA, BASIC EXEMPTIONS, ETC.

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-19, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, Bill C-19 is the second important bill amending the Canada Pension Plan introduced by the government in the House within a year that is since, in co-operation with the provinces, it undertook a reform of the social security system in Canada. The first bill was passed by Parliament during the last session. Among other things, it provided pension increases from 8 to 20 per cent to some 500,000 contributors to the plan, it guaranteed full rise of present and future allowances on the basis of the future increases in the cost of living and finally it set the ceiling of acceptable earnings under the plan for the years 1974 and 1975.

Provided it meets with the approval of Parliament, the bill in question today would implement the commitments made through the first series of agreements on the Canada Pension Plan reached in Ottawa with the provinces in October 1973. Similarly, this bill would also implement the second series of federal-provincial agreements arrived at two months ago at the Edmonton conference. The main points of the bill to be studied today could be summarized thus:

1. It would provide for complete equality of status of all contributors and beneficiaries under the Canada Pension Plan, whether male or female;

2. It would do away with the means test and the criterion according to which the eligibility of a contributor to a pension is determined; this means that persons of 65 and more would be entitled to a retirement pension regardless of what money they might earn at a later date;

3. It sets out a formula for the calculation of maximum eligible earnings under the plan, that is the year's maximum pensionable earnings, so that levels of benefits and cash receipts may reflect increased salary rates as witnessed in the past decade. Under that formula once an adequate basis for the calculation of levels of benefits and cash receipts is brought up-to-date it will then be possible to align that basis on the average salaries and wages of workers in Canadian industry;

4. It would amend the present formula used to determine the annual basic exemption under the plan; that formula would have the advantage of giving greater access to Canadians on lower incomes who could then fully participate in the Canada Pension Plan;

5. It would reintroduce for approval by Parliament the provisions set out in Bill C-190 which would exclude from the plan certain categories of people who would wish not to participate on the grounds of their religious beliefs; the provisions dealing with the reimbursement of legal expenses would be softened, and certain other steps would be taken with respect to the financial administration of the plan and the negotiation of international agreements. Although they received very favourable support from Parliament those proposals could not be passed before the end of the last session.

[Mr. Speaker.]

6. Finally, it incorporates many technical amendments to correct a few minor mistakes and certain ambiguities or anomalies which can be found in the present text and which the department responsible for the implementation of the plan noted lately. In principle the technical amendments would not affect most contributors and recipients but it would be a different case altogether for those who are directly concerned, and those corrections would benefit almost all those people.

Mr. Speaker, hon. members will obviously have noted, when I pointed out earlier that the passage of Bill C-19 would respect the commitments made under the first and second series of agreements concluded with the provinces, that I deliberately avoided using the word "final" in speaking of these series of agreements.

In my opinion, the Canada Pension Plan revision is far from being definitely completed. Among the other priorities that we have yet to settle and that we are considering in this regard, and I am thinking among other things about the provisions that have to be brought in to ensure coverage under the plan for housewives, about suggestions advocating preretirement, about the need for having clear-cut levels of disability and survival benefits, and last but non least about this other question being raised concerning invalids, orphans, widows and widowers, that is to what extent would the needs of these persons be best met through social insurance programs, such as the Canada Pension Plan, rather than through income supplement plans?

As to the participation of the homemakers, I had the opportunity of discussing the matter with my provincial counterparts during our last meeting in February, at Edmonton. I should rightfully say that we have all acknowledged the complexity of the problems caused by the various proposals concerning the participation of homemakers. So we thought it would be unwise to try to draw hasty conclusions before being able to carry through the overall examination of every aspect of the problem.

Nevertheless, we agreed upon the advantages of certain alternatives, among which voluntary contributions and pension credit sharing would surely deserve a thorough review in 1974.

We shared the view that it would certainly be desirable that a public debate be held on this matter and all related aspects. Finally, we decided to refer it to the advisory committee on the Canada Pension Plan as well as the advisory committee on the status of women for consideration and additional comments.

I would say in addition that I think it is most important to put this matter before the House and for this purpose, I filed a few days ago before the standing committee on health, welfare and social affairs a document intitled "Housewives and the Canada Pension Plan".

In this regard, I read with the highest interest in last Tuesday's *Hansard* the debate about the private bill put forward by the hon. member for Waterloo-Cambridge (Mr. Saltsman) and in particular the suggestion of the hon. members for Waterloo-Cambridge and Vancouver Kings-

way (Mrs. MacInnis) that the old age security plan might well prove to be a more efficient mechanism than the Canada Pension Plan as regards housewive's contribution.

Therefore, Mr. Speaker, I do hope that these measures will be subjected to more discussion, both within and without Parliament, and that these debates will bring about valuable solutions. At the same time, research will continue on the studies I mentioned and I have every reason to believe that they will be successfully completed within the time limits we have set to achieve the review of the social security system in Canada. Though it may be too early to foretell the results of these studies as well as other studies that will be carried out in this area, they might call for the introduction of a third bill that would provide for further amendments to the Canada Pension Plan.

With your leave, Mr. Speaker, I would now deal with the provisions of Bill C-19 that in my opinion are the most important.

● (1650)

[*English*]

The most noteworthy changes proposed by the bill, in terms of principle, are the provisions for the equal treatment of male and female contributors and beneficiaries, and I take particular pleasure in being able to include them in this bill. The equal treatment of Canadian men and women is, of course, a principle to which this government is firmly committed, and is being reflected in further legislation to be considered during the current session of parliament.

The discussion paper I recently tabled in the House Standing Committee on Health, Welfare and Social Affairs states:

> This is a time of reappraisal concerning the position of women in society and in the home. Certain traditional assumptions and values are being questioned and changed. This relates both to the increasing participation of women in the economic work force of the nation, and to changing attitudes concerning the position of women within the fundamental unit of Canadian society—the family.

Bill C-19 provides striking and tangible evidence of the rate and degree to which traditional assumptions and attitudes on the role of women in Canadian society have changed. The end of the transitional phase of the Canada Pension Plan still lies about two years off in the future. Yet, before the plan is fully mature, we are already concluding that we should remove the basic distinctions between males and females which were built into the plan with a broad measure of public support only a few short years ago.

What exactly are the distinctions that are to be abolished by Bill C-19? The Canada Pension Plan now provides that upon the death of a male contributor, a surviving widow is automatically eligible for a pension that is equal to 60 per cent of her husband's actual or imputed retirement pension if she is 65 or older. If the surviving widow is between 45 and 65 years of age, or is below the age of 45 and is disabled or has dependent children, she is eligible for a pension that is equal to 37½ per cent of her husband's actual or imputed retirement pension plus a flat rate component which now amounts to $33.76 a month. Lesser amounts are paid to widows who are between 35 and 45 years of age and are not disabled or do not have dependent children.

In addition, when a male contributor dies or becomes disabled, his children automatically become eligible for a benefit that, at present, amounts to $33.76 per month for each child subject to some variation for those in families having more than four children. On the other hand, when a female contributor dies or becomes disabled, her surviving widower is eligible for a widower's pension only if he is disabled and was dependent upon his wife, and the children become eligible for a benefit only if they were "wholly or substantially" maintained by their mother. These differences, it should be noted, have existed notwithstanding the fact that the contribution rate to the plan is the same for male and female contributors.

The bill proposes the complete removal of these distinctions. The effect of this change, if and when enacted, will be that surviving spouses and children of deceased or disabled female contributors will, in future, qualify for the same benefits and under the same conditions as those that now apply in respect of the surviving spouses and children of male contributors. The current provision which limits the payment of one benefit for each child will be maintained and it will be paid upon the death or disability of the first spouse.

I would also like to draw the attention of hon. members to an important clause in the bill that proposes retroactive eligibility, but not retroactive payment, for the surviving spouses and children of female contributors who died or became disabled prior to proclamation of this bill. In other words, the bill proposes that after proclamation, widowers and the children of female contributors who died or became disabled prior to proclamation will from that point in time on become eligible to receive benefits as though the Canada Pension Plan had always accorded equal treatment to male and female contributors and beneficiaries. This particular proposal of the bill will, it is estimated, benefit about 30,000 individuals.

I would like to take this opportunity to remind those who may be affected by this retroactive feature that benefits under the Canada Pension Plan are only payable upon application. I would suggest, therefore, that potential beneficiaries of female contributors who died or became disabled prior to proclamation of the bill should consult a Canada Pension Plan district office about their eligibility for a benefit as soon after the bill comes into force as possible. I would also propose to draw this to the attention of those who may be affected by this measure by means of inserts in the appropriate federal cheques issued to individuals by the government.

May I call it five o'clock, Mr. Speaker?

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

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Provencher (Mr. Epp)—Communications—Cablevision—Request for early approval of applications to improve reception in Manitoba; the hon. member for Nickel Belt (Mr. Rodriguez)—Health—Incidence of silicosis among uranium workers—Action by Minister of Labour; the hon. member for Hillsborough (Mr. Macquarrie)—Commemoration—Inquiry as to possibility of events to honour Mackenzie King, Arthur Meighen and J. S. Woodsworth.

The hon. member for Nipissing (Mr. Blais) wishes to rise on a point of order.

Mr. Blais: Mr. Speaker, again before the hon. member for Winnipeg North Centre (Mr. Knowles) launches into his oratorical flight I should like to point out, on a point of order, that because of an experience that I had last evening during the private members' hour, and the discrepancy that exists between the various clocks, I would like to have some indication from the Chair as to which is the clock which will be observed this evening. I would point out to you, Mr. Speaker, that the two clocks on the lateral walls outnumber the clock on the far wall, and I suggest that the clocks on the lateral wall are more indicative of the proper time, although I understand that your practice is to watch the clock on the far wall.

Some hon. Members: Oh, oh!

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BRITISH NORTH AMERICA ACT, 1867

MEASURE TO ABOLISH THE SENATE

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-118, to amend the British North America Act, 1867 (abolition of the Senate), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I do not know why the hon. member worries about the clocks. Surely we can deal with this bill in five or ten minutes.

Mr. Blais: You have been at it for 20 years.

Mr. Knowles (Winnipeg North Centre): I might say that when it worked out that the House was to sit this week, instead of taking the recess that had been planned, some hon. members wondered whether we would accomplish anything. Well, here is our chance. What better week's work than to abolish the Senate between now and six o'clock!

Mr. Yewchuk: What about abolishing the NDP?

Mr. Knowles (Winnipeg North Centre): As the hon. member on the other side said a moment ago, this is not the first time that I have proposed this measure. Indeed, I have been at it for a good many years. The more I think about it, the more I observe the operations of the other place, the more I consider the meaning of democracy, the more ludicrous I find it that we still have, as part of our law making parliament, a group of 102 men and women who are not elected, who are not responsible to anyone, yet who have the same lawmaking authority that is accorded to those who are elected by the people of Canada.

I can understand that more than 100 years ago, when the constitution of this country was being drawn, it made sense not to trust democracy completely. It made sense, especially with the House of Lords in Britain and such as examples, that there might be a group of detached senior citizens who could take a second look at what the elected people might do. Frankly, sir, I do not think there is a case for that at all any longer. Either we believe in democracy or we do not. Either we believe in the laws of the land being made by persons elected by the people of the country, or we do not, and if we do believe in representative democracy I submit that we should not have, as part of parliament, a non-elected body.

Therefore I propose once again my bill that calls for the abolition of the Senate. Anyone who takes the trouble to look at the bill, which in this session is number C-118, will see that it is a rather lengthy one. That is because the abolition of the Senate calls for a number of consequential changes in the British North America Act. But even after one has studied those consequential changes one will see that all the bill does is to abolish the Senate itself.

Despite what is said about me sometimes in the other place—and the things that are said make interesting reading—I want to say that, in my view, there are some very fine persons in the Senate of Canada. A number of them, in my view, are very conscientious in the work that they endeavour to do.

As one who is around this building a good deal of the time, I can say that there are times, especially over weekends, when conscientious Senators around these halls outnumber members of the House from all parties. But that is not the issue. It does not matter how fine and upstanding the members of the other place might be. It does not matter how much attention they give to the job that is assigned to them. What is wrong in principle is that non-elected persons have the authority of law makers.

I know too that it is sometimes argued that they do great work in committees. In particular it is argued that some of the special committees that are appointed to study problems such as poverty, pensions, land use or matters related to science policy, do good work. That is perfectly true. But it does not justify maintaining 102 individuals on salary, and maintaining an institution at a total cost of something over $7 million a year, so that 15 or 20 of them can do good work on committees. If there are jobs that we want done, jobs of research, jobs of inquiry, it is perfectly

possible to set up committees or commissions specifically assigned to do those jobs. I suggest that we can do all of this at much less than the cost of maintaining the Senate.

However, entirely apart from the question of cost, I feel very strongly that any such job that they do does not give Their Honours the right to share equally with us the powers of law making. It is contended sometimes these days—in fact it is contended by some of the more thoughtful members of the other place—that they really do not exercise their veto power; the most they now exercise is a suspensive veto. For example, in the most recent case was the wiretapping legislation.

Senators tried to amend the bill that we had passed in this House, but when in this House we stood our ground, all they did was to have a lengthy debate about it, and in the end they agreed to pass it. I say with respect that I thought that some of them over there stated the case very correctly when they said that they had done their job by entering a suspensive veto, and that it was not their moral right to go all the way and turn down what had been assed in this House. Although I said that with respect, I have to say that it is also an argument against the other place. Why keep an institution that really has no power? It has it constitutionally, but in terms of practice Their Honours have come to realize that they would be unwise to exercise that constitutional power. So in effect, Mr. Speaker, we are maintaining a nullity. I think therefore that we should come up to date and recognize democracy as the basic principle of a parliamentary institution and have in it only persons who are elected by the people of Canada.

● (1710)

Some argue on occasion that the points I have been making call not for the ultimate solution, namely the abolition of the Senate, but rather for reform. Mr. King was a great one for it. The only reform he ever made was to turn a Conservative Senate into a Liberal Senate. Somewhat later Conservative prime ministers tried to reform it the other way, but they did not last long enough.

But to be serious, Mr. Speaker, the most significant reform that some people advocate is to put it on an elective basis. I think we have enough strains and stresses in government in this country already. We have the conflict between the executive and the House of Commons, between government and opposition, and so on. We have the confrontation or the negotiating that has to go on, if you will, between the federal government and the various provincial governments.

I suggest that if we had a second House of this parliament that was elected as we are, and had the same amount of authority as we have, we would slow down the machinery of legislation and the machinery of government to a disturbing extent.

Without taking the time to go into it, Mr. Speaker, I want to say that I have thought about the various reforms that might be made, but to me they do not make sense. The argument that the Senate is needed to protect minorities does not grab me. I do not know how we in Manitoba, as a small province, find our minority position protected by the fact that we have six members in the other House. I suggest the place where minorities are best protected is here in this House of Commons where we are responsible to the people who elected us, and finally in the courts. All told, I can see no place for the Senate.

I now come back to my earlier remarks and I plead very strongly that what I am saying is not personal with regard to those who are in the other place at the present time. If I said that my observation of their performance leads me to believe it should be abolished, that is because I sense the futility of what they are doing. Over there they sometimes think I am hard on them. They have my sympathy. Their job is so useless. As I say, that does not take away from the sterling qualities of many who are over there. But when it is all added up, I feel there is no real place for the Senate in our parliamentary setup.

A former colleague in my party, and one who was a colleague when we were both engaged in the work of the Canadian Labour Congress, is now over there. I like to read to him or in his presence a memorandum that he wrote some time ago on the Senate. In it he said very clearly that the Senate is the most undemocratic institution in the world. He said it could go on a thousand times vetoing what has been done in the House of Commons, and he clearly took a stand for its abolition. That, of course, was before he became a member of the other place. I still agree with him, even if he does not!

I thought I had read everything that has been written on the Senate but I learned this afternoon that the Minister of Finance once wrote a thesis on the abolition of the Senate. I asked him to send me a copy of it so that I could include his gems of wisdom the next time I spoke on this issue. I would say that those who speak of this subject approach it not with any feelings against those who are there but on the principle that parliament ought to be a democratic institution, and there ought not to be in it a place where members are responsible to no one. I emphasize that, Mr. Speaker. They are appointed, of course, by the Governor General, but it is really by the Prime Minister (Mr. Trudeau) who names them. Once a member is appointed he is not even responsible to the Prime Minister and is certainly not responsible to the people of Canada. This does not make sense at all, and that is why I say, Mr. Speaker, that the only sensible thing to do with the Senate is to abolish it.

The Acting Speaker (Mr. Laniel): Order, please. Before I recognize the hon. member for Nipissing (Mr. Blais), I wish to mention to him that he might not have noticed the clock at this time because 20 minutes on either of those clocks on either side of the House might not be 20 minutes!

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I trust the discrepancy will be rectified in a very short time in order to make the good life more pleasant in these holy surroundings.

I hasten at the outset to express to the hon. member for Winnipeg North Centre (Mr. Knowles) my deepest respect and appreciation for his persistence in this particular matter. I feel that most of the arguments he advances are reasoned and have withstood the test of time. As far as his logic is concerned I would hope that perhaps some of the suggestions he makes would be accepted.

However, last year when I spoke on this topic I indicated to you, Mr. Speaker, that I hoped it was not the beginning of a long tradition, as long as that of the hon.

member for Winnipeg North Centre who had been speaking on this matter for a number of years. I promised that that would be the only time I would speak on the subject, but I find myself again speaking on it and perhaps establishing such a tradition. I might indicate, if this is the way fate should direct, that I will endeavour to reply to the hon. member for Winnipeg North Centre any time he presents this particular bill.

I would also agree with the hon. member when he states that members of the Senate are intelligent gentlemen and gentlewomen—all of them are—and that he finds in that particular chamber a number of very competent individuals. I am sure that those individuals will not regard his attempts to abolish that honourable House as an indication of his disrespect toward them. However, I take it they would strenuously disagree with the main argument reiterated by the hon. member, that the existence of the Senate as a non-elective body is repugnant to our democratic system.

I might point out to the hon. member that the Queen is part of our government, the Governor General is part of our government—not the government, but the whole parliamentary and constitutional system of Canada. Surely no one can argue that the Governor General, or indeed the Lieutenant Governor of each province is an elected individual, chosen by the people of Canada. They are all appointed.

I might also point out to the hon. gentleman that this institution, a most venerable one which has withstood 600 or 700 years of time, has been established through long tradition and evolution, and indeed is based upon the British parliamentary system. Within that particular system there is a recognition of the work of the House of Lords, which House is very similar to ours, ours having been framed upon the tenets of that House and the traditions established by it.

I had occasion recently to be in England, Mr. Speaker, and spoke to the Lord Chancellor who is the president of that particular upper House. I also had occasion to speak to some of the members of the House of Lords in England, and I suggest to the hon. member that, quite contrary to beliefs that might be held in Canada relating to that House, it is indeed a vital place. It is a place of considerable activity notwithstanding the fact that its powers are limited to a suspensive veto, the same as tradition is establishing that the Senate of Canada be limited to in its powers.

● (1720)

I suggest, further, that the House of Lords considers the Senate of Canada as a model with respect to some of the practices we follow. For example, only life peers are appointed to the House of Lords now. The number of hereditary peers is shrinking. We do the same in our Senate. Senators are appointed until they reach 75. I might suggest that the obligatory retirement age be reduced. Once a Senator reaches the age of 70 perhaps he should be forced to retire from the other place.

As I said in my speech last year, I think the other place was established in Canada to protect the interests of the regions. It provides for regional representation. At present the Senate is not as active as it has been; on the other hand, it is not as active as it will be. Within a short period it may be necessary for us to have an upper house which is more representative than at present. We are, as you know, dealing with the question of redistribution. The effect of the commissioner's report has been suspended. We are studying, in the Standing Committee on Privileges and Elections, various methods by which we can secure adequate representation for the various areas of Canada. I suggest that a considerable problem faces Canada in this regard at this time.

[*Translation*]

If we want adequate representation from sea to sea, it must be able to offer protection and justice to all areas of Canada. Mr. Speaker, the small regions of the country, such as Prince Edward Island, must always be represented in the Senate.

I also believe that some amendments must be introduced. As I said last year, the condition that a citizen must have $4,000 to be appointed to the Senate is, in my opinion, absolutely outmoded. Nothing justifies the fact that someone should be deprived of the honour of sitting in the Senate because he does not have $4,000 in his bank account or any other assets of $4,000. This brings me to the second point. I believe that there are too many senior citizens in the other place.

[*English*]

I suggest that some of the most effective members of this House are senior citizens. Indeed, the member sponsoring this bill has been proud to say he is a senior citizen. Age has nothing to do with one's effectiveness in the legislative process. Speaking as an idealist I hope that younger people will be appointed to the Senate in future. Let those who are between 20 and 40 years old, the age group of the majority of the population, inspire the other place with their contribution.

As the hon. member for Winnipeg North Centre well knows, there is a great proportion of younger members serving in this House. I am sure he would not say that the contribution of younger members—perhaps with the exception of yours truly who wants to see this bill defeated—is not substantial and has not brought profit for this House. The same could be said for the other place. We could follow tradition, but appoint younger members.

I suggest that the Upper House, composed of a greater number of younger members, might be empowered only to suspend consideration of certain bills or to request the House of Commons to reconsider certain measures. I do not think it is true to say that the House of sober second thought was meant to be occupied only by older people. I am sure, and I think the House will agree, that younger people can reflect on certain issues and give guidance and direction.

I disagree with the hon. member's contention that minorities are not receiving protection. I am not speaking of regional minorities so much as of ethnic minorities. On the other hand, as I said in my speech last year, there are minorities in Canada which are not sufficiently concentrated in any given area and which do not sufficiently influence our legislative input. They give no input with regard to the legislative process. I suggest that the Senate is one place in which such minorities can be provided with

opportunities for input. It is desirable to see the various segments of society represented in Parliament.

Before we reach the stage which is evident in England, where the Trade Union Congress is effectively running the Labour government, where the organized labour movement is standing on the step of power, we should provide for members of organized labour to sit in the Canadian Senate. Let them have some say in the legislative process so that we may defuse any potentially dangerous situation which might develop in future. Also, I see nothing wrong with naming some civil servants to the Senate.

[*Translation*]

Mr. Speaker, you will probably have noted that a number of public servants have considerable powers or have had important responsibilities since the beginning of their career as public servants. I do not see why we could not appoint to the Senate certain public servants who would contribute to the Parliament.

[*English*]

I attended a seminar at which an interesting lecture was given by Dame Evelyn Sharp, Permanent Secretary, Ministry of Housing and Local Government, in the U.K. She has been contributing actively to the House of Lords, and politicians in that place say that her contribution has been most helpful.

The hon. member for Winnipeg North Centre may not have been helped by a member of the other place, as few supporters of his party have been appointed to the other place. I, on the other hand, have been helped considerably by members of the Senate in matters affecting my responsibilities in this House. Those particular individuals had at one time participated in the deliberations of this House, and they offered valuable guidance to a new member. It is no secret that Liberal members of the Senate participate in our caucus deliberations. We find their contribution most helpful—

Mr. Stanfield: Don't blame them.

Mr. Blais: I am not blaming them. The Leader of the Opposition (Mr. Stanfield) suggests that perhaps I was trying to blame them for something. I was not. I could name people who have been most helpful to me, to other members of the House and, indeed, to the government. As the Leader of the Opposition knows, there is a dearth of elected members on this side representing a certain province in this country. But some Senators are most cognizant of the social and economic conditions in that particular province. I have no hesitation in approaching them when I want information that is not otherwise readily available. A whole range of services is rendered by members of that House. I am not going to hide the fact we have benefited from members of that House who have been active in that House and active in political organizations. I do not hide that fact. If anyone finds objection with that he would find objection with the whole political process. Indeed, we need to have elections and we need to have political organization.

● (1730)

Surely if one can acquit himself of those responsibilities and also acquit himself of legislative responsibilities imposed by a House of parliament, I can see no conflict there, or anything with which one can take issue. Perhaps I am a bit conservative with regard to that particular issue.

Mr. Knowles (Winnipeg North Centre): A bit.

Mr. Blais: I feel there are numerous amendments that should be presented. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that we have been mouthing the question of the necessity of amending the Senate for years. I suggest, however, that we can change our practices now without the necessity of substantial amendments.

As I pointed out to the hon. member last year, we still need to get this particular bill through the Senate. I also pointed out that the suicidal instincts in that particular place are not common. I am sure they are not rampant. They would not attempt to do away with themselves with one fell swoop of the pen.

In view of that particular reality I suggest we should be putting pressure on the government, whether this or some future one, to change its attitude with regard to staffing the other place. We ought not to waste our time, and I say this most respectfully, in the tilting of windmills. We should be using those methods available to us in order to effect those changes that are essential and that ought to be effected.

I do not want to use all my arguments. I will have to use other arguments next year. I attempted today to complement the arguments I made last year. In case the hon. member has forgotten, last year I stressed the question of ethnic representation to a considerable extent. This year I could stress the fact that we need more young people in the Senate. I am not trying to find myself a spot. I have no interest in sitting in the Senate. In any event I do not think I am eligible at this stage.

An hon. Member: Why not?

Mr. Blais: I understand the Senator for Northern Ontario, who was appointed by the Tories, is still sitting.

I suggested that we abolish the monetary requirement. I agree with that wholeheartedly. It would not take much to get that through the Senate. If the hon. member would present such a bill, I would immediately agree with it.

Mr. Knowles (Winnipeg North Centre): I wonder if the hon. member would permit a question before his time runs out. I believe he still has half a minute.

Mr. Blais: I have no objection, Mr. Speaker. I am finished in any event.

Mr. Knowles (Winnipeg North Centre): I did not want to interrupt the hon. member. He referred to the fact that one province of this country, and it is no secret that he was referring to Alberta, has no Liberals in this House of Commons. He then turned around and boasted of the fact there are Liberals in the other place. My question is this: does the hon. member think it is fair that, if the people of Alberta do not want any Liberals in parliament, the Liberals can get in through the back door?

Mr. Blais: That sounds very reasonable, if one follows the hon. member's argument to the fullest extent. I suggest to the hon. member that the Senate does not exercise the power which this House exercises. I agree that constitutionally, save and except for money bills, it has equal or parallel power. However, and I am sure the hon. member will agree with this as well, in practice the other place does not exercise that power. As a matter of fact, the power Senators exercised with regard to the wiretap bill was indeed an aberration from their past practice. There is no doubt in the mind of anyone in this House, except perhaps that of the hon. member, that in the future the Senate will not employ those powers that are afforded to it under the constitution.

In my view there is no difficulty in the fact there may be some Senators from the province of Alberta who sit in the Liberal caucus and are perhaps able to indicate, in the absence of other members, what feelings might be in that province. They may be able to render service in that manner. That does not mean there is any member in this House from Alberta who sits in this particular party. Nor do they have a legislative influence in this particular House.

If I call a Senator's constituent in the province of Alberta in order to seek advice relating to a particular matter which is before this House—and I understand we are going to be studying a bill affecting oil and the administration of an oil policy—I cannot see how that could be detrimental to my particular function. Whether that person is in Alberta or sitting in the Senate, I fail to see the difference.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, as I listened to the last exchange it went through my mind that one of the glories of the other place is that there is no time limit on speeches.

I indicated to the venerable and honourable member for Winnipeg North Centre (Mr. Knowles) two years ago that I might support him in 23 years time. Now, at the age of 54, I think I will need to have another 21 years before I jump to the support of such a suggestion.

Mr. Stanfield: Sober second thought.

Mr. Macquarrie: Yes. After two years of thinking it over, I am still reluctant to agree with him. The hon. member and I agree on many important things, but I think our disagreement today indicates the basic difference between a doctrinaire and a pragmatic reformer. A doctrinaire looks at an institution in society. If he does not find it working perfectly or extremely well, he says scrap it. The pragmatic reformer, the base and core of the Progressive Conservative Party of Canada, looks at an institution in society, either political or economic, and says the criterion is performance; therefore we come forward with suggestions to improve it.

It strikes me as an exercise in fatalism to say there is not sufficient ingenuity in the Canadian political province to develop in the Senate a place that is workable, valuable, and contributes importantly to our political process.

As the hon. member mentioned, this whole question of bicameralism is an old story. Most political organizations have decided on bicameral legislatures. There have been a variety of suggestions for change. Down through history some have become unicameral and have gone back to bicameralism.

[Mr. Knowles (Winnipeg North Centre).]

I think the hon. member mentioned some of the functions which have been performed by another type of element in our political structure. The primacy, of course goes to the elected one accepting representative responsibility. That is fundamental. However, there are many parts of the governmental structure, and these were alluded to by the hon. member who preceded me, which are not of that kind. In the whole process the Senate fits in as something between that at the apex and that which is at the foundation, that is the ground and the elected House.

● (1740)

I believe that instead of tossing out the Senate we should ask for some good will and some wisdom in the appointment of the members thereof, and put that illustrious body to more work. I have often thought there are far too many legislative schemes launched in this House. Much could be done over there. When you are faced with a bill of 117 pages, and an agenda such as is usually before us in this portion of the parliamentary year, the situation surely calls for more spadework to be done over there.

I, too, join the hon. member in praising some of the excellent work which has been done by the Senate committees. I believe the Senate foreign affairs study on the Caribbean Commonwealth is one of the finest examinations ever conducted in an important area of Canadian foreign policy. I go back to the old question which Sir George Foster raised long before I was born, before even the hon. member was born—God help us, it is a long time ago. But he said: "End it or mend it." I am not so bereft of hope as to believe there is no possibility of mending it. I am not suggesting it is only a matter of a few judicious and thoughtful appointments from this place to the other place, although the Leader of the Opposition (Mr. Stanfield) is here. But, of course, it is a matter of personnel.

One amusing remark was made by the speaker who moved this motion, though he did not look upon the subject as being a humorous one. He said he felt sympathy for Senators. Well, Mr. Speaker, I have looked at those Senators all my life and I have never felt they were objects of sympathy. Envy, perhaps, but not sympathy. At the tender age of 54 I would not go along with the hon. member for Nipissing (Mr. Blais) in suggesting that there be some changes in the age limits, both upward and downward. A man of 30 is not really an oldtimer, and you can get in there when you are 30. As to the $4,000, naturally, as an impecunious professor I am not in favour of scrapping that. But, on a more serious note, the need is to look more realistically and more carefully at the structure and basis of representation.

More consideration ought to be given to the provinces as units, and a structural limitation might be placed upon the untrammelled choice open to Prime Ministers, far too many of whom have looked upon it as an exercise in the most sophisticated patronage. It is not the institution, it is the way in which the institution has been caused to function. Because I wish to hear from some of my hon. friends I shall say only, by way of conclusion that I believe the hon. member is a little too reckless, a little too

lacking in faith when he decides no one has sufficient ingenuity to make that part of parliament work. Even if his party is bereft of hope, the rest of us surely believe we could do a good job if given a chance.

It could be made a fine and noble second chamber, perhaps not equal to the Senate of Rome or to the Senate of the United States, but it could still be an effective institution and a functional adornment of our structure.

Mr. Blais: Would the hon. member permit a question? The hon. member referred to the power of prime ministers to make appointments. Would he be ready to accept the British practice which permits a defeated leader, or prime minister going out of office, to make a number of appointments to the upper house?

Mr. Macquarrie: I have not had a chance to consult with my leader here but I think we would agree to that. We are generous people.

Mr. Knowles (Winnipeg North Centre): There are enough Liberals over there already.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened to debates on this subject for many years before I sat in this chamber. I did so from the gallery to which the hon. member for Winnipeg North Centre (Mr. Knowles) pointed just a few minutes ago. It is interesting that I should be here now to take part in such a debate myself, because having heard the hon. member express his views on other occasions, and since I am honoured by having him as a neighbour, an occasional chauffeur and an occasional adviser, and I dare say, as a friend in the parliamentary sense—

Mr. Knowles (Winnipeg North Centre): Don't forget the snow shoveling you do for me!

Mr. Baker: Yes. Believe it or not we even have a half interest in the same snowblower.

Anyway I did not think I would be discussing this particular topic with my hon. friend and speaking against the principle which the bill before us seeks to advance. I am concerned because what we are witnessing today is the spectacle of one institution of parliament, namely the hon. member for Winnipeg North Centre, attempting to destroy another institution of parliament, and I do not think this is a very healthy situation.

If we are disposed to talk about the legislative process it should not be to tear down an institution but to enrich its processes. The hon. member himself indicated that the Senate has performed a number of very useful functions.

I find myself agreeing with most of what the hon. member for Nipissing (Mr. Blais) said. To that extent I find myself in strange company, but I suppose one does find oneself in strange company from time to time. When we deal with parliamentary institutions we ought to look to the improvement and enrichment of those institutions. We must seek to bring to bear upon the legislative process an expression of the interests which go to make up this country.

One of the things that moved the Fathers of Confederation to agree upon the establishment of a Senate was that provision in some way for representation on a regional basis was probably a prerequisite to confederation in 1867. I think they were wise in reaching that decision; they were wise to recognize that the particular constitutional make up which was required would not be secure if members of both bodies were elected. So they determined that the various regions of that day would be represented by an appointed house.

As the hon. member for Hillsborough (Mr. Macquarrie) has said, if the public mind has altered with respect to the Senate it is not because of the institution itself but possibly because of the way in which its members have been appointed, that is to say, places in the Senate have been regarded as a reward in many cases for qualities other than excellence in fields which are important to our country.

I think prime ministers should remember that it is not only publishers of newspapers, not only lawyers, not only industrialists, not only loyal party workers who have made this country great. There are a lot of unsung heroes in the cultural endeavours of our people, in science, and in the professions. And perhaps those who have contributed in an occupational or professional sense to the development of Canada have not been rewarded; instead, rewards have gone to others who, in the eyes of many people, seem less deserving. It is as a result of this that the institution has perhaps fallen in the esteem of the public, prompting the hon. member for Winnipeg North Centre to move that the institution be abolished.

● (1750)

I think the hon. member for Hillsborough has made a very good point. He followed along the argument made by the hon. member for Nipissing that we ought not to tear down or destroy an institution that is a place of very sober second thought on how we improve our legislative process. It is still a very real thing in Canada to protect, in terms of representation and as an expression in the legislative sense of varying viewpoints, particularly the minorities in this country. Indeed, we live in a democracy, but sometimes the democratic process does not work to protect minorities. This is one way in which this institution, responsibly used in regard to the appointments made to it, can protect minority interests.

I am certain that the most important reason that has been advanced during this debate for the maintenance of the Senate, and certainly for its enhancement, is the matter raised by the hon. member for Nipissing, namely, the very troubling and vexing problem of redistribution, and the fact that in our time there are diminishing populations in certain areas and growing populations in others. Through the Senate an attempt can be made to maintain some sort of balance. So, under those circumstances I do not think that we ought to tamper with something as traditional to our constitution and to our country as the Queen, and as the office of the Governor General. In fact such attempts should be withstood and avoided.

Perhaps we should look at the other side of the coin and see how we can enrich an office mentioned by the hon. member for Nipissing, the office of the Governor General. I suppose in modern political parlance, in the practical sense the Governor General of this country has no real

power. As a result of what I might call—this is not an apt description—very impressive and responsible appointments made to that office by the Queen, upon the recommendation of her Privy Councillors in Canada, all the incumbents of that office have grown in affection and regard in the minds of the public of Canada. I do not think there is anyone in this chamber who would say that merely because that office is an appointed office it has become useless, and that nothing is served by it.

I look upon the Senate not as a resting place for retired politicians but as a proper reward, and necessarily so, for real service to one's country. It is a place where the unsung heroes of Canada— the scientist who has made a contribution, the parliamentarian who has made a contribution, members of the agricultural community and others, and indeed members in legislative fields other than the federal field—can find an opportunity to continue their service, and in an area where, perhaps because of the nature of the political process, they could not venture to perform this kind of service.

But for the service of many Senators, both before and during their appointments, our country would not be as rich and as full in terms of the quality of its legislative assemblies as it is today. I do not believe that that opportunity has passed us by. I do not believe that the time has come when we ought to say that it is not possible for us to enrich the body politic by the proper use of a chamber of sober second thought, indeed perhaps by a new kind of approach to the legislative process that really has not been tried.

The hon. member for Winnipeg North Centre said something to the effect that if we believe in democracy then we ought not to support a body that, by its nature, is appointed. If we speak in those terms we must relate them to the Canadian situation. There was a great lesson to be learned from the work of the Fathers of Confederation. We must not forget that there are perhaps people and areas in this country that would not be represented but for the existence of the Senate.

I hope that in considering this bill the House will move to enrich the nation and this institution of parliament. I urge upon those who, from time to time have authority to make Senate appointments, to make those appointments carefully so that they are representative of all the major groups in the country, of all the political affiliations in this country, and thus uphold democratic principles. I hope that out of this process will arise a vital, strong second chamber that will take a new place in our Canadian democracy.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Baker.]

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

AMENDMENTS RESPECTING RELIGIOUS SECTS, EARNINGS FORMULA, BASIC EXEMPTIONS, ETC.

The House resumed consideration of the motion of Mr. Lalonde that Bill C-19, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, when the debate was interrupted at five o'clock I had given some information concerning one of the major clauses of this particular bill, that is the clause which eliminates discrimination on the basis of sex under the Canada Pension Plan as it stands at the present time.

Before moving to another major area of the bill I should like to elaborate briefly on the statement I made at the beginning of my remarks this afternoon in respect of survivors' benefits under the Canada Pension Plan. We are at the moment reviewing the structure and level of these benefits and as I agreed with my provincial colleagues in Edmonton, "it is necessary to examine the most appropriate approach to the provision of survivor benefits, whether under the two pension plans, or under a new and general economic support program," the two pension plans being the Quebec Pension Plan and the Canada Pension Plan.

We are, for example, asking ourselves about the role that a flat rate component should play in Canada Pension Plan survivor benefits in the future, and whether there is any merit in considering its transfer from the Canada Pension Plan to a new and general economic support program. These studies have not been completed, and so the government's position on these questions has not yet been formed. I should like to assure the House that when the eventual position of the government is formed, and if it requires legislative action by the House, it will be advanced in terms that preserve the principle of equality now being built into the plan, that is equality between the two sexes.

[*Translation*]

Another major series of amendments incorporated in Bill C-19 seek to eliminate the provisions dealing with the employment test and the retirement criteria under which eligibility is determined.

Indeed, under the present provisions of the act only those contributors between the ages of 65 and 70 who have retired from their regular employment may claim full value of pension under the Canada Pension Plan. In other words, the pensioner under 70 who, although retired from his regular employment continues to receive earnings exceeding $95 a month automatically gets a reduced pension by 50 per cent of his employment income falling between $95 and $155 and by the full amount of earnings exceeding $155. Those limitations would be repealed under the bill now before us so that if it is passed by this House any contributor 65 or over would be sure to get the full

value of his pension, regardless of the employment income he could otherwise receive.

According to my estimates those amendments would immediately result in increased pension levels for about 5,000 recipients now retired and add to the anticipated number of recipients under the Canada Pension Plan for 1975 roughly 30,000 contributors who would then be entitled to the retirement pension. Of course, those between the ages of 65 and 70 would still be free not to claim their retirement pension and continue to pay contributions into the fund and so accumulate further pension credits. A number of contributors will certainly find that option more advantageous.

Now, Mr. Speaker, I should like to deal with the provision governing maximum pensionable earnings, that is; the ceiling as to pensionable earnings under this plan.

My colleagues in the House are certainly aware that maximum pensionable earnings considerably affect the very structure of benefit levels as well as the inflow of money into the Canada Pension Plan fund.

At the federal-provincial conference which was held last October, it was agreed by all welfare ministers that the ceiling as to earnings under the Canada Pension Plan should be in line with the present ceiling under the Quebec Pension Plan, and then increased by 12½ per cent annually, until it reached the average earning level for the Canadian worker in the industrial sector.

The first stage was reached when, during last session, Parliament passed a bill which provided for maximum pensionable earnings of $6,600 and $7,400 for 1974 and 1975 respectively. Some provisions of Bill C-19 aim at confirming other clauses of the agreement with projections on the future.

● (2010)

[*English*]

I think it is fair to say that Bill C-19, together with the bill passed in the last session, go a long way toward establishing fair and equitable treatment for the nation's retired, disabled, widows, widowers and orphans. Maximum initial retirement pensions under the plan now stand at $101.41 a month. If the bill is passed, initial maximum CPP retirement pensions should reach a level of about $250 a month by 1980, and $350 by 1985. This represents an increase of close to 250 per cent in about ten years' time.

Mr. Schumacher: Because of inflation.

Mr. Lalonde: May I say to the hon. member who just spoke that this has nothing to do with inflation. Whatever inflation will take place it will be over and above the amounts mentioned here. The amounts I am going to mention strictly apply to the increase in the yearly maximum pensionable earnings, and also the increase that is likely to take place in the average industrial composite in this country coming from Statistics Canada. Those figures have nothing to do with inflation. Whatever rate of inflation may take place over the next ten years, the plan has been indexed last year by an amendment passed in the House which includes automatic indexing to take into account cost of living increases.

Maximum CPP disability pensions now stand at $125.95 a month. Passage of the bill should raise these pensions to about $225 a month by 1980, and $315 a month by 1985. This represents an increase of close to 170 per cent in 10 years' time.

Maximum CPP widow and widower pensions for beneficiaries under the age of 65 now stand at $79.86 a month. Passage of the bill should raise these pensions to about $135 a month by 1980, and $185 a month by 1985. This represents an increase of over 130 per cent in ten years' time.

Maximum CPP widow and widower pensions for beneficiaries at 65 years of age and over now stand at $73.75 a month. Passage of this bill should raise these pensions to about $145 a month by 1980 and $210 a month by 1985. This represents an increase of over 180 per cent in 10 years time.

As to basic orphan and disabled contributor child benefits, this bill proposes that in the future they should also be paid in respect of the children of female contributors who have died or have become disabled.

I should mention again that all of these increased benefit rates, once they go into pay, would of course be fully escalated thereafter according to increases in the cost of living. It should also be noted that in 1985 we are likely to have three times the 500,000 CPP beneficiaries that we now have.

Before anyone jumps to the conclusion that benefit increases will only apply to those who have earnings at or near the proposed earning ceilings, I would like to state that this will not be the case. In addition, I would like to demonstrate how the updating of the earnings formula that is now in the plan will operate to pass on improvements proposed in Bill C-19 to contributors at lower income levels. The updating formula very simply provides that all contributor earnings are updated according to movements in the yearly maximum pensionable earnings, and so sharp increases in the YMPE produce a sharp updating of past earnings at all levels.

Perhaps I could illustrate this feature by tracing the effect of the bill on a contributor whose earnings never reach the ceilings that would have prevailed had the original CPP legislation not been changed. For this purpose I will relate the bill to a contributor who had earnings of $4,000 in 1966, experiences a steady increase in his earnings to $5,000 a year by 1974, and to $7,000 in 1985 when he retires at the age of 65.

Had the initial plan not been changed this contributor would have received a retirement pension of $162 a month. If the bill is passed this contributor will receive a retirement pension of $223 a month, which is equal to about 40 per cent of his final year's earnings. If an OAS pension for the contributor and his spouse is added to this amount, total CPP/OAS payments for this family will be just about equal to the final year's earnings of the contributor. I might add that the bill also has the effect of slightly reducing the contributions that this contributor will have to make to receive his increased CPP retirement pension. Similar examples can be developed for the effect of the bill on other CPP benefits for lower income contributors.

● (2020)

I take this opportunity to draw the attention of the House also to the fact that the figures I mentioned before are completely independent of whatever payments our retired people are going to receive over the next ten years in terms of old age security payments, so that whatever happens with the OAS it is going to be over and above the various figures I have mentioned here.

These increases, with CPP benefits that I have just cited, in my view are quite substantial but still they do not tell the full story of the achievement that has been realized in our social security reforms.

During the last year other parts of our social security system have been modernized, and when these improvements are combined with Bill C-19 they produce results of almost dramatic proportions.

Consider, for example, the income situation of a couple at retirement in a single wage earner family. A little over a year ago the maximum CPP/OAS income of this couple was about $245 a month; today it is $320 a month. In 1980 it may be in excess of $525 per month, and in 1985 it should be in the order of $700 a month. I might remind hon. members that $700 a month is reasonably close to the average wage of today's industrial worker.

I invite hon. members also to reflect upon the situation of the widow under 65 years of age with four children under the age of 18. A little over a year ago her CPP survivor benefit and family allowance payments would have amounted to about $200 a month; today they are about $295 a month; in 1980, they should be over $400 a month; and in 1985, they could be in the order of $550 a month. This government, I believe, is justified in taking pride in this record of achievement.

[*Translation*]

A moment ago, I was illustrating the advantages offered by this bill, which could be turned into account by contributors in lower income brackets, but there is more. Other particular provisions will enable people who have a very low income to benefit as well from these advantages.

As my distinguished colleagues in this House certainly know, the Canada Pension Plan provides an exemption on contributory earnings, the year's basic exemption whose level determines the level of earnings a person must be able to prove to be eligible to the Canada Pension Plan. This exemption now amounts to 12 per cent of the ceiling of eligible earnings. According to this formula, in the event of a sudden increase in the ceiling of earnings, a good many contributors in lower income brackets would temporarily be left aside and, consequently, they could not benefit from some advantages offered in this bill.

Thus, in order to prevent such a possibility, we propose to amend the rate on which the year's basic exemption is now calculated by dropping this rate to 10 per cent of maximum eligible earnings. This measure would provide a better opportunity for persons with a low income to take full part in the Canada Pension Plan.

Moreover the bill proposes the repeal of a particular provision which now applies to the self-employed. According to this provision, this person must be able to prove earnings exceeding by one and one third the year's basic exemption specified for other contributors. It is thus proposed to cancel this requirement so that employees and self-employed can be dealt with on an equal footing as far as the basic annual exemption is concerned. This measure, Mr. Speaker, would certainly be welcomed by a certain group of self-employed whose seasonal work sometimes depends on fluctuations in earnings which can reduce their income to a marginal level.

In particular, we are thinking of the farmers and fishermen who would like, even in adverse circumstances, not to stop their contributions to the Canada Pension Plan.

[*English*]

The next group of proposals I would like to discuss are those which parliament considered in its debate on Bill C-190 last session, and which are all included in Bill C-19. The most noteworthy of these is the proposal to allow individual members of religious groups to exempt themselves from the operation of the Canada Pension Plan in the case of religious organizations which existed before 1966, which have established tenets opposing the acceptance of benefits from any private or public insurance, and which have the established practice of providing for the support of their dependent members.

As I recall, Mr. Speaker, some hon. members had reservations about this proposal, but it is also my impression that the basic principle behind it engaged the sympathy of the large majority of members of the House. I might say that the government still firmly believes in the universal application of programs such as the Canada Pension Plan but, on balance, considers that the exemption should be made because it is in keeping with the strong traditions of freedom and tolerance that exist in this country.

Another significant clause that is included in this package is a proposal to allow the retroactive application of international agreements concluded by Canada with respect to the Canada Pension Plan. The immediate objective of this change is to enable those Canadians who were employed by the United States at Goose Bay to participate in the plan with effect from July 1, 1972, in accordance with the Canada/United States agreement respecting the transfer of the Goose Bay base to Canadian jurisdiction.

Other significant clauses in this category of proposals include provisions to liberalize features dealing with the payment of legal expenses in appeal proceedings, and to give the Auditor General explicit authority to conduct an annual audit of the Canada Pension Plan account and investment fund.

The remaining proposals in the bill, which are quite numerous, can be labelled as miscellaneous, technical and administrative amendments. I thought I would take the opportunity presented by this bill to carry out some housecleaning in what is a very complex act. Hon. members will find that these proposals, for the most part, rectify inequities, anomalies, errors and ambiguities that have been uncovered over a period of time.

In recent months a number of newspaper articles have appeared drawing attention to the difficulties and situations sometimes created when the department adjusts interim CPP benefit payments. As most hon. members are aware, the law requires us to begin paying CPP benefits when eligibility for them is established, even though the

final determination of earnings may not have been settled. I do not think that anyone would suggest that we should do otherwise.

It can take around two years to make a final determination of official earnings, since this involves the filing and processing of income tax returns. Clearly it would be ridiculous to expect a person to wait that long before receiving his regular benefit cheques. Nevertheless, this does mean that benefits often have to be adjusted when final earnings figures become available.

In many instances we find that we have underpaid an individual, but this is no problem because the individual concerned will receive a pleasant surprise when the extra payment arrives in the mail.

As might be expected, we find that in some instances overpayments have occurred and the law requires us to recover them. To provide some relief in such situations, the bill contains a provision that would enable the minister to write off such debts in cases where the debt is uncollectable, where the cost of collection would be in excess of the amount to be recovered, or where the minister is satisfied that recovery action would create undue hardship for the individual. This amendment is proposed to enable us to be as fair and humane in the administration of the plan as we can possibly be.

● (2030)

We also find that in some instances the overpayments are more apparent than real, because the department's record of the contributor's earnings is in error. At the present time, employee corrections in records of earnings must be made within a four-year period. The bill proposes relaxation of this time limit, and in this way it will provide further assurance for contributors and their dependents that they will receive all of the CPP benefits that have been earned. The bill also proposes repeal of the current prohibition that prevents persons who do not have their social insurance number from receiving Canada Pension Plan benefits.

I wish to mention other important technical and administrative proposals contained in the bill. They include:

1. A series of proposals to improve the plan's appeal system. These include an extension of appeal rights to representatives of contributors and beneficiaries; more generous provision for the payment of legal expenses; and provision for the appointment of a vice-chairman of the Pension Appeals Board.

2. A proposal to allow the payment of disabled contributor child benefits for natural and legally adopted children acquired by pensioners after the onset of disability.

3. A proposal to permit payment of Canada Pension Plan benefits to common-law spouses on a more realistic basis.

4. A proposal to relieve self-employed persons from remitting Canada Pension Plan contributions on an instalment basis if they are not required to remit income tax payments on that basis. This list does not exhaust all of the technical and good housekeeping proposals that are in the bill, but it covers the more significant ones. I think it would be preferable if the remaining ones were discussed during the detailed consideration of the bill in the standing committee to which the bill will be referred. As a matter of fact I may have a few additional technical amendments to introduce at that stage as a result of representations received from the provinces after they have had an opportunity to review the bill in detail.

I would like to conclude, Mr. Speaker, by saying that I consider that Bill C-19 is an imaginative and responsible approach to bringing the Canada Pension Plan into harmony with contemporary values and attitudes in Canadian society. I consider that the bill will bring the plan into line with the economic facts of Canadian life now, and in the future. Furthermore, if the bill is passed into law, it will allow the Canada Pension Plan to play a vital role in the new charter the government is writing for this country's aged, disabled, widows, widowers, orphans, and those in need. I hope that the bill will attract the overwhelming support of Canadians inside and outside of Parliament.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I begin by giving the minister a hint that this measure will pass. It is in no danger of being rejected. It is safer by far than a budget, infinitely safer than an opposition day, and perhaps a little safer than the football bill.

The minister closed his speech with what I thought was a flight of imagination when he described the bill as imaginative and responsible. I do not find much in it that is imaginative. Actually, there is little in this amendment or this massive statute that is highly imaginative. This is one of the most difficult and complicated piece of legislation to which my attention has ever been drawn. That does not surprise me, as I was here when this statute and its predecessors went in and out of drydock, so to speak, two or three times before being accepted.

The statute still needs a good deal of refining; it is still a very awkward piece of legislation. It is difficult for laymen who try to understand its provisions to understand where they fit in under the statute. The minister has done well and wisely in seizing this opportunity to make such corrections and ameliorations of anomalies as he has done. There is still much preening and pruning ahead, and it is important that this be done with this massive, comprehensive piece of legislation.

The minister began where we should all begin. He referred to the full equality of treatment for male and female beneficiaries. Although he pointed out how quickly the discrimination was removed, we should all admit and confess that a charge could be levied against us because the discrimination was there in the first place. I agree with what I took to be the minister's appraisal of our social development in this country. I agree that, in recent years, we have been more aware of the nonsense which society has asked us to condone for far too long. I believe that those in our society who have given leadership in this particular field are to be commended. I am certain that this is just one of many pieces of legislation in which we will find a delayed recognition of the equality of the sexes.

Before I sit down, and I will not make a long speech despite the excitement about the Senate this afternoon, I will point out as best I may to the minister that this measure still has a long way to go before it gives both sexes full equality. Of course, in the technical sense, what is said is correct.

The second point I bring up is the situation facing that group between 65 and 70 years of age with regard to the long standing, demeaning means test. I referred to this subject more than once in the last session. I have asked, previously, why in the world should the old chap over 90 work as much as he likes and not have his means diminished, whereas the younger man who happens to be 69 and works suffers because he earns money. This is intolerable in a contributory pension system and is a terrible disincentive to productivity, activity and employment. So, we certainly salute that which we called for one year ago and are delighted to see the provision included in the bill.

I welcome too, as I think any sensible Canadian would, the improved formula for allowing those Canadians at the lower income level to draw benefits from this important piece of legislation. There is a large group which wanted to be involved in the plan, but for which involvement was prohibited because of the levels of income provided for in the statute.

The minister spoke this evening about that portion of last session's Bill C-190 which has to do with an exemption for certain religious groups. Last year, speaking for our party, I expressed the view that this was a right, just, proper, and fitting attitude to take.

● (2040)

At that time I referred to some of the groups mentioned. I expressed respect, and indeed envy at the way in which the groups to which reference was made in the legislation were able in our contemporary society to carry on the old way, with the cherished traditions of our general society a few generations ago. They care for their own aged and their own infirm. They have the ability to look after their own loved ones without turning to the cold, institutionalized care for the aged and senior citizens. People who are able to do this stand tall in society. They are able to put into practical and tangible terms the familial ties of affection and love. That is to be commended.

Another thing I mentioned was with particular reference to the Mennonite community. I said I knew of no group which showed greater charity, concern and interest for the problems of other people all across the world.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Where there is drought, famine and what have you, there is a representative of the Mennonite community there. Since I spoke last year I happened to have been in that wonderful country of Bangladesh which has such difficult problems to cope with, many of a natural kind. Certainly one of the foremost groups were representatives of the Mennonite Central Committee, fine young Canadians making a most excellent, practical and useful contribution toward the upgrading of agriculture in that country where production from the soil is so important. The views I held a year ago were strengthened by what I saw just a month or two ago.

I think that this is well in place, although there are injustices which my colleagues dealt with last session. Where such relief has been made and such recognition has been extended, I express thanks and extend support and approval.

[Mr. Macquarrie.]

The minister touched upon and I will not dilate upon the technical amendments, many of which are important and I assume, being an optimist, all of which are helpful.

I am happy we have written in here, as was in Bill C-190, the official function of the Auditor General. He will have plenty to do. There is no doubt about that. The CPP bureaucracy is touching more and more people, and more problems are arising. My own personal contact with Mr. Trudeau and those who are operating the plan has generally been helpful and I appreciate it. However, because of the complexity of the legislation, there are many, many Canadians who are suffering, being misunderstood, being denied and so on.

One of the last references the minister made was to the question of overpayments. There seems to be a measure of relief coming in there. I have always been appalled by any government department which will overpay a citizen and then have the nerve to turn its clutches upon that citizen and say, "We are collecting from you". It has thousands of computers and hundreds of accountants. God help the poor little guy getting a pension or unemployment insurance. It is not his fault that the government makes a mistake. Far from it. With its vast bureaucracy it should not make a mistake, and then draw it out of him month after month after month.

I am sure there is not a member in this House who has not received letters from constituents who have been overpaid. Who overpaid them? It is like the railway mess. Who made it? These people are told that $20 will be deducted from them for the next 10 years, next 40 years or what have you. The poor soul is probably living on something several notches below the poverty line as it is. I say the state has no right to drag out of its citizens mistakes which its own apparatus makes. Far better to correct its own technology than to inflict the cause of its own inefficiency upon the rank and file citizens of this country.

I am happy some effort has been made to make it easier for self-employed persons to enter the plan. For many years it has been an important area of concern. We know that it is relatively easy for the fellow on payroll. He has an accountant or cashier to deduct the exact contribution from him, and so on. However, that very important person who carries on his own business is not a bookkeeper and does not have a bookkeeper. His earnings fluctuate from season to season. He is probably more in need of the cushion which the contributory pension supplies than the man who is on a more permanent basis. For this move I am appreciative. I will support it.

I would like to get back to a question which the minister indicated he and his provincial colleagues have looked at and will look at. That is the question of the place of the housewife, if that is not too old fashioned a word to use—the mother, the head of the home, if that is not too extreme a word to use. I am told it will be difficult, but we have to find equality for the housewife, the housemother, the person who, heaven knows, is importantly employed in our society.

Mr. Cafik: Housespouse.

Mr. Macquarrie: Housespouse, perhaps that is a good expression. It would be hard for a man with a lisp, but we might be able to take it off.

We have to find security for the person who takes on the important role of being the great maintainer of the family unit, which is still basic to our society despite all its changes and apparent changes. It is still the fundamental fabric of the kind of society in which we believe. I believe it is not beyond our ingenuity nor does it exceed our capacity to be able to give to the housewife equality of status.

Suggestions were made in the statement released by the minister. There is an excellent statement by S. June Menzies, the vice-chairman of the Advisory Council on the Status of Women. I think it is very important for these and many other suggestions to be studied as quickly as possible. We do not want someone standing here in 10 years' time telling the hon. member for Winnipeg North Centre (Mr. Knowles) and myself that since it only took 10 years, we should feel proud. We cannot wait 10 years. The group is large, the injustice is vast.

I used to be told that marriage is a partnership. It should not be difficult to extend the concept of partnership to the basic home unit. Someone said that perhaps the best way to do this would be to have the husband pay the wife and pay her premiums. Some might suggest that this is an employer-employee relationship. It just might be a bit dicey, but the partnership I think is a beginning. This must be done quickly. The minister must use his powers of persuasion to convince his provincial counterparts that, as long as this important group is left out, the Canada Pension Plan is a most inadequate umbrella in the realm of provision for our future.

● (2050)

Indeed, I wonder about the whole program. We amend it frequently. Whoever succeeds the minister now sitting opposite us will no doubt introduce further amendments. Suggestions come out of dominion-provincial meetings from time to time. I wonder whether, with all our tailoring, tinkering and re-aligning, we should not be moving toward something more comprehensive. It seems to me we are moving now toward something like a negative income tax or a guaranteed annual income, though I do not think we are admitting it. When I look at the OAS and the CPP, and think of the great need which exists, of the constant tendency to change, the built-in tendency toward complexity, I wonder whether a more serious overview is required than the one to which the minister alluded.

The minister ended as he sometimes does, with an expression of a bursting sense of pride in what had been done. I think a more modest posture would better befit the bill. It is, of course, an improvement, and my hon. colleagues, because we are a highly organized party, will be dealing with various of its aspects. I noticed with some surprise that the minister quickly contradicted the hon. member for Palliser (Mr. Schumacher) when my hon. friend suggested that inflation was behind the introduction of this measure. Mr. Speaker, because we have indexed payments under this plan there is no way we can sit back and say inflation is out of the picture. That is myopia of the worst kind.

The trouble is that the basic amount is insufficient. The $100 for OAS was insufficient before the act was brought into force. I pointed out that in terms of purchasing power recipients were back to 1945. The basic amount is insufficient, and so much per cent of insufficiency does not bring sufficiency, and it certainly does not bring affluence. We are dealing with this matter today because, unfortunately, the government is not able to deal with inflation. Thus, every piece of legislation which can be brought in is being used and, naturally, because some degree of amelioration is afforded, we support these efforts.

However, we do not support the idea that the entire subject is removed from the grievous, groaning and growing problem of inflation in the country. I know it is not. My hon. friends know it is not. And those Canadians, one in four, who live below the poverty line know it is not. The many Canadians who are eking out an existence on OAS or CPP know it is not. So these changes have to be made. It is not because of a technical consideration or the result of an outburst of generosity. It is because too many Canadians are having a hard time.

Mr. Speaker, I have made many mistakes in this House and, I suppose, in life, but one thing I try to avoid is making long speeches. They may never seem as short to others as they appear to me. But if, as a result of this bill some measure of relief is to be brought to thousands of Canadians, there is no disposition on this side to prolong discussion, although it must be noted we are dealing here with a highly complex document and a good deal of questioning will be necessary.

We shall try to restrain our eagerness to get at the football for a few hours because we would not wish to be accused of too hastily passing a measure comprising 46 pages and 57 clauses. It will be taken seriously by the group to which I belong. It will be considered co-operatively, and we expect to see the measure enacted shortly. After that we shall be making suggestions to the minister as to further ways in which he may be able to lighten the burden which has fallen on so many in Canada who are finding the going very tough at the present time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I join with the hon. member for Hillsborough (Mr. Macquarrie) in assuring the Minister of National Health and Welfare (Mr. Lalonde) that he should have no difficulty with this bill. We shall be making some comments and suggestions, but it is a bill which we hope will be dealt with expeditiously on second reading, in committee, and at the final stage.

I had the privilege in 1964 and 1965 of being a member of the standing committee which dealt with the original Canada Pension Plan. I do not see many around the House tonight who were members of that committee. However, sitting with us then was a very able and effective private member who has lost that status now he has become a cabinet minister. I refer to the Minister of State for Urban Affairs (Mr. Basford).

Serving on that committee, one of the things I enjoyed, in addition to the good work I felt the committee did, was the opportunity of getting to know the members of the interdepartmental task force who had put the plan together and who were listening and paying attention to our discussions. I think they did excellent work, and as I have studied the bill now before us, and as I have listened to the

minister tonight, I have felt that whatever task force has succeeded that original one has also done good work.

I understand the concern of the hon. member for Hillsborough when he looks at an amending bill 46 pages long, containing 57 clauses, and says, in his desperation, that it is a complicated piece of legislation. It is true that if you try to read the clauses one by one, and if you wonder where they fit into the original act, it can be a bit confusing; but in the main I wish the Unemployment Insurance Act were as simple as the Canada Pension Plan, and I wish the Income Tax Act were also as simple. There are many sections to the act and many clauses in this amending bill, but in the main I think the Canada Pension Plan is a pretty straight forward piece of legislation.

● (2100)

I think I can say, with the modesty that we all have in this place, that I had something to do in 1964 and 1965 with persuading the Hon. Judy LaMarsh to encourage her colleagues to keep that session going until we got the Canada Pension Plan through. I was a supporter of it then, and I still am. Perhaps what I am doing is establishing my credentials, so that after I have said a few things that will be quite favourable I can offer some suggestions as to the further steps we should take.

I congratulate the minister on the organization of his speech tonight. I thought the way in which he gave us, one by one, the changes that are being made, and then went back and expanded upon some of the more complicated ones, was an excellent way to present the matter to the House. He talked, first of all, of the decision to establish complete equality between male and female contributors to the Canada Pension Plan, and I welcome that most warmly. I deliberately quote the extact words that he used. He said that this amending bill "establishes equality between male and female contributors." This will lead me a little later on to say something about the government's failure to go all the way in establishing equality between male and female Canadians.

At any rate we welcome the changes that are being made in this respect, even if it turns out that the only way that a woman contributor to the Canada Pension Plan achieves equality with a man contributor is either by dying or becoming disabled. There is no equality in terms of the position as between men and women—husband and wife, breadwinner and housewife. There is equality at the point of death or at the point of becoming disabled. Well, that is progress, but let us not take off into paeans of praise as though we have completely solved the problem of equality between the sexes. Even so, Mr. Speaker, we welcome that provision in Bill C-19.

Secondly, the minister dealt with the removal of the employment test that now applies to recipients of the Canada Pension Plan retirement benefit who are between the ages of 65 and 69. This, too, is something that we welcome. Some of us approved of that test ten years ago. I think it is a mark of the way in which society has changed that what seemed acceptable ten years ago is no longer acceptable.

I was glad that the minister made it clear that there is still a voluntary situation between the ages of 65 and 69. A contributor to the Canada Pension Plan is free to retire

[Mr. Knowles (Winnipeg North Centre).]

any time after the age of 65 and to draw his retirement benefit and earn other money without that affecting the amount of his retirement benefit. He is also free not to take his benefit at that age but to continue working and contributing to the Canada Pension Plan so that later on his retirement benefit is higher. But I think the minister, at any rate by implication, did make it clear that he is not free to do both. A person between the ages of 65 and 69 is not free to take his retirement benefit and continue to work and hope that he can continue to contribute to the Canada Pension Plan; he has to make a choice one way or the other. I am not arguing that such a person should be able to do this, but I hope that the literature that the minister's department will distribute will be very clear on this point.

There is a terrible temptation facing people at that age to collect all the benefits that are coming to them. But bearing in mind that the YMPE is going up each year, and that certain persons might be able to earn a reasonable amount of income during the period when they are between 65 and 69, the advantage of continuing to work and to contribute to the plan, especially in the next little while when the YMPE is going up by rather substantial amounts, might be very great.

Each person will, of course, have to make his own decision; but I hope that the minister will see to it that the information put out is pretty clear. As he said, it can be supplied in a number of ways. Certainly people in receipt of old age security but not yet in receipt of the Canada Pension Plan benefits ought to be provided with the information.

I have the feeling that the material sent out to people who have applied for the old age security pension encourages them a little too strongly to apply for everything there is. The literature encourages them to apply for the guaranteed income supplement whether or not they are entitled to it. It encourages them to apply for the Canada Pension Plan. I simply make the plea that the material that is put out, especially under the new regime, be a little more clear as to the advantages or disadvantages of going one way or the other.

The minister then went on to tell us about the formula for raising the YMPE, the year's maximum pensionable earnings. We welcome very warmly the provisions that have been made in this regard. We were glad last year to approve of the $6,600 level for 1974 and the $7,400 level for 1975, and I think that the formula that has been worked out for succeeding years is a good one.

We welcome also the adjustments that are being made to the YBE, the year's basic exemption. I think the idea of putting it at 10 per cent rather than 12½ per cent, especially with the increase in the YMPE, is a good one, particularly for the reason indicated by the minister, namely that this benefits self-employed persons.

The minister then went on to speak of a number of miscellaneous or housekeeping changes that are being made. I found all of them to be good. I am glad the international agreements will be put into effect on a retroactive basis, and I hope that some of the negotiations that are in process with regard to agreements with certain other countries can be expedited. I hope this provision regarding retroactivity will also apply to them as well.

Like the hon. member for Hillsborough, I welcome the more humane approach toward overpayments which are the mistake of the administration. I warmly welcome the removal of the four year rule, the rule that required a contributor to check on his records and to make sure that they are up to date, with the restriction that if four years have gone by nothing could be done about any error. I hope there might be some retroactivity with respect to this as well. I know of individual cases where persons are not getting the full benefit to which they feel entitled because there is a dispute over the contributions made on behalf of those persons more than four years ago, and because of the present four year rule nothing can be done about this. As I say, I hope that will be corrected. I welcome the reintroduction of the provision about the payment of legal expenses for persons who are forced by the government side to take a case a step further.

● (2110)

With regard to the provisions for exemption for those who have really established religious scruples, I think we went through this last year and established our position. We had almost got it through; I see no reason that there should be any change and I hope we will not have to kick this around too long this year.

I believe, I can conclude this part of what I want to say by reaffirming my view that the 1973-74 task force, which has done its job, has done as well as the original task force and the changes that are being made in this piece of legislation are good and welcome.

Having said that I should like to comment on some of the issues raised by this bill. First of all I come back to the question of alleged equality between males and females. As the minister said, what this bill establishes is equality between male and female contributors. In other words, just as at present when a male contributor dies he leaves certain survivor benefits to his spouse and children, the legislation now being brought in will confer that same right on the female when she dies, but this is not really the ultimate objective of women's liberation, to get to the point that when a female dies she gets equality with a man.

It seems to me that the basic problem here is that our society, being what it is, has more women not in the work force than there are men not in the work force. There are more housewomen than there are housemen. I know we have a lot of trouble about these terms these days, but I think what I have in mind is clear. There are more female house persons than there are male house persons, and the hon. member who was married only two or three weeks ago, whose interjection is understandable, has not got this all sorted out yet. I extend to him my congratulations in the knowledge that he will learn.

The problem of women, especially those who are not in the work force as defined and yet who work in the home, is that they still, to too large an extent, draw their rights from their men rather than on their own basis. This was the concept in society one hundred or fifty years ago and it has not died yet. I do not ask the Minister of National Health and Welfare in this one bill to solve the whole problem in the concept of marriage, and the whole situation and everything that is involved, but I call upon him—perhaps I should put it in other terms by saying I welcome the fact that he realizes there is a problem and is still studying and thinking about it. His paper which he tabled in the committee the other day is evidence of that, and I noted with interest his comment this afternoon when he said he had listened to the debate the other day on the motion of the hon. member for Waterloo-Cambridge (Mr. Saltsman), and noted in particular the suggestion that perhaps a wider use of old age security might be a means of solving the problem in respect of establishing pension equality for men and women.

I see real problems in these schemes for dividing the contributions as between the husband and the housewife. I see real problems in respect of splitting the entitlement that has been earned. That may solve the problem when there is a marriage breakup, but does it really solve the problem of providing pensions for women in their own right in a modern society?

In another context I frequently get into the issue of widows' pensions being 50 per cent, as they are under the Public Service Superannuation Act and under many private pension plans, or even 60 per cent as they are under the pension plan for MPs, but I would simply ask how we ever got into the situation in which a pension is earned by a man or wife as partners, but if the wife dies the husband's pension is 100 per cent for life, whereas if the husband dies his widow's pension is 50 per cent or 60 per cent for life? Where is the equality in that situation? Under the veterans' pensions we have the same kind of situation, the details of which I need not go into, but the concept of 100 or even 300 or 400 years ago, that women's rights stem from their menfold, is still with us, and one of the places where it is very prominent is in this pension area.

I see the problems in respect of permitting housewives to contribute to the plan. If you just do it on the bald basis of letting those who can contribute, of course you provide a bonanza for those who have got money, and you do not do anything for the less wealthy. If you split the contributions for entitlement you create certain problems. Perhaps the hon. member for Vancouver Kingsway (Mrs. MacInnis) has the answer in state salaries for housewives, and let them pay as employed persons. She is not as far out as some people may think. After all, if society has reached the point where it accepts the equality of men and women, let us go all the way.

I must not spend all my time on that phase of the matter, but I wanted to deflate the minister a little with respect to the applause he got from the Liberal benches when he said that we have established absolute equality as between male and female contributors. He is right, that is what he has done, but it is only between male and female contributors. If you are not a contributor you are not in the picture at all, and I say to the minister that he has a long way to go.

I have already complimented the minister on his good work, and I have complimented his task force. I see only two of them within the sound of my voice. At any rate I know this has been worked on by many people, but I think they can keep working on this problem and come up with something. The hon. member for Hillsborough and I expect to be around here for another 10 or 20 years, but

we do not want to wait that long for this problem to be solved.

I now move to another aspect of this matter. I have said that I welcome very warmly the removal of the employment test between the ages of 65 and 69, but the minister need not throw away that employment test, for it was a pretty good one. The thing to do with it now is to apply it between ages 60 and 65. Is that not the next step we should be taking, namely, lowering the pension age under both the Old Age Security Act, and the Canada Pension Plan to age 60 on a voluntary basis? The way you do it on a voluntary basis is by providing that pensions are paid between age 60 and 65 only to those persons who are out of the work force. When I say "out of the work force" I mean either that they got out or were never in it. I add that latter qualification to make sure we are covering the wives at home who never were in the work force.

● (2120)

I think that the minister and his department already have an excellent piece of machinery for this purpose. They are already set up to apply the test of being out of the work force. As I say, I am glad that test is being taken away with respect to those between 65 and 69, but I say: move it over and apply it to those between age 60 and 64, and this will be a real step forward.

I know that the minister is looking at me and saying that every time I speak on pensions I raise the question of pensions at 60. He says to himself: I have tried to tell that fellow that there are other problems in society, and other areas where we have to do things. He knows I agree with him, but I submit that just as I was given that kind of reply when I was trying to get the age brought down from 70 to 65, and eventually we won, we will win this one too. The minister might say: why not bring it down to 48 or 45, or whatever his age is, but we will settle for getting it down to 60 on a voluntary basis.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Why not 23?

Mr. Knowles (Winnipeg North Centre): The new bridegroom over here wants it down to 23.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): I've been aging rapidly since I got married.

Mr. Knowles (Winnipeg North Centre): The change being made with regard to reducing the age for a free pension from 70 to 65 is good, but it does highlight the need to accept the proposition that the pensionable age should be lowered to 60 under both of these major pieces of legislation. I know that there is support for this proposal in all the parties here, and there is just as strong support for it on the government side as there is on this side. I call upon those members over there to make that known to their minister even more strongly than they have been doing.

I was quite interested in what the minister had to say about the new YMPE and the new YBE. This leads to technicalities that I will not go into. I do not want to make it sound any more complicated to the hon. member for Hillsborough than he already thought it was. But I like the way the minister moved from merely telling us about the changes in YMPE and YBE to the new rates that will develop in a few years' time. He gave some figures which sound pretty good compared with the pension benefits that are being paid today. I want to come back to that in a moment.

I also liked what the minister said when he drew attention to the fact that in some cases this would provide people, if they combined their CPP and their OAS—and even had two OAS payments if it was a man and his wife—with an income equal to about 100 per cent of what they were earning at the time they retired. I say to the minister: bravo, I am delighted that he said it. The notion that somehow or other a pension should be less than what people get when they are working is like the notion about a widow's pension being only 50 or 60 per cent of the husband's pension. It has been around for a long while, but that does not make it right.

What is wrong with the idea that those who have done the work of society for 30 or 40 years should retire, not on a reduced standard of living but on the standard of living that they have helped to make possible? I welcome very strongly the minister's suggestion, even if he put it forward somewhat timidly, that perhaps it is all right to have pensions that in their total amount equal 100 per cent of what a person was earning when he was working. We have come a long way in this parliament of Canada since the day when we had a pension of $20 a month at the age of 70 for those who had nothing else, but we still have a long way to go.

Even if the hon. member for Hillsborough thought that the minister was not as imaginative as he claimed to be, there is at least some imagination here when the minister talks about pension rates that will some day—soon! I hope—enable people to retire and not have to take a reduction in their standard of living. That will be a civilized approach to the problem of retirement, and may we get to it very soon!

I said I was going to come back to the figures the minister quoted for 1980 and 1985. He gave two or three sets of figures, one to do with retirement benefits, one to do with disability benefits, one to do with widows, and so on. Let me say I understood the figures and I recognize that they flow from the new YMPE levels. But the point I wish to make is that the minister was not saying that people who are today drawing CPP benefits will be getting those amounts in 1980 and 1985. What he was saying was that people who retire in 1980 or 1985 and start at that time will get those benefits at those levels. I see that the minister is nodding his head indicating that I am interpreting him correctly. I am concerned about the people who are drawing today's rates. What will be their position in 1980 or 1985?

The minister will probably say to me: did I not remind you about the escalation that takes place which is based on the actual increase in the cost of living? Well, I guess the minister can make my speech for the next five minutes or so—he surely knows what is coming. It still puzzles me that the government should come up with a Canada Pension Plan which is so excellent in its escalation up to the point of retirement. The minister spelled it out tonight. One's pension at the point of retirement is not based on

the number of dollars one was making at the age of 18, 25 or 30; it is adjusted by the rise in the wage level, in other words, the rise in the standard of living. That carries through CPP right up to the point of retirement, but come the point of retirement and the poor retired person has to fall back on an index based on the cost of living increase, not on the wage increase.

If we accept the civilized proposition that people at retirement should continue to enjoy the standard of living they have helped to build, I submit that the escalation after retirement, like the escalation of the formula before retirement, should be geared not to the cost of living but to the standard of living.

There are two or three ways in which this can be done. One is to gear it to the wage index; another is to gear it to the gross national product. But to go on for ever leaving it geared to the cost of living index, I submit, is a form of discrimination against those previously retired, and this applies to those who are retired today and it will apply in 1980 to those who will retire in 1978 or 1979.

So I call on the minister to take this part of the whole matter back to the task force, back to his department, and see if they cannot come up with a post retirement escalation formula that is as good as the pre retirement formula. This is not the first time I have proposed this. I argued this at length when we were in the special committee back in 1964 and 1965. In those days we had to settle for a post retirement escalation of only 2 per cent a year. Thank heavens we went beyond that. We now have it on the cost of living and we have it on the actual amount. But, as I have often pointed out, that is not satisfactory because it is always behind. The index one gets in January is based on the increase in August, September and October as compared with the three months previous thereto. It is always behind the price increases that pensioners are having to pay, and, as the hon. member for Hillsborough says, it is an escalation of a base which, to begin with, was too low.

So I say that the last word has not been said in this legislation, regarding escalation. It was good to get it beyond 2 per cent. It is not good enough, however, to leave it where it is. I plead again that the government and the department have in their legislation, in the way they escalate prior to retirement, a basis that they could use advantageously after the time of retirement. So I urge, Mr. Speaker, that escalation after retirement be geared not just to the cost of living but that it be geared to the wage index or the gross national product, so that our people who are members of the Canadian family will be able to enjoy the standard of living that they helped to build, after they retire.

● (2130)

I am coming near the end of what I want to say but I should like to put in another plug about old age security. The minister had a bit to say about the flat rate component and other benefits. I understand the thinking there, but is it not a fact that as time goes on the old age security in more and more cases becomes a flat rate component in the pensioner's total benefit? Just as a disabled person gets a flat rate plus a certain percentage so the average retired person will have an old age security flat rate payment and the Canada Pension payment on top.

I want to make again the argument that we move more in the direction of equality and fairness if we keep on raising what I now call the flat rate component, in other words, keep on raising old age security. I noticed that when the minister gave his figures about what pensions would be in the future he included old age security. He left the door open for larger amounts. You just do not assume that old age security will stay at $100. I can tell him it had better not stay there.

Mr. Lalonde: It is not there now.

Mr. Knowles (Winnipeg North Centre): The minister says it is not there now. True, it has gone up now to $110.09 per month but the difficulty is just that bit of lethargy that the minister revealed right there. It has not stayed at $100, it has gone up and he does not have to do anything! It could go up every three months, but not by the kind of amount that is necessary to put our retired people in the position where they are enjoying a standard of living that they helped get. I think substantial increases are still called for in the basic amount of the old age pension. It is a method to follow so far as wives are concerned, but it is also a method to follow so far as fairness across the board is concerned.

When the minister made it clear that he was making a rather full speech tonight I had thought that he would deal with some of the newspaper editorial attacks that have been made recently on the Canada Pension Plan. I was looking forward to that. After it was all over I decided I was just as glad that he did not pay any attention to them. Maybe I should do the same, but I will take a moment or two to say that most of those attacks on programs like the Canada Pension Plan, old age security or transfer payments, come from persons or editorial writers or interests that just do not like the concept of equality.

I know it is true that as pensions go up they play their part in inflation and they play their part in rising costs, so that $110.09 per month is not worth as much as $100 a month was six months ago. But to the extent that we put more payments that are based on equality in the hands or pockets of our people, we build a more just, a more human and a more decent society.

It is in the area of family allowances where we have universal payments, it is in the area of our people aged 65 and over where we have universal old age security, that we come closest in my view to establishing social justice. I think this can be pursued still further by a substantial increase in the basic old age pension, say up to $200 a month this year, and by further improvements that are still in prospect with respect to the Canada Pension Plan.

Mr. Speaker, I conclude by saying two things that may sound opposite but are both true. I am excited, I am proud of what I have seen accomplished in the parliament of Canada in the last several decades in the pension field. I well remember what it was when I came here—$20 a month at age 70 with a means test and no family allowance. We have come a long way. It is good; it is exciting; Canada can be proud of what we have done. But we still

have a long way to go. I urge that this parliament get on with the job.

Mr. S. Victor Railton (Welland): Mr. Speaker, I want to thank you very much for this opportunity to join in the debate. We have had a very eloquent and clear exposition by the minister who went into the broad aspects and details, and this is a grand bill. We had the short and excellent presentation of the hon. member for Hillsborough (Mr. Macquarrie) and this final, shall we say, almost peroration by the hon. member for Winnipeg North Centre (Mr. Knowles). I think the minister will be glad to have had his agenda looked after by the hon. member for Winnipeg North Centre for the next two to five years.

We all have to have something to say, even though it might be trite when following the previous speakers. I should like to remind the House that this bill is really an act to amend the Canada Pension Plan, and it continues the government's policy to bring in legislation which aims to improve the lot of the old people and which will really equalize benefits in our society. It now includes women generally but, as has been said by other speakers, we hope it will eventually include the non-paid housewife or, in some cases, the non-paid house spouse.

The bill includes the provisions of Bill C-190 which died prematurely when parliament rose last summer, but which was an acceptable interim development in the evolution of the Canada Pension Plan. The bill also provides more changes of a technical nature. These have been well discussed and are evidence of needed change, and they will prevent inconveniences or even unfairness to the pensioner.

Before dealing with explicit changes I should like to remind the House that the government believes in federal-provincial conferences—in other words, communication. These are becoming more frequent and more successful. It is really a "must" in order fully to integrate regions with the central parliament. In fact it is to be hoped that in time the misunderstanding and hostility of areas, provinces or regions, either among themselves or directed toward the federal government, will greatly lessen as communication becomes more effective. I say that without being partisan.

● (2140)

Be that as it may, the Edmonton meeting of February 19 and 20 this year was most satisfactory. The health and welfare ministers wished to continue to emphasize the review of social security which had been begun in the previous year. They all agreed that we should assist the poor and disadvantaged, including the unemployed and the underpaid. They reaffirmed their agreed-on principle to help people provide for their retirement, for sickness, accident and unemployment. Of course, they included income support, where required. Because a guaranteed annual income or an omnibus program to replace all existing programs did not appear desirable at once, and there are many reasons for this, they delegated their officials to continue discussing this matter; but they themselves proceeded to the practical questions of the Canada and Quebec Pension Plans.

[Mr. Knowles (Winnipeg North Centre).]

One of the priority issues was equal treatment of male and female contributors, and the other concerned how a housewife or spouse remaining at home could contribute to these plans. The present bill has actually been based on the amendments which this meeting at Edmonton thought necessary. So, we already have, as it were, a national consensus on its provisions.

Some worry was expressed today about our ability to pay for these plans. Speaking on the bill previously before the House, the hon. member for Dauphin (Mr. Ritchie), whom I respect, was worried in case the Old Age Security and Canada Pension Plan would tend to reduce the need for savings. Such a suggestion is not really correct. I think it has been demonstrated that there was greater saving per capita from income in the last year or so than at any other time in our history.

Some members are also worried in case this bill will add to inflationary pressures. I think inflation is with us, and must be faced and accepted. We should realize that Canada cannot take a stance alone. The only stance that we would take should be one that recognizes that Canada is in one of the best positions among the countries of the world, can afford such plans, and should undertake them. I agree with the hon. member for Winnipeg North Centre in what he said about equality. There is no equality when some people can hardly get along on what they have while others have immense wealth. I think there must be some kind of income redistribution, and the Canada Pension Plan helps in this.

To make members happier let me refer them to a recent edition of the *Wall Street Journal*. We should all read it. It forecasts that Canada's future, despite inflation, will probably be that of leader of all developed countries. We are almost in that position now. We will be there 30 years from now. I believe that we can well afford any plan we can bring in to equalize incomes, particularly of the aged, and to make more equal the status of women in our society.

The status of women generally, their acceptance in the labour force, and the need for equality of treatment for women in the matter of pensions and legal rights: are things that have all received a great deal of public attention. Separated or divorced women, and children of failed marriages all require new provisions in our system of justice. This bill, in so far as it is now possible for us to move in this direction, faces up to these problems. It is axiomatic that we, as a parliament, will have to update constantly our legislation as society continues to evolve.

As we become aware of new attitudes to the position of women in society and in the home, we must adjust our pension schemes accordingly. We now question any different treatment of women as contributors to and beneficiaries of the Canada Pension Plan. In addition, we wonder why housewives at home cannot participate. The first concern is being looked after in this legislation, Bill C-19, the second issue will continue to be studied, because implementing it is difficult and complex. These things must be discussed by the public at large as well as by governments.

Originally, the Canada Pension plan was conceived as being part of the income maintenance system and as involving both public and private sectors. Early on most

people thought that the old Age Security Plan would look after retired people, as it applied to wage earners and non wage earners alike. Also, it was thought that private and company pension plans would look after the needs of many Canadians. A great many in the population could afford private retirement plans. However, the Canada Pension Plan was oriented toward the lower income groups and was administered by the government, which tried to allocate properly the cost both to employers and employees.

One good feature of the plan was its compulsory nature. The year's basic exemption provision excused payments by any one receiving under $700 a year. When the minister introduced the bill he reminded the House that the same treatment of male and female contributors was the result of the Edmonton meeting. The bill will provide a survivor's pension to widowers, just as it now does for widows.

Mr. Benjamin: Yes, but how much?

Mr. Railton: Well, we want the same treatment, don't we? Children's benefits will be the same basis, no matter whether the deceased parent was male or female.

Another formula will become law. The yearly maximum pensionable earnings formula was fixed for 1974 and 1975 in Bill C-224, which was passed last year and became effective last January 1. For 1974, that amount was to be $6,600, and for 1975 it is to be $7,400. These two years are regarded as a transitional period. Under this bill, however, the YMPE will be increased by 12½ per cent each year until it catches up to the earnings of the average Canadian worker, as represented by the industrial composite of weekly wages and salaries published by Statistics Canada. After the catching up is complete, the YMPE will be kept parallel with those average earnings.

Another point which was mentioned several times, and which cannot be repeated too often, is that people in the 65 to 69 year age bracket have their pensions reduced or eliminated if they continue to earn more than the YMPE. When this bill becomes law, people 65 or older may draw full benefits under the Canada Pension Plan whether they continue to earn or not. I think that is correct. This provision was questioned by the hon. member for Winnipeg North Centre.

I think I have covered most of the technical points I wanted to discuss. The point that certain religious groups want to withdraw from the Canada Pension Plan should be mentioned. I well remember the discussion in the standing committee that this clause engendered.

Finally, the legal expenses of an individual who was working for the United States government at Goose Bay will be paid to allow him to update his contribution. Those expenses will be paid to allow such people to participate in the plan, as from July 1, 1972. This had been agreed to after an agreement was made between Canada and the United States when the military base was transferred.

I think I have covered most of the points I wanted to mention. Most other points were well covered by previous speakers. I will not take any more of the time of the House, as others wish to speak.

An hon. Member: What about the Mennonites and Hutterites?

An hon. Member: He mentioned them.

Mr. Railton: It was not the Hutterites I was speaking of; it was the Mennonites. Hutterites will be in the news later.

● (2150)

This bill will provide improvements in administration, relaxing of means tests and making it easier for self employed low income people to gain assistance in retirement. It will also take cognizance of equal status of women and their legal rights.

It is my hope that this bill will be accorded rapid passage and can be made law in the very near future.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, on October 30, 1973, I had the opportunity of speaking in the debate on the bill introduced at that time. I believe it was Bill C-224. Therefore this evening I am appreciative of the fact that I have an opportunity to participate in this debate on Bill C-19 in order to express some views with regard to this very important measure.

As my colleague, the hon. member for Hillsborough (Mr. Macquarrie), pointed out, this is a very difficult and complex bill. It is extensive and complicated. There is a great deal of detailed work in connection with it.

It is difficult enough to try and plough through the provisions of the bill. It is also very difficult to analyse the contribution which the Minister of National Health and Welfare (Mr. Lalonde) made when he introduced this measure today. He introduced a great many features that possibly have precluded our study thus far. In addition, he placed a great deal of statistical data before us. I am sure hon. members will agree it will be absolutely impossible to assess it all and put it in proper perspective in the short time that has elapsed since the minister presented the measure.

The preamble to the Canada Pension Plan Booklet (1970) by the then Minister of National Health and Welfare, the present Minister of Labour (Mr. Munro), states:

> The Canada Pension plan, inaugurated in 1966, is a contributory social security program designed to provide a basic level of protection against the contingencies of retirement, disability and death.

There has been a considerable degree of discussion, even thus far in the debate, regarding the various levels of income and the inequality of income as far as Canadians are concerned. It is tragic that in a society like ours, with our vast resources, there are still many people living below the poverty line while others are living on a much higher level. We can apply the same terminology that is used in international affairs when talking about the have and have-not nations. We can talk about the have and have-not people of this country. Anything that is done in an endeavour to remove the great disparities that exist, especially any attempt to bring the income of every Canadian up to a suitable level, should certainly receive the support of every member of this House.

I referred to the statement of the former Minister of National Health and Welfare. I suggest that was a noble

resolve, a noble step at the time of its—inception. I am sure that every member of parliament at that time, including myself, realized that it was not to be considered in any way as the total and complete answer to the needs of Canadians at that time, much less in the future.

It was understandable that, besides the inadequacies and injustices obvious at that time, there would be others that might only be discernible as the plan got under way. Because of that fact, it is not surprising that we are again being called upon to consider additional proposals designed to make the plan more responsive to the needs of society today.

This may not be the most auspicious time to consider the confrontation presently taking place between the "work ethic" advocate versus the "welfare" apostle, but suffice it to say this bill is predicated on the principle that an individual desires and is required to engage in constructive and remunerative employment to provide for his or her own needs and the needs of those who are dependent upon him or her, as the case may be. The great preponderance of Canadians have enough pride and character to pay their own way if opportunity is given them and government keep their hands from getting too deep in the taxpayer's pocket.

One of the most obvious problems at the present time is that through mismanagement on the part of the government, and its evident inability to control inflationary pressures, even the hardest working and most conscientious citizens of this nation are penalized, and the more thrifty they are, the more they are gouged by the tax collector. In many respects this government is undermining and discouraging the will of Canadians to work and save by implementing unfair and iniquitous tax policies.

Mr. Turner (London East): Get to the bill.

Mr. Patterson: I will get to the bill, but perhaps some preamble is worthwhile in view of the fact that the government is taking so much credit for many things that have taken place perhaps in spite of the government. In other areas that are detrimental to the nation, we are facing problems that are a direct result of the mismanagement of this government.

An hon. Member: Ten o'clock.

Mr. Patterson: I will be glad to continue my remarks tomorrow. May I call it ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

[Mr. Patterson.]

COMMUNICATIONS—CABLEVISION—REQUEST FOR EARLY APPROVAL OF APPLICATIONS TO IMPROVE RECEPTION IN MANITOBA

Mr. Jake Epp (Provencher): Mr. Speaker, I am pleased that the Minister of Communications (Mr. Pelletier) is in the House this evening. On March 28 I asked the minister a question respecting an application before the CRTC which would allow for the moving of antennae presently being used for cablevision reception in the Winnipeg area, replacing them in an area in southeastern Manitoba, and then utilizing microwave signals.

● (2200)

I should like to point out that this application was made on behalf of various Winnipeg cablevision companies as far back as June, 1973. Recently the Chairman of the CRTC has been making pronouncements regarding Canadian content on CBC programs. I should like to tell the minister that there are a number of areas in Manitoba, not in remote regions but within 60 or 70 miles of Winnipeg, which at present are getting only a minimum of CBC coverage, and no alternate coverage whatever.

The CBC sat on this application of June, 1973, and did not hear it until February 7, 1974, some eight months later. To add to the delay the commission then deferred its decision until May 14. I want to impress upon the minister that if we are to have the benefit of an alternate service in parts of Manitoba other than the Winnipeg area, a microwave system must be approved.

In his reply to me on March 28 the minister said the CRTC was doing its best and that the government did not make decisions for the commission. Yet the CRTC is an agent of government and has a responsibility to the public to express its views, whether for or against an application.

Letters of intent have been issued to the CRTC by people in the Pine Falls area asking that cable television be extended in that area. But according to the workings of the CRTC, the commission must first advertise that it is willing to receive applications. However, it refuses to do this. So the people in Pine Falls are deprived even of an opportunity to present an application for cable television, and to see their application either accepted or rejected. Surely the least the people of the area can expect is that they will be heard. I quote from a letter written by a constituent in that area:

> I have made a start on a brief to present at the May 14 hearings but am not going to do any more work on it until such time as I know definitely I shall be allowed to present it. Operating in its usual fashion, the CRTC has not yet seen fit to acknowledge our request which was mailed on March 22.

All we are asking is, first, that an application having been made we can expect a decision after eight months. Second, we are asking that Canadians be heard. We question the position of the commission that applications cannot be received until advertisements have been published to that effect. The CRTC is an arm of the Department of Communications. Applications should be heard and decided, for or against, on their own merits and not be deferred, or left unheard, because the commission has some bureaucratic reason for declining to take action. It is incumbent on the minister to demand of the CRTC that it at least give the Canadian people their democratic rights—

that it should hear applications and then decide whether or not to approve them.

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I should first like to say that I do not agree with the hon. member that the CRTC is an arm of the Department of Communications. It is a quasi judicial body, and that creates an entirely different situation, as I am sure he will agree. The delays the hon. member has been pointing out are real. I think his facts are correct. I should like to inform him, though, that they are not of a bureaucratic nature.

The delay in holding the Manitoba hearing in Winnipeg arose primarily from the position taken by the government of Manitoba, which had publicly advised all broadcasters and cable television licencees in Manitoba that its department of communications was working on a telecommunications position paper for Manitoba. This announcement was made publicly on November 15, 1972, and the position paper was tentatively scheduled for completion by midsummer, 1973. Since the federal agencies are generally, rightly or wrongly, criticized for not consulting with the provinces or for not taking into account the wishes and needs of the provinces, the CRTC thought it wise to wait for this document, which although it had been announced would be completed by the summer of 1973 has not yet been completed.

So this is the reason for the delay. The CRTC could not delay any further. I do not know whether the Manitoba white paper was the great design that the provincial government wanted to put out, and that it will be out by May 14. I do not have the faintest notion, and I suspect the CRTC has not either. Surely the CRTC itself would provide the hon. member with the decision to which he is alluding after the May 14 Winnipeg public hearing. It is not only one or two isolated decisions that are at stake here but the whole planning and development of telecommunications and a cable system for the province of Manitoba.

Here are the facts. I understand the concerns of the hon. member and I share them. I can assure him the CRTC shares them also, and that after the May hearing the procrastination will come to an end and a decision will be taken.

HEALTH—INCIDENCE OF SILICOSIS AMONG URANIUM WORKERS—ACTION BY MINISTER OF LABOUR

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, over a week ago I raised the issue of health safety in the uranium mines at Elliot Lake in northern Ontario. For the benefit of those members of the House who are not aware of the background of this particular mining operation a quick sketch is essential.

Uranium mining and milling came into being in Elliot Lake in 1955. The ore is contained in a base, 70 per cent of which is free silica as compared with 4 per cent to 8 per cent in the Sudbury camp. It was readily recognized that mining the Elliot Lake ore body presented a very significant potential risk, but it was believed that the existing mining technology was adequate to cope with this problem. No doubt, Mr. Speaker, whatever second thoughts there were quickly evaporated in the face of the enormous and dazzling contracts secured by the federal government from the U.S. Atomic Energy Commission through its own agency, the Eldorado Mining and Refining Company, contracts worth a total value of $1.5 billion.

Unfortunately, specific delivery dates were set down and deliveries were required to be completed by 1963. Also, under risk of cancellation, these deliveries were to commence on specific dates. What followed was an accelerated exploitation of the ore body in order for the mining companies to honour their commitments. This involved high wages, with particularly high bonus incentives, round the clock mining, short cuts, and always at their backs the threat of contract cancellation.

In this highly charged atmosphere of big profit, dust control and other measures of health safety assumed roles of secondary importance. Inevitably, as always in a community solely dependent upon the mining industry, the bust occurred in the 1960s when the options for contract renewal by the U.S. Atomic Energy Commission were not taken up after 1959. Then in the late sixties, and particularly between 1970 and the end of 1972, a pattern began to emerge. Dust effects—the various X-ray stages leading to silicosis—began appearing in miners with little or no previous mining experience before Elliot Lake. The present situation at Elliot Lake is that some 10 per cent of the work force have pulmonary disabilities ranging up to 40 per cent.

As far back as 1972 the United Steelworkers of America, which represents the miners in Elliot Lake, was in contact with the then Minister of Labour, Mr. Martin O'Connell, requesting his intervention on behalf of the miners' health and safety in the uranium mines. Indeed, in a letter to Mr. Paul Falkowski of USWA District 6, Mr. O'Connell admitted that the uranium mines of Canada are subject to federal jurisdiction. In the same letter the minister stated that employment safety and health in the uranium mines are subject to the provisions of the Atomic Energy Control Act, administered by the Atomic Energy Control Board.

Because of the persistence of the steelworkers union, the Ontario department of natural resources carried out an environment quality survey in the uranium mines at Elliot Lake. The workers involved have been seriously critical of several aspects of this survey. One such criticism is that the instruments used were not modern enough to be capable of producing accurate and satisfactory results.

● (2210)

In addition, criticism has been raised to the effect that normal operating conditions were altered deliberately to such a degree as to produce absolutely false results. Furthermore, any activities which are responsible for increasing or producing dust concentration in the mine ceased a number of hours before the "so-called" environmental survey started and samples of the mine air were collected. Crushers were shut down and normally dusty areas were washed down prior to the investigation of the mine environment.

This survey ended up as a whitewash for Mr. Stephen B. Roman, owner of Denison Mines and Rio Algoma. It was because of this obvious "dodge the ball" game being

played by the provincial Tory government with its corporate friends in the mining sector that the United Steelworkers of America once again approached the federal government.

Uranium mines of Canada are within the federal jurisdiction. Furthermore, I hold here a document numbered P.C. 1972-431, dated March 7, 1972 entitled "Regulations Respecting the Use, Handling and Storage of Dangerous Substances and Radiation Emitting Devices in Federal Works, Undertakings and Businesses". In Clause 2 entitled "Interpretation", "Minister" means the Minister of Labour, and "Division Chief" means the Chief, Accident Prevention Division, Accident Prevention and Compensation Branch, Department of Labour, Ottawa.

In addition, Clause 10 states specifically, and I quote in part:

Subject to Section 11, every employer shall ensure that the concentration of any dangerous substance that may be carried by the air in any area where an employee is working

(a) does not exceed the threshold limit value recommended by the American Conference of Governmental Industrial Hygienists in its pamphlet "Threshold Limit Values for Air Borne Contaminants 1971" as amended from to time, or

(b) conforms with any standard that follows good industrial safety practice, and is acceptable to the division chief.

Clause 13 amplifies this, and I quote in part again:

Where the atomosphere of any area in which an employee is working is subject to contamination by a dangerous substance, the employer shall ensure that the atmosphere is sampled and tested as frequently as

(a) may be necessary to ensure that the level of contamination does not at any time exceed the safe limits prescribed by Section 10, 11 and 12, or

(b) is directed in writing by the regional safety officer.

When I asked the Minister of Labour (Mr. Munro) to assume his responsibilities to the uranium miners of Elliot Lake, he said:

It is not within my jurisdiction... the jurisdiction falls under the Atomic Energy Control Board and certain activities are undertaken by the Radiation Division of the Department of National Health and Welfare.

My colleague, the hon. member for Meadow Lake (Mr. Nesdoly), raised the issue with the Atomic Energy Control Board when that board appeared before the House's Standing Committee on National Resources and Public Works. What was the outcome? The Atomic Energy Control Board neatly passed the buck to the provincial government. The Elliot Lake miners in trying to avoid the "dodge the ball game" of the Ontario Tory government, have come face to face with the federal Liberal government's game of passing the buck.

The use of uranium as a source of energy is becoming more widespread and its mining will become more extensive. It is absolutely imperative, in view of the urgent and grave nature of the health risk, that the government ensure that the proper testing is done to determine and establish safe working conditions for the uranium miners of Elliot Lake and Canada. I hope that the minister, or his parliamentary secretary, will not stand up here tonight and tell me again that this is not within his jurisdiction. The responsibility is being passed from hand to hand, and no adequate action is being taken. The federal Minister of Labour is ultimately and morally responsible for what is happening to those workers in the uranium mines.

[Mr. Rodriguez.]

The problems have been identified and pointed out by the workers themselves, the United Stellworkers of America and the Workmen's Compensation Board of Ontario. I, as a member of this House, am asking that the minister step in on behalf of those workers and make damn sure that their health is protected. If that involves stepping on the toes of the Atomic Energy Control Board, or Stephen P. Roman, then I suggest the minister get his walking shoes on right now. Thank you, companeros.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the subject of the uranium mining industry and Part IV of the Canada Labour Code (Safety of Employees) falls under the following headings: First, the general responsibility for occupational health and safety in the uranium industry. The application of Part IV of the Canada Labour Code (Safety of Employees) is by virtue of Section 80 "subject to any other act of the Parliament of Canada and any regulations thereunder—". The Atomic Energy Control Act therefore takes precedence over Part IV of the Canada Labour Code and regulations thereunder.

The second heading is the role and responsibility of the Atomic Energy Control Board. Under the Atomic Energy Control Act, the Atomic Energy Control Board is generally responsible for all matters pertaining to the occupational health and safety of employees of Atomic Energy of Canada Limited, Eldorado Mining and Refining Limited and Eldorado Nuclear Limited, including the uranium mines in Saskatchewan and Ontario.

Third, the role of the Canada Department of Labour respecting uranium mining. The Department of Labour has no statutory responsibility for occupational health and safety related to the mining or processing of uranium. It has nevertheless expressed its general interest in the subject to the chairman of the Atomic Energy Control Board and offered any assistance it could provide. These matters continue to be handled by the board in accordance with its regular policies and procedures.

Fourth, delegation of responsibility to provincial governments. The Atomic Energy Control Board has delegated responsibility in the operational safety and health fields to the two provinces by arrangement. It is understood that the board does not routinely receive reports concerning occupational safety and accident prevention inspections and surveys from the provincial agencies.

With regard to Ontario, under the delegated authority inspections are performed by the Ontario ministry of natural resources for any mine which is subject to the Ontario mining act. The Ontario ministry of health carries out inspections upon request of the Ontario ministry of natural resources. There does not appear to be any established program of regular monitoring of health conditions in the uranium mine.

With regard to Saskatchewan, the mines inspection branch of the Saskatchewan department of labour—formerly under the mineral resources department—has carried out regular annual inspections of the Beaver Lodge mine. The Saskatchewan department of health formerly performed annual inspection, but this is not known to have been done for at least the past five years.

By agreement with the respective department of labour of Ontario and Saskatchewan, regular periodic inspections are conducted of boilers and pressure vessels. Inspections of electrical and gas installations are similarly conducted by the appropriate provincial agencies.

COMMEMORATION—INQUIRY AS TO POSSIBILITY OF EVENTS TO HONOUR MACKENZIE KING, ARTHUR MEIGHEN AND J. S. WOODSWORTH

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on more than one occasion in this chamber and in other assemblies of people I have deplored our nation's seeming reluctance to pay adequate tribute and give sufficient praise to the men and women of an earlier date who contributed so mightily and worthily to Canada's greatness.

I have felt this lack in our timidity about commemorating the birth dates of our founding fathers. We are also most timid and neglectful when it comes to commemorative stamps. It took us more than a century to place the likenesses of former prime ministers on the paper currency of the realm.

I thought the coincidence of three distinguished Canadian political leaders sharing the same year of birth, 1874, sufficiently significant to raise the matter in the oral question period. I refer to the Rignt Hon. Arthur Meighen, Reverend James Shaver Woodsworth and the Right Hon. W. L. Mackenzie King in that order to indicate one thing, their order of birth in the year 1874, one century ago.

Mr. Meighen, born in Anderson, Ontario, on June 16, 1874, was a brilliant scholar, able lawyer, successful businessman and an outstanding expert on Shakespeare. But he was superb as a parliamentarian. It is doubtful that this historic chamber or its physical predecessor ever heard a greater debater. He was first elected to the House of Commons in 1908. He went on to serve in major ministeries in the Borden government, and in 1920 became prime minister at 46, the youngest in the nation's history.

Brilliant though his career was, he was singularly unfortunate in his efforts to lead his party to electoral victories. His great skills were not of themselves sufficient for the times and the circumstances. His biographer, Roger Graham, refers to Meighen's delusion that in politics the weight of evidence and the force of argument determine the issue.

In Mr. Woodsworth Canadian public life had a major contributor to the social consciousness reflected in parliamentary action and debate. A dedicated champion of the underdog, this great visionary saw some of his visions become reality as the lot of rank and file Canadians was gradually bettered through a developing awareness that the institution of government should help most those who most needed help. While in this House from 1921 to 1942 he was always with a minor party, if with a party at all. But no one would designate as minor his impact upon the House and his contribution to the improvement of the life and standards of the Canadian people.

Mr. King, under whose prime ministership I lived part of my youth, was also a social reformer but more notably a political performer. Like Macdonald and Laurier, he knew the positive and dynamic value of compromise, and his ability in winning elections has made his name a leading one in the roster of successful political leaders. A matchless sense of timing, a capacity for patience, a keen ability for judging men—these were but some of the ingredients of his mastery of the political arts.

Three men so different, yet men of rare distinction, men who would be deserving of special note in any free parliament. These three—Meighen, Woodsworth, and King—are uniquely ours. Canada's parliament and Canada's people should find a fitting way to honour this illustrious trio in this, the centennial of their birth.

● (2220)

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the government recognizes the outstanding contribution to Canadian life made by these three gentlemen, the late Mackenzie King, the late Arthur Meighen and the late J. S. Woodsworth. At the present time, however, no official commemorative events are planned.

Motion agreed to and the House adjourned at 10.22 p.m.

HOUSE OF COMMONS

Wednesday, April 17, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Jacques-L. Trudel (Montreal-Bourassa) moved that the first report of the Standing Committee on Finance, Trade and Economic Affairs, presented to the House on Thursday, April 11, 1974, be concurred in.

Motion agreed to.

* * *

[*English*]

YOUTH

CANCELLATION OF FARM YOUTH EXCHANGE GRANTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, under the terms of Standing Order 43, I rise on a matter of urgency arising from the fact that for a number of years the department of the Secretary of State provided grants to the National Farmers Union so that farm youth could participate in an exchange program with farm youth in other parts of Canada. In view of the fact that the Secretary of State (Mr. Faulkner) has cancelled the farm youth exchange grants this year, therefore I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House urges the Secretary of State to reinstitute the farm youth exchange program under the auspices of the National Farmers Union.

Mr. Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST FOR MINIMUM GUARANTEED INCOME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to move a motion of very pressing nature.

As automation is replacing a great number of workers nowadays, as this country's labour force is in a quandary and has to contend with insecurity of the future, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this government take immediate measures to establish the guaranteed minimum income.

Mr. Speaker: Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the motion therefore cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

CF-104 AIRCRAFT BASED AT CFB COLD LAKE

Question No. 5—**Mr. Rowland:**

1. How many CF-104 aircraft are based at CFB Cold Lake?

2. Of these aircraft (a) how many are in (i) single configuration (ii) dual configuration (b) how many have been assigned exclusively to a training role (c) how many have been assigned to air defence command (i) as primary duty (ii) a secondary function?

3. Of the aircraft referred to in Part 2(c)(a) how many have now been refitted with weapons suitable for an interceptor role, how many are slated for such conversion, what is the cost per aircraft for such conversion (b) how many have an all weather capability?

Hon. James Richardson (Minister of National Defence): 1. There are 20 CF-104 aircraft based at CFB Cold Lake.

2. (a) (i) Ten are single cockpit configuration. (ii) Ten are of dual cockpit configuration. (b) All 20 aircraft are assigned to the training role. (c) None are yet assigned to Air Defence Command as a primary or secondary function. They are however used for NORAD air defence target missions.

3. (a) None of the aircraft have so far been refitted with weapons suitable for an air interceptor role. However, ten aircraft are scheduled to be equipped with 20 mm cannon and a lead computing gunsight during fiscal year 1974/75.

The cost of the refitting program is estimated to be $128,-700 per aircraft including prototyping, spares, maintenance equipment and personnel. (b) All CF-104 aircraft have an all-weather flying capability, and, with the modifications noted in 3(a), ten will have an improved capability in the interceptor role.

AGREEMENT BETWEEN GOVERNMENT AND PROVINCE OF QUEBEC RELATING TO FOREST ACCESS ROADS

Question No. 14—**Mr. Fortin:**

Is there an agreement between the government and the Government of the Province of Quebec relating to forest access roads and, if so (a) what is the date of the agreement (b) what amount was contributed by the government for each project since January 1, 1968 (c) what is the location of each project?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): (a) No specific agreement relating to forest access roads has been signed. However, such projects have been approved under the following agreements:—Canada-Quebec Agreement on Special Areas, 1970-1975—Canada-Quebec Agreement on Rural Development (ARDA), 1971-75.—Agreement Covering the Implementation of a Comprehensive Rural Development Plan for the Lower St. Lawrence, Gaspé and Îles-de-la-Madeleine Area, 1968-1976. (b) and (c) Projects undertaken since 1968 and expenditures incurred are as follows:

Localities	Federal Participation $
Port Cartier	2,300,000
Saguenay	197,000
Roberval	199,000
La Sarre	42,000
Matagami	8,000
Kipawa	338,000
Mejiscane	227,000
Manouane Indian Reserve	453,000
Rapid Lake Indian Reserve	56,000
Obedjewan Indian Reserve	331,520
Kipawa Indian Reserve	24,000
Marsoui (Gaspé)	900,00

DEPARTMENT OF JUSTICE PUBLICITY EXPENDITURES

Question No. 250—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Justice on publicity and/or information in each of the fiscal year 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Hon. Otto E. Lang (Minister of Justice): 1. 1972-73, $1,683; 1973-74 to date, $715.

2. Not applicable (departmental facilities). Amounts as above.

[Mr. Richardson.]

3. The Department of Justice has no information division. The amounts expended were for press releases and copies of speeches.

DEPARTMENT OF PUBLIC WORKS—ADVERTISING CONTRACTS

Question No. 302—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of Public Works since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of Public Works during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Hon. Jean-Eudes Dubé (Minister of Public Works): The answer to this question is nil, as the Department of Public Works does not have an advertising program.

PUBLIC SERVICE—INFORMATION RELATING TO NUMBER OF FEMALE AND MALE EMPLOYEES

Question No. 319—**Mr. Paproski:**

1. In the Canadian Public Service, excluding Crown corporations, boards and agencies, how many women hold positions with salaries above $15,000 annually?

2. What is the total number of persons of deputy minister rank in the Public Service, excluding Crown corporations, boards and agencies and, of these, how many are of the female sex?

3. Excluding Crown corporations, boards and agencies, what is the total number of Public Servants and, of these, how many are (a) male (b) female?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. One thousand twenty-nine.

2. There are 60 persons classified at the deputy minister level in the Public Service, excluding Crown corporations, boards and agencies not defined as a department in the Financial Administration Act. This total includes one female.

3. The total number of Public Servants as of June 30, 1973 was 296,826 and of these (a) 205,184 were male, and (b) 91,642 were female. (These totals include casual, term, seasonal, and continuous employees.)

UNEMPLOYMENT INSURANCE BENEFITS

Question No. 360—**Mr. Alexander:**

By province and territory for each Unemployment Insurance Commission office or any other office issuing or forwarding benefit cheques and for each fiscal year 1971-72 and 1972-73 (a) what was the total amount of overpayment (b) what was the total amount recovered (c) what amount has been written off as uncollectable?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): As some district offices serve more than one province, overpayment data is maintained on a regional basis only. Compilation

by province would entail substantial difficulty and additional expense.

1971-72

	Atlantic	Quebec	Ontario	Prairie	Pacific	Total
	$	$	$	$	$	$
(a)	598,870	2,430,247	2,415,387	787,959	717,150	6,949,613
(b)	445,636	1,787,295	1,073,908	623,419	722,581	5,252,839
(c)	181,540	786,351	494,553	83,727	65,429	1,611,600

1972-73

	Atlantic	Quebec	Ontario	Prairie	Pacific	Total
	$	$	$	$	$	$
(a)	2,778,815	9,680,798	9,388,033	3,128,945	3,893,522	28,870,113
(b)	1,863,816	7,033,009	6,206,968	2,021,868	2,627,828	19,753,489
(c)	157,191	231,519	138,766	63,793	49,494	640,763

PEI DEVELOPMENT PLAN

Question No. 420—**Mr. Macquarrie:**

1. What is the total expenditure to date by (a) the government (b) the Government of Prince Edward Island for program under the Prince Edward Island Development Plan?

2. What have been the principal areas for which such expenditure was allotted?

3. On what date is the plan to be completed and what amounts will each government spend from the present time to that date?

4. What is the estimated number of new full-time jobs created under the Development Plan?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. To November 30, 1973 federal contributions have amounted to $52,612,358 and loans provided amounted to $10,413,000. The province's contributions have been consistent with the cost-sharing arrangements as provided under the Comprehensive Development Plan Agreement. However the specific expenditures as of any date can only be obtained by an examination of the financial records of the province and this information is not immediately available through the Department of Regional Economic Expansion.

2. The principal areas of expenditures were resource adjustment and development in integrated land management, agriculture, tourism, forestry and fisheries; social development in education, vocational training, housing, urban development and community services; resource supporting and commercial services for transportation, industrial waste disposal, manufacturing, processing and market development; implementation through plan management, staff training and development, public involvement and evaluation.

3. The agreement terminates March 31, 1984. Under the first phase, a period covering five to seven years, the federal commitment is $88,437,000 in contributions and $36,563,000 in loan funds. The provincial commitment is $117,963,000 for that phase. Subject to further joint federal-provincial negotiations Canada may contribute an additional $100,000,000 and the province an additional $380,000,000 during the period from the end of the first phase of the Plan to March 31, 1984.

4. A measure is not available to indicate precisely how many new full-time jobs have been created under the Plan. Plan activities during the first years were concentrated on transportation, education, housing and government. The primary aim of these activities is the provision of the supportive social investment necessary for the job creating initiatives to be undertaken in the second phase. Expenditures to date have, however, been an important element in employment growth since 1968. Statistics Canada reports that 1973 employment in Prince Edward Island averaged 39,000 compared with 34,000 in 1968. The 24 per cent growth in employment since 1968 compares with a 10 per cent growth from 1961-68.

DREE—ASSISTANCE TO FRUIT FARMERS IN NEW BRUNSWICK

Question No. 432—**Mr. Howie:**

To what extent and over how many years will DREE assist fruit farmers in New Brunswick and what is the current status of this contemplated program?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Until now, DREE has been assisting fruit farmers in New Brunswick indirectly, through both the ARDA Agreement and the RDIA program. Under the ARDA Agreement, and Applied Research and Development (Crops) Sub-program provided the New Brunswick fruit farmers, through the provincial Department of Agriculture and Rural Development at 50-50 cost-sharing, assistance in research, planning and information dissemination. Some research and planning was carried out specifically on the apple industry. A second ARDA program, called Agricultural Resource Conservation and Development Program can assist New Brunswick fruit farmers, through the provincial Department of Agriculture and Rural Development at 50-50 cost-sharing in carrying out a variety of work under the following: Farm Development, Small Farm Improvement, Sub-Surface Drainage, Erosion Control and Stream Bank Protection Sub-programs. Under the RDIA program, DREE can assist in the cold storage, packaging and processing end of the industry; through incentive grants.

CONSTRUCTION OF POST OFFICE, FREDERICTON, N.B.

Question No. 449—**Mr. Howie:**

1. On what date is commencement of construction of a post office on the north side of the river at Fredericton, New Brunswick scheduled?

2. Until a new post office is constructed, what steps are contemplated to meet the space needs created by the existing facilities?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Public Works and Post Office as follows: 1. Commencement of construction of a proposed postal building on the north side of the river at Fredericton, New Brunswick, is scheduled for early 1975.

2. The original Queen Street Post Office space is to be utilized in conjunction with the Fredericton Main Post Office at Waggoners Lane as processing and letter carrier space.

Order Paper Questions

NEW TERRITORIAL ADMINISTRATION BUILDING, WHITEHORSE

Question No. 480—**Mr. Firth:**

Have the plans for a new territorial administration building in Whitehorse been approved and, if so (a) on what date is construction (i) due to start (ii) due for completion (b) do the plans include offices for Territorial Councillors and, if so, how many (c) what is the scheduled date for full occupation of the offices?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes. (a) (i) Spring of 1974; (ii) Fall of 1976. (b) Plans include three large offices for councillors and room for seven visiting councillors in open landscape area. (c) Summer of 1976.

FOOD ADVERTISING

Question No. 489—**Mr. Dick:**

Has the government considered making it a requirement that all food chains and other retailers of food, and all manufacturers of foodstuffs who do advertising on radio, television, in newspapers or by means of door to door circulars, place words in a prominent position on any printed matter, or include in their advertising something to the effect that "this advertising is adding to the cost of the goods sold"?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): No. The Government has not considered making this proposal a requirement in advertising messages. It is not axiomatic that advertising always makes a net addition to the unit cost of goods sold. Before consideration could be given to such a requirement, further evidence would have to be developed indicating that such a notation would be of substantial benefit to the consumer.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—FIELD OPERATIONS SERVICE EXPENDITURES

Question No. 497—**Mr. McKenzie:**

1. In the fiscal years 1972-73 and 1973-74, how much money was contracted to each of the five regions of Canada by the Department of Consumer and Corporate Affairs?

2. What was this in per capita terms for each region?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1 and 2.

Field Operations Service Expenditures—
Department of Consumer and Corporate Affairs

Region	Year	Total Expenditures $	Population	Expenditures Per Capita $
Atlantic	1972–73	915,000	2,081,000	0.44
	1973–74	1,212,000	2,113,000	0.57
Quebec	1972–73	2,375,000	6,050,000	0.40
	1973–74	3,163,000	6,081,000	0.52
Ontario	1972–73	2,899,000	7,824,000	0.47
	1973–74	3,704,000	7,939,000	0.47
*Prairie	1972–73	1,678,000	3,599,000	0.47
	1973–74	2,125,000	3,628,000	0.59
**Pacific	1972–73	1,007,000	2,265,000	0.44
	1973–74	1,181,000	2,334,000	0.51

* Includes expenditures for Northwest Territories
**Includes expenditures for Yukon

[Mr. Reid.]

DREE—EXPENDITURES IN EACH PROVINCE FROM DATE OF ORGANIZATION OF DEPARTMENT

Question No. 523—**Mr. Howie:**

What was the total amount of money actually expended by DREE in each province in either the public or private sector from the date the Department was first organized to March 1, 1974?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion):

Province	Total Expenditures Budgetary and Non-Budgetary April 1, 1969 to February 28, 1974 ($ 000's)
Newfoundland	215,929
Prince Edward Island	76,614
Nova Scotia	176,856
New Brunswick	218,775
Quebec	410,572
Ontario	74,964
Manitoba	84,444
Saskatchewan	76,631
Alberta	73,684
British Columbia	29,722
Not allocated	72,780
Total	1,510,971

PUBLIC SERVICE COMMISSION—COST OF ADVERTISING VACANCIES FILLED FROM WITHIN SERVICE

Question No. 537—**Mr. Stollery:**

What was the cost to the Public Service of advertising vacancies for 1971, 1972 and 1973 that were in fact filled from within the Public Service?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: The advertising cost which represents the cost of issuing posters for interdepartmental competitions for which the Public Service Commission is directly responsible is: 1971-72, $20,595.14; 1972-73, $30,307.12; 1973-74, $11,328.68 (accounts paid to date).

LAWYERS EMPLOYED BY DEPARTMENT OF JUSTICE AND FEES PAID, JANUARY 1, 1973 to JANUARY 1, 1974

Question No. 543—**Mr. Howie:**

What lawyers in the Province of New Brunswick were employed by the Department of Justice from January 1, 1973 to January 1, 1974 and how much was paid to each of them?

Hon. Otto E. Lang (Minister of Justice):

Name	Address	Fees Paid $
Abbis, Chaiker, Appleby, Olmstead and Quinn	Edmundston	3,215.00
	Fredericton	2,633.25

Name	Address	Fees Paid $
Barry, John P.	Saint John	170.00
Bell, Edward	St. Andrews	*
Brison, Charles Emery	Moncton	221.55
Burchill, William J.	Newcastle	1,459.78
Casey, Gerald T.	Saint John	2,415.30
Chiasson, Paul Emile	Bathurst	598.10
Cyr, L. H.	Moncton	*
Dube, J. A. Raymond	Dalhousie	715.80
Duffie, Theodore E.	Grand Falls	490.00
Dumont, Guy F.	Campbellton	392.00
Gilbert, McGloan, Gillis and Jones	Saint John	20,605.26
Godin, Gerard	Shippegan	636.55
Hogan, J. J.	Bathurst	*
Hoyt, Mockler and Dixon	Fredericton	44,657.00
Hoyt, W. L.	Fredericton	4,480.10
Hughes, David G.	Fredericton	2,171.90
Hughes and Malone	Fredericton	*
Keating, Lloyd E.	Moncton	5,739.66
Lampert, Irwin	Moncton	663.00
Leblanc, Bernard	Moncton	505.32
Lebouthillier, Alie A.	Caraquet,	1,579.00
Leger, Franklyn O.	Saint John	2,090.50
Lordon, Paul	Newcastle	2,123.80
Losier, A. J.	Moncton	*
McGinley, Eugene	Fredericton	*
McKenna, Hubert P.	Fredericton	*
McNair, John C.	Fredericton	55.20
Maddox, Paul B.	Woodstock	*
Malone, Brian	Fredericton	34,502.51
Meldrum, W. W.	Sackville	669.72
Michaud, Jean Marc	Edmundston	*
Michaud, Leblanc, Robichaud	Buctouche	2,154.53
Milton, Irving G.	Moncton	17,741.52
Milton, Myron	Moncton	4,241.50
Olmstead, David C. R.	Fredericton	2,100.50
Pappas, Deno P.	Saint John	90.00
Purnell and Brien	Saint John	16,153.25
Roy, Clarence	Moncton	1,261.85
Roy and Losier	Moncton	816.50
Sargeant, Charles A.	Fredericton	265.00
Scullin, J. E.	St. Stephen	50.00
Shaw, Richard G.	Edmundston	*
Somers, E. G.	St. Quentin	330.00
Tingley, Richard J.	Campbellton	10,809.07
Urquhart, J. W. B.	Hampton	*

*In these instances work was assigned during the period in question but accounts have not yet been submitted.

COST OF PRODUCING CANADA POST OFFICE CALENDARS

Question No. 546—**Mr. Harding:**

1. What was the cost of producing and mailing the 1974 Canada Post Office calendars?

2. How many calendars were produced and mailed?

Hon. André Ouellet (Postmaster General): 1. $113,392.

2. Five hundred thousand distributed on request through postal outlets.

Order Paper Questions

CBC BROCHURE "THE NATIONAL DREAM"

Question No. 557—**Mr. Neil (Moose Jaw):**

1. How many copies of the brochure "The National Dream" produced by CBC-TV Network Promotion Toronto were printed?

2. What was the extent of distribution?

3. What was the total cost of producing and printing the brochure and distributing same?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Thirty-five thousand, six hundred and ninety-five copies were printed. The total included 10,600 copies for the Royal Trust Company and Abitibi Provincial Paper for their own distribution.

2. The brochure was distributed to newspapers and radio and television stations across Canada, as well as to universities, high schools, elementary schools, Members of the House of Commons and Members of the Senate, Members of Provincial Legislatures, railroad associations and clubs, community leaders, business executives and to individuals who requested copies.

3. Twelve thousand and twenty-three dollars. This figure represents the net cost after payment to the CBC by the Royal Trust Company and Abitibi Provincial Paper for their connection with the brochure.

ROLE OF CANADA WITHIN THE INTERNATIONAL STANDARDS ORGANIZATION

Question No. 599—**Mr. Fortin:**

1. What is the role of Canada within the International Standards Organization?

2. Does Canada participate in the work of technical committees of the Organization and, if so (a) in how many (b) how many members (c) what was the total cost per year since 1970?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The Standards Council of Canada represents Canada as the Canadian member of the International Organization for Standardization (ISO). The Council ensures effective Canadian participation in the activities of ISO in accordance with the Standards Council of Canada Act. The role of Canada as one of the 56 full members (there are also 14 correspondent members) throughout the world is the development of international standards with a view to facilitating international exchanges of goods and services and to developing cooperation in the sphere of intellectual, scientific, technological and economic activity.

2. Canada participates in the work of technical committees of the ISO. (a) Canada has "P" membership status (participating with voting privileges) on 84 technical committees and "O" membership status (observer and non-voting) on 27 technical committees. It should be noted that membership is by country and not by individuals, delegates to attend meetings being recommended by the responsible Canadian Advisory Committee (CAC) to the Canadian National Committee on the International Organization for Standardization (CNC/ISO) for approval. (b) A total of 175 delegates attended 118 technical committee, sub-committee or working group meetings during the calendar year 1973. (c) The Standards Council of Canada cost per year since 1970 was:

Order Paper Questions

Calendar Year	1971	1972	1973	1974
ISO Membership Fees	32,828.58	51,315.54	68,827.89	75,200.00
Subsidized Travel Expenses	8,156.91*	64,779.92	70,211.96	4,976.00†
Financial Assistance for Meetings Hosted by Canada			993.75	
Total Cost per Year	40,985.49	116,095.46	140,033.60	80,176.00

*Financial Assistance commenced July 31, 1971.
†to March 31, 1974.

It should be noted that SCC costs for attendance at meetings outside of Canada is a partial contribution only since members provide their time voluntarily when attending both national and international meetings.

GREAT PLAINS PROJECT

Question No. 631—**Mr. Dinsdale:**

1. Is the Great Plains Project still in existence?
2. What is the purpose of the project?
3. What reports have been published to date?
4. What studies are underway?
5. What is the cost of the project to date?
6. When will the project be proceeding to the implementation stage?
7. What are the priorities of the project?

Right Hon. P. E. Trudeau (Prime Minister): 1 to 7. See reply to Question No. 630 answered April 15, 1974. *Hansard* No. 33, page 1411.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

NAMES OF LIBERAL CANDIDATES IN OCTOBER 30, 1972 ELECTION AND JOB APPOINTMENTS

Question No. 85—**Mr. Cossitt:**

What are the names of all those who contested the general election of October 30, 1972 as official candidates of the Liberal Party and, since that date, which specific ones have received appointments or jobs of any kind whatsoever from the government, what is the nature of such appointment or job in each case, what is the exact salary or remuneration in each case and what were the considerations leading to the appointment or job in each case?

Return tabled.

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION PUBLICITY EXPENDITURES

Question No. 257—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Regional Economic Expansion on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

[Mr. Guay (Lévis).]

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

● (1410)

MOTIONS FOR PAPERS

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 3, 4, 5 and 6.

COPY OF APPLICATION OF "NEW CANADA-TORONTO" RELATING TO MULTICULTURALISM GRANT

Motion No. 3—**Mr. Hellyer:**

That an Order of the House do issue for production of copies of the application of "New Canada—Toronto" in respect of the $18,000 grant announced by the Minister of State for Multiculturalism on October 3, 1973 and all correspondence to and from the government in respect thereof.

Mr. Speaker: Stand.

COPY OF APPLICATION OF "CROSS-CULTURAL COMMUNICATION" RELATING TO MULTICULTURALISM GRANT

Motion No. 4—**Mr. Hellyer:**

That an Order of the House do issue for production of copies of the application of "Cross-Cultural Communication Centre—Toronto" in respect of the $8,000 grant announced by the Minister of State for Multiculturalism on October 3, 1973 and all correspondence to and from the government in respect thereof.

Mr. Speaker: Stand.

COPY OF APPLICATION OF "CENTRE CHINOIS DE QUÉBEC, ENR., QUÉBEC" RELATING TO MULTICULTURALISM GRANT

Motion No. 5—**Mr. Hellyer:**

That an Order of the House do issue for production of copies of the application of "*Centre Chinois de Québec, Enr., Québec*" in respect of the $5,000 grant announced by the Minister of State for Multiculturalism on October 3, 1973 and all correspondence to and from the government in respect thereof.

Mr. Speaker: Stand.

COPY OF APPLICATION OF "BLACK YOUTH TELEVISION WORKSHOP, MONTREAL" RELATING TO MULTICULTURALISM GRANT

Motion No. 6—**Mr. Hellyer:**

That an Order of the House do issue for production of copies of the application of "Black Youth Television Workshop, Montreal" in respect of the $6,500 grant announced by the Minister of State for Multiculturalism on October 3, 1973 and all correspondence to and from the government in respect thereof.

Mr. Speaker: Stand. Shall the remaining notices stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

RELATIONSHIP OF INFLATION TO LABOUR UNREST—GOVERNMENT ACTION TO CORRECT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister who might feel a little lonely over there if I do not direct some attention to him. I presume the Acting Prime Minister to be the government House leader. Since the threatened shutdown of air, ship and postal services is only the tip of the iceberg of labour unrest that is growing in response to the injustices resulting from runaway inflation in this country, is the government now prepared to treat this inflation as a deepening national emergency and take some immediate action?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. MacEachen: In reply to the question posed by the Leader of the Opposition, the government is aware of the labour problems to which he has referred. At the present time each of them is the subject of detailed examination and action. It is not expected that the nature of these labour problems requires the kind of fundamental action that the Leader of the Opposition would put in place.

Mr. Stanfield: Mr. Speaker, I do not claim to have any monopoly on the right way for the government to act. Is the government going to continue to tell the working people of this country that there is no relief in sight?

An hon. Member: Come on.

Mr. Stanfield: Come on is right.

Some hon. Members: Hear, hear!

Mr. Stanfield: What plans does the government have in this inflationary atmosphere to maintain essential services and some semblance of order in the country as more and more groups are apparently deciding that since the government will not do anything to protect them from inflation, they have to try to protect themselves?

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, the Leader of the Opposition should not get overly excited or panicky about the extent of the labour problems which are confronting us at the present time. We propose to deal with them and are dealing with them under the regular procedures provided by the collective bargaining system of this country. If I may reply to the broader question posed by the Leader of the Opposition, it is a matter of fact that, despite the inflationary pressures in this country, the year to year changes in the standard of living of Canadians have shown substantial improvement over the past several years.

Some hon. Members: Hear, hear!

Mr. Stanfield: I had hoped the leader of the House, coming from where he does, would have been a little less insensitive than some of his colleagues toward the problems faced by the working people today. But now that the Minister of Finance has admitted that inflationary expectations have a good deal to do with the upward pressure on housing prices, does the government realize that these expectations are also causing havoc to the regular collective bargaining procedures to which the leader of the House referred, and that these inflationary expectations are endangering the economic stability of the country? Will the hon. gentleman assure the House that some action will be taken, quite apart from any action with respect to the collective bargaining procedure? Will he assure the House that the government intends to do something to dampen and control the inflationary expectations of the country?

Mr. MacEachen: I think that in the light of the atmosphere the Leader of the Opposition is attempting to create surrounding some of these labour problems, it should be pointed out that only one of the disputes in question has direct relevance to the wage factor. This should be borne in mind by the hon. gentleman when he is drawing these far-fetched conclusions. As the Prime Minister and the Minister of Finance have already indicated to the House, other measures are under consideration by the government in addition to the very significant measures which have already been implemented, and these will be announced either at budget time or when other occasions are open.

* * *

FINANCE

INCREASE IN INTEREST RATES—GOVERNMENT ACTION TO PREVENT EXCESS PROFITS

Mr. John Gilbert (Broadview): Mr. Speaker, in the absence of the Minister of Finance my question is directed to the Minister of State for Urban Affairs. In view of the fact that the chartered banks will make an additional $100 million as a result of increasing their interest rates from 9 per cent in March to 11 per cent in April, will the minister instruct the financial institutions to roll back the new rates, more especially the mortgage interest rates, or will he impose an excess profits tax to prevent the gouging of the public? What steps does he intend to take?

Hon. Ron Basford (Minister of State for Urban Affairs): These financial institutions are the responsibility of the Minister of Finance and the question should properly be addressed to him.

* * *

HOUSING

ASSISTED HOME OWNERSHIP PROGRAM—REQUEST FOR INCREASE IN ALLOCATION OF FUNDS

Mr. John Gilbert (Broadview): Mr. Speaker, this question, too, is directed to the Minister of State for Urban Affairs. In view of the fact that only 5,500 units were

constructed under the AHOP program last year at an expense of $105 million, which works out to an average mortgage of $21,000, will the minister instruct the Central Mortgage and Housing Corporation to allocate more money to this program so that more units can be built?

● (1420)

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, CMHC's budget is over $1 billion for this calendar year, 1974. We are allocating as many resources as we can to the assisted home ownership and other associated housing programs. I made it clear in my speech in the House a couple of weeks ago that we were reviewing the levels of lending and the income levels under the assisted home ownership program, and this review is underway.

Mr. Speaker: The Chair will recognize the hon. member for Broadview for a second supplementary, and then the hon. member for Témiscamingue.

POSSIBLE ESTABLISHMENT OF NATIONAL WARRANTY SCHEME—GOVERNMENT POSITION

Mr. John Gilbert (Broadview): In view of the fact that the Ontario government intends to pass legislation covering warranties on materials and construction of new houses to protect purchasers, is it the intention of the minister to pass similar legislation respecting homes constructed under the National Housing Act and financed by CMHC, and if not, why not?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I take it the hon. member is referring to quotations appearing in this morning's newspaper from the Ontario minister which were not entirely correct. I have called a meeting of federal and provincial housing and consumer groups to work out a national warranty scheme. On Tuesday there was a meeting held by a task force or sub-committee of that group to continue this work. Some of the provinces were represented. I hope all of them will attend the next meeting to be held on May 8. There is a substantial degree of agreement between the plan of the builders and the one that the federal government has proposed, and I would hope that by working co-operatively with builders, consumer groups and the provinces we will soon be able to establish in this country a national home warranty scheme applicable to the purchase of new homes.

[*Translation*]

NEIGHBOURHOOD IMPROVEMENT AGREEMENTS—COUNTER PROPOSALS FROM QUEBEC—GOVERNMENT POSITION

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

Can he tell the House whether he received recently from the Quebec government a counter proposal with regard to the negotiation of a global agreement on Bill C-133 concerning housing? If so, is he willing to accept it or will another proposal be made by Ottawa, and when?

[Mr. Gilbert.]

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have received from the minister, in reply to my submitting the standard form neighbourhood improvement agreement to the province of Quebec, modifications to that agreement which are currently under study by myself and my government.

* * *

TRANSPORT

ST. LAWRENCE RIVER PILOTS STRIKE—EFFECT OF INFLATION ON EFFORTS TO SETTLE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Labour. I should like to ask the Minister of Labour whether he has been involved in the resolution of the problems of the pilots on the St. Lawrence Seaway, and whether he intends to admit the fact, inflation having gone up at a rate of about 10 per cent, that they are entitled to a justifiable increase, or does he intend to prolong things until such time as the whole economy of this country suffers?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think the hon. member should be aware that under the legislation this area is the responsibility of my colleague the Minister of Transport.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have been dealing with this problem. The difficulty we are facing is that the pilots are now getting $28,000 a year; we are offering $34,000 and they want $39,000. So, I am not sure that it is a question of inflation.

* * *

INQUIRY OF THE MINISTRY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is to the government House leader and is supplementary to the question of the Leader of the Opposition. In the midst of record high inflation, record high interest rates and strikes that threaten to paralyse the country, may I ask the government House leader when we can expect the leader of the government back in the House?

An hon. Member: He does not know.

Mr. Speaker: The Chair will recognize the hon. member for Calgary North on a supplementary, following which I will see the hon. member for Dauphin.

* * *

HOUSING

REQUEST FOR FREEZE ON INTEREST RATE CHARGED BY CENTRAL MORTGAGE AND HOUSING

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs. Yesterday the minister said that he did

not agree with the hypothesis that interest rates on first mortgages were at a level of 11 and 12 per cent, and on second mortgages at 15 and 16 per cent. Today, he sidestepped the question. I should like to ask the minister, since CMHC comes under his jurisdiction, whether he will at least freeze the interest rates charged by that organization so that average people can afford to buy homes and to pay rents that are now on the increase?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the interest rates charged by Central Mortgage and Housing Corporation under its different forms of lending are set out in the statutes, and we are endeavouring constantly to keep them as low as possible.

Mr. Woolliams: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order, please. I will recognize the hon. member for Calgary North, but hon. members will appreciate that we are still on the first question. I will see the hon. member for Dauphin immediately after the supplementary.

Mr. Grafftey: Mr. Speaker, I rise on a point of order.

Mr. Woolliams: Mr. Speaker, I know I am not permitted to ask a question of law—

Mr. Speaker: Order, please. The hon. member for Brome-Missisquoi rises on a point of order.

Mr. Grafftey: Mr. Speaker, the hon. member for St. John's East put a question to the House leader regarding a matter that is on the minds of every member and every Canadian.

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Some hon. Members: Hear, hear!

An hon. Member: That is not so.

Mr. Grafftey: I have been given a mandate by the electorate of my riding to ask this question. This week we are faced with record inflation and strikes across the nation. Has the House leader—

Some hon. Members: Order, order!

Mr. Speaker: Order, please.

An hon. Member: Sit down.

Mr. Speaker: Order, please. If the hon. member rises on a point of order he should indicate what the point is in order that the Chair might have an opportunity to rule as to whether there is a point of order.

Mr. Grafftey: Mr. Speaker, I will then ask my question of the House leader. In view of the circumstances outlined by the hon. member when can we expect the Prime Minister, the Deputy Prime Minister and the rest of the ministers of this government to be in the House to answer questions?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. That might be considered a supplementary question but hardly a point of order. For the moment the hon. member for Calgary North has the floor.

Mr. Baldwin: Where is the Governor General?

Mr. Woolliams: Mr. Speaker, I agree with the last two questions but I should like to now put this question to the minister. He has talked about the interest rates being set by statute. I should like him now to point out to me and to the country the section of the act under which the interest rates are set for CMHC. He moves about like a yo-yo from time to time, as does the Minister of Finance, and he knows it, but he is not telling this House the facts.

Mr. Basford: Mr. Speaker—

An hon. Member: Yo-yo!

Some hon. Members: Oh, oh!

An hon. Member: That's unparliamentary.

Some hon. Members: Hear, hear!

Mr. Basford: Mr. Speaker, hon. gentlemen opposite certainly do not want any information.

An hon. Member: They are afraid of it.

Some hon. Members: Order, order!

An hon. Member: It is difficult to get it with you around.

Mr. Basford: Mr. Speaker, the rate CMHC pays to the Department of Finance for its money is set at the first of each quarter, and I think the hon. member for Calgary North knows what the first of each quarter is.

Some hon. Members: Hear, hear!

Mr. Basford: It is re-loaned by CMHC to the public, the provinces and non-profit housing corporations under various sections of the act which carry differing interest rates, some of them set in accordance with an amendment the hon. member himself moved and to which I was happy to accede on behalf of the government. I am surprised that he is so unaware of his own amendments that he cannot remember them.

Some hon. Members: Hear, hear!

SUGGESTION GOVERNMENT ADVISE MORTGAGE LENDERS NOT TO INCREASE INTEREST RATES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in the absence of the Minister of Finance I should like to direct my question to the Minister of State for Urban Affairs. Yesterday the Minister of Finance stated that the possibility of 12 per cent interest being charged on first mortgages was a hypothesis but the rates yesterday were quoted as high as 11.5 per cent in an unstable market. Is the government considering advising mortgage lenders to hold the line at 12 per cent on first mortgages so that yesterday's hypothesis does not become today's reality?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I think this is a question that might properly be addressed to the Minister of Finance.

An hon. Member: Where is he?

Mr. Basford: I might add, however, that the particular rate to which the hon. member is referring was apparently quoted by a company that had no money to lend.

Some hon. Members: Oh, oh!

* * *

● (1430)

ENERGY

NATURAL GAS—LEGALITY OF AWARD OF PRICE INCREASE TO GULF—JUSTIFICATION FOR INCREASE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the decision announced in yesterday's *Globe and Mail* that an arbitration tribunal by Gulf Canada and Trans Canada Pipelines has awarded a rate increase to Gulf for the field price of natural gas which is to go from 27 cents per thousand cubic feet to 60 cents per thousand cubic feet beginning November 1, 1974, and to 73 cents per thousand cubic feet beginning November 1, 1975, and in view of the fact that this proposed increase if implemented could raise the cost to the domestic user in eastern Canada by as much as $70 per year with a $300 million cost to Ontario, I would ask the minister what right has this tribunal, in effect, to rule on price increases for natural gas which should be the prerogative of the National Energy Board—

Mr. Speaker: Order, please. I wish the hon. member would ask the question. It seems to me the preamble is a bit long. I am not sure whether he has reached the point of asking the question, but I would hope he would do so at this point.

Mr. Harding: Mr. Speaker, I would ask the minister what right has this tribunal, in effect, to rule on price increases for natural gas which should be the prerogative of the National Energy Board and is the government planning to take steps to ensure that, in this case and in the future, its power to regulate natural gas prices in interprovincial trade is not eroded.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to concede that there has been a great deal of doubt expressed about the constitutionality of the Alberta law under which the tribunal was purporting to act. However, rather than take legal action in respect of the tribunal I have written the Alberta Minister of Intergovernmental Affairs, indeed in advance of this particular decision, suggesting that among the present and other questions that might be the subject of consultation should be the appropriate level of gas prices in Canada. I would hope I would receive an early and favourable reply from the Alberta government in that regard.

[Mr. Ritchie.]

Mr. Speaker: The hon. member will be recognized for a brief supplementary, following which I hope I will be able to recognize the hon. member for Hamilton West.

Mr. Harding: Mr. Speaker, I should like to direct a question again to the minister. In view of the fact that Gulf Oil had a profit of about $102 million in 1973, which was 58 per cent higher than 1972, and in view of the fact that the agreement between Gulf Canada and Trans Canada Pipelines will increase revenues to Gulf Canada by more than $52 million a year with the field price of natural gas at 60 cents per thousand cubic feet—

Mr. Speaker: Order, please. I have to interrupt the hon. member. I wish to seek the co-operation of hon. members asking questions at this time. This is a speech rather than a question. The hon. member should ask the question as quickly as possible.

Mr. Harding: Thank you, Mr. Speaker. It is a rather complicated issue.

An hon. Member: And you don't understand it.

Mr. Harding: I felt we should have the background for it. How can this company and the government justify a 122 per cent increase in field gas prices to Canadian consumers this coming November with a further sharp price increase a year later?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. gentleman knows the issue is between the public sector, federal and provincial, and the private sector in the case of the companies. There is, of course, an important question of the level at which the provincial royalties should be set to make certain these funds come to public use. I appreciate the suggestion of the hon. member that there should also be some consideration of federal revenue concerns in relation to the windfall gains to the company involved in this particular case.

* * *

POST OFFICE

POSSIBLE OPPOSITION TO AUTOMATION—ASSURANCE TO EMPLOYEES IN NEGOTIATIONS ON TECHNOLOGICAL CHANGE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Postmaster General following a question asked by the hon. member for Saint-Hyacinthe. In light of the spreading strikes across the country, contrary to what the minister indicated and in light of the fear expressed by the workers in respect of job and wage security and their concern that the minister will not negotiate technological changes, could the minister now reaffirm what he said in the House yesterday that nobody opposes automation in the Post Office Department or the mechanization of the work.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I wish to repeat what I said yesterday, that it is not the mechanization of postal operations to which unions object but the classification of employees working on those

machines and the union leaders want some explanations on the matter. To that effect, I have given the assurance that the manpower committee whose establishment was provided in the collective agreement will give priority to the consideration of coders. I hope that a meeting of that manpower committee will be held during the next hours.

[*English*]

Mr. Alexander: Mr. Speaker, by way of supplementary I want to say now that the minister has flip-flopped because yesterday he indicated that nobody was opposed to automation, and yet he went before the cameras outside and said the hon. member for Saint-Hyacinthe did have a point. Let me ask the minister this. He said he had given some assurances. Were these assurances given by a written promise that negotiations would be held on technological change?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have not altered outside the House the statements which I made here. In my opinion, the hon. member for Saint-Hyacinthe needs help to defend himself and specify his points—apparently, there is no simultaneous interpretation, Mr. Speaker.

[*English*]

Mr. Alexander: Mr. Speaker, in light of the fact that this is an extremely important matter involving mail not going across the country and involving family allowance cheques and cheques of senior citizens, I hope the translation can be given in order that we can hear the minister's answer. I think it is extremely important.

Mr. Ouellet: Mr. Speaker, perhaps I could reply in English and say to the hon. member that the main question at issue is the classification of coders. We have had discussions with the national executive—

Mr. Alexander: You are not answering my question. Answer the question.

Mr. Ouellet: I am repeating what I said in French, Mr. Speaker. The way to deal with this question is through the manpower committee as set forth in the collective agreement and I would hope in the coming hours there will be a meeting of this manpower committee in order to deal with this question.

Mr. Alexander: I have one last supplementary, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Hamilton West for a supplementary and then the hon. member for Kingston and the Islands who also has a supplementary.

MEETINGS OF MANPOWER COMMITTEE ON AUTOMATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, is the minister now telling us that the automation committee which I believe was set up in 1973 is just meeting now for the first time. Had it not met before this, because this is a question of concern to the postal workers, in order to deal with the issue of automation.

Hon. André Ouellet (Postmaster General): There have been some meetings. Some of these meetings have not produced what both parties expected the committee could produce. However, we have given an assurance that the deputy minister and myself will take an active part in this up to a conclusion.

Mr. Alexander: In writing?

Mr. Ouellet: In writing, yes.

* * *

SOCIAL SECURITY

CONTINGENCY PLANS FOR DISTRIBUTION OF OLD AGE PENSION AND FAMILY ALLOWANCE CHEQUES IN EVENT OF POSTAL STRIKE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the postal tie-ups can the minister tell us what contingency plans the government has to ensure the distribution of family allowance cheques which normally would be mailed by the end of this week and also old age pensions cheques.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we are studying this matter very attentively. We are now having consultations with the Postmaster General while hoping, on the other hand, that postal services will be resumed in time; if not, however, we will take the steps required to have it resumed.

* * *

[*English*]

NATIONAL HARBOURS BOARD

ALLEGED DEMAND FOR RESIGNATION OF PACIFIC REGION CHAIRMAN—NOTICE OF TERMINATION OF CONTRACT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the senior minister from British Columbia, the Minister of the Environment. In view of the fact that the Minister of Urban Affairs has demanded the resignation of the Pacific region chairman of the National Harbours Board and in view of the fact that the Minister of Transport stated he does not know the reason for the resignation demand, can the minister advise the House what action is being taken in this matter.

Hon. Jack Davis (Minister of the Environment): Close consultation with the Minister of Urban Affairs and the Minister of Transport.

● (1440)

Mr. Fraser: Mr. Speaker, a supplementary question. Since the hon. senior minister from British Columbia apparently arranged the appointment of the chairman, can the minister advise whether the chairman has been given the necessary six months notice of termination of his contract?

Mr. Davis: Mr. Speaker, I should make a simple correction. The member of the board in question was appointed by the Minister of Transport.

Mr. Speaker: Order, please. I seek the co-operation of hon. members. We are not moving very quickly. I will recognize the hon. member for Vancouver South for a supplementary, and the hon. member for Prince Edward-Hastings who also has a supplementary.

Mr. Fraser: Mr. Speaker, I will shift the question to the hon. Minister of Transport. Can the minister advise the House whether the chairman was given the necessary six months notice of the termination of his contract on April 15 as is required if his contract is to be terminated in October?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we did not give notice to anybody in British Columbia.

* * *

INQUIRY OF THE MINISTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is supplementary to that asked by the hon. member for St. John's East and is directed to the acting House leader. In view of the fact that the Prime Minister, the Minister of Finance, the Minister of Trade and Commerce and the President of the Treasury Board, the four senior economic ministers of this government—

Some hon. Members: Order, order!

Mr. Hees: —are absent from parliament, may I ask if this is the government's idea of how to run this country and look after its economic problems? If so, this is nothing less than a national disgrace!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Give us a report from Trudeau.

An hon. Member: How is he making out on the beach?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, as my hon. friend knows, the Minister of Finance has been in the House all week. He is absent today but he will be back tomorrow and the remainder of the week, having put through an important measure earlier in the week.

Some hon. Members: Hear, hear!

Mr. MacEachen: The Minister of Industry, Trade and Commerce is absent on official business, leading a trade mission—

An hon. Member: To Hawaii!

Mr. MacEachen: —first of all to London and later to the Middle East. The President of the Treasury Board is in Vancouver today holding informal meetings with the firefighters—

[Mr. Fraser.]

Some hon. Members: Hear, hear!

Mr. MacEachen: —about which the Leader of the Opposition was so concerned.

An hon. Member: And the Prime Minister?

An hon. Member: Where is the Prime Minister?

An hon. Member: Let's hear it!

An hon. Member: Tell us about the Prime Minister, where is he?

Mr. MacEachen: Well, Mr. Speaker, I will be delighted to finish the answer. I think the answer is improving.

Some hon. Members: Hear, hear!

Mr. MacEachen: The punch line is, Mr. Speaker, that the Prime Minister is returning to Ottawa and will be back among his friends in the House tomorrow.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Cape Breton-The Sydneys (Mr. Muir).

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I apologize to the hon. member for Cape Breton-The Sydneys but the hon. member for Skeena rises on a point of order. I will hear him and return to the hon. member for Cape Breton-The Sydneys.

Mr. Howard: Mr. Speaker, the point of order I want to make, in case a wrong impression is left with the government House leader, is that it is my view the country would be better off if the Prime Minister stayed in the Barbados.

Mr. Stanbury: Where is David?

Mr. Chrétien: Where are David and Tommy?

Mr. Speaker: May we have order, please. The hon. member for Cape Breton-The Sydneys has the floor and should be given an opportunity to ask his question or questions.

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LABOUR CONDITIONS

LAY-OFFS AT GENERAL INSTRUMENTS PLANT, SYDNEY—GOVERNMENT ACTION TO AID EMPLOYEES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I am particularly pleased that my colleague and dear friend from Cape Breton is in the official capacity which he enjoys today.

Some hon. Members: Hear, hear!

Mr. Muir: It gives me an excellent opportunity to pose a very good question to him. In light of the fact that the harbingers of doom from General Instruments Corporation arrived in Sydney last night and announced the closure of their plant there, and in light of the fact that 600 employees have already been laid off and another 400 are going to be laid off, could the minister advise what the government is planning to do to assist these people with regard to future employment, particularly in view of the fact that the Premier of Nova Scotia was able to delay this announced closure until after April 2.

Some hon. Members: Oh, oh!

Mr. Bell: Very good question!

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am aware of the phased closure—

An hon. Member: Phased!

Mr. MacEachen: —that is to take place at General Instruments Corporation. As my hon. friend has stated, I understand that information to that effect was conveyed to the local people and the union last night in Sydney. I have been in touch with my colleague the Minister of Manpower and Immigration this morning and have discussed this problem with him in the expectation that he will be able to put in place all the available instruments to assist the people so affected. I assure my hon. friend that I am deeply concerned about the matter and I thank him for drawing it to the attention of the government.

Mr. Muir: Mr. Speaker, in view of the fact that I drew it to the attention of the government over the past number of weeks and they have not acted, and yesterday I introduced a motion under Standing Order 43 which was opposed by Liberal members and which probably would have helped the workers at General Instruments Corporation if passed, I do not think I need the minister's thanks!

* * *

[*Translation*]

CONSUMER AFFAIRS

POSSIBLE SUBSIDIZATION OF CONSUMER GROUPS APPEARING BEFORE REGULATORY BODIES—GOVERNMENT POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the hon. Minister of Consumer and Corporate Affairs.

Can the minister tell the House whether he intends to implement the recommendation put forward by the Canadian Consumer Council that his department should subsidize consumers or groups of consumers who wish to appear before regulating bodies, in order to avoid that industrial interests be the only ones allowed to appear before these bodies?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, all these recommendations are now under review. Those recommendations relating to taxation are under the jurisdiction of the Department of Finance, but we have already granted special subsidies to the Canadian Consumer Association to enable them to develop a special program to secure representation of consumers before public regulatory bodies.

* * *

[*English*]

AIR TRANSPORT

THREATENED STRIKE OF AIR TRAFFIC CONTROLLERS—GOVERNMENT EFFORTS TO SETTLE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the fact that air traffic controllers are threatening to strike as early as Friday and such a strike would effectively close down every major airport in the country, will the Acting Prime Minister give this House assurance that the Treasury Board is doing its utmost to reach an equitable solution to the wage dispute?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I can assure my hon. friend that the Treasury Board is doing its utmost to reach a settlement. I had discussions with the President of the Treasury Board this morning and their meetings will be held this afternoon with the objective of resolving the dispute.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my supplementary question is for the Minister of Transport who is being besieged these days by land, sea and air. In view of the closing down of Halifax International Airport and others which indicate that the trouble with the firefighters is spreading, may I ask the minister what immediate action is being taken to avoid prolongation of this problem apart from sending the head of the Treasury Board to Vancouver which could have a counter-productive effect?

Mr. MacEachen: You can't win in this business. When you are away you get hell, when you are here—

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we have negotiated, and I think this is the proper way of doing it, with the alliance which is the certified bargaining agent for the firefighters. We reached an agreement and now the alliance is getting in touch with all its members in order to ratify or not ratify the understanding. This is true for Halifax and Vancouver. All that is done now, unfortunately, is illegal and it should not be supported by those who think the law should be respected in this country.

* * *

● (1450)

FINANCE

POSSIBLE REMOVAL OF SALES TAX ON BUILDING MATERIALS—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in the absence of the Minister of Finance may I direct my question to the Minister of State for Urban Affairs. As the building, development and real estate industries anticipate that the government is going

to remove the 11 per cent sales tax on building materials in the budget, can the minister confirm this?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the Minister of Finance has made his position very clear a number of times on this.

Mr. Alexander: What is it?

* * *

YOUTH

REASON FOR CANCELLATION OF FARM YOUTH EXCHANGE GRANTS PROGRAM

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I was going to direct my question to the Secretary of State. He was here a few minutes ago. Perhaps I could direct it to the parliamentary secretary, or to the Acting Prime Minister. As the Secretary of State cancelled the farm youth program which was under the auspices of the National Farmers Union, and as Canadian farm youth have far too few opportunities to travel, may I ask the minister why this worthwhile program was cancelled?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I do not have that information but I will draw the question to the minister's attention and get him to reply.

* * *

ADMINISTRATION OF JUSTICE

SUGGESTED AMENDMENT OF PRISONS AND REFORMATORIES ACT WHICH PERMITS LONGER SENTENCES FOR YOUNG OFFENDERS IN BRITISH COLUMBIA

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Solicitor General. In view of the recent decision of the Supreme Court of Canada in the case of Regina vs Burnshine, in which the majority of the court held that a person under the age of 22 from British Columbia could be subject to longer sentences under Section 150 of the Prisons and Reformatories Act than he would be in other provinces where sentences are authorized only by the Criminal Code, is the Solicitor General considering an amendment to the Prisons and Reformatories Act to clear up what may be a denial of equality before the law for younger persons in British Columbia, and, in the broader sense, to provide a more realistic conception of equality before the law, as guaranteed in the Canadian Bill of Rights.

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker, the law is presently under review. We hope to have a bill before this House. I might say that the proposed amendments are the subject of discussions with the provinces.

[Mr. Marshall.]

EXAMINATION OF BILL C-22 BY MINISTER OF JUSTICE IN CONNECTION WITH GUARANTEES UNDER BILL OF RIGHTS

Mr. Ron Atkey (St. Paul's): A supplementary question, Mr. Speaker. In dealing with the Canadian Bill of Rights, and I address this question to the Solicitor General in the absence of the Minister of Justice, I wonder if the minister could indicate whether the Minister of Justice has yet performed his statutory duty under Section 3 of the Bill of Rights by examining Bill C-22, an act respecting Canadian professional football, to ascertain whether any of the provisions thereof are inconsistent with the purposes and provisions of the Bill of Rights, particularly those guaranteeing equality before the law and freedom from discrimination on account of national origin?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the bill with respect to professional football has been drafted by the Department of Justice, under the responsibility of the Minister of Justice.

* * *

TRADE

IMPORTATION OF EGGS FROM UNITED STATES—REQUEST FOR EARLY INTRODUCTION OF BILL C-4

Mr. William C. Frank (Middlesex): Mr. Speaker, I had hoped to direct my question to the Minister of Industry, Trade and Commerce. I appreciate the fact the minister is away on business rather than a holiday, and I commend him for that. In the absence of the hon. gentleman may I direct my question to the government House leader. Due to the very serious threat to the Canadian egg industry by the increased momentum of egg imports from United States, resulting from the severe and recent drop in their prices, and also keeping in mind the promise of the Minister of Agriculture made in response to a similar question which I asked in this House on April 5, has the leader of the House not been encouraged by the Minister of Agriculture to give this matter serious consideration and to bring forward Bill C-4 immediately? If so, how soon can we expect it?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am trying to remember all the bills we deal with. The hon. member referred to the amendment to the Export and Import Permits Act. The Minister of Industry, Trade and Commerce has also been very anxious to have this bill brought forward. I will attempt to bring it forward just as soon as possible, in the hope of getting quick passage.

* * *

CONSUMER AFFAIRS

REQUEST FOR MEASURES TO CONTROL CONSUMER CREDIT—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is addressed to the senior economic minister, the Minister of Consumer and Corporate Affairs. In view of the fact that the average household debt including

mortgages in Canada is about $3,000, and in view of the fact that consumer credit is not regulated by the Bank Act or the Small Loans Act, and consumer credit is increasing, I would ask the minister whether he intends to introduce in this session legislation to regulate the activities of these usurious types of near banks.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my intention to present to Parliament and to the public a policy paper setting out proposals for the revision of the Small Loans Act and the Interest Act within the next month or so.

Mr. Speaker: The hon. member for Yorkton-Melville will be recognized, and then I will see the hon. member for Fraser Valley East.

Mr. Nystrom: A supplementary question, Mr. Speaker. Can the minister assure the House that he will also be bringing in regulations to control financial institutions, or will this just be another policy paper?

Mr. Gray: Mr. Speaker, I think these proposals will be quite wide ranging. I will welcome the hon. member's comments when he sees them.

* * *

FLOODS

POTENTIAL FLOODING IN SOUTHERN BRITISH COLUMBIA—FEDERAL PARTICIPATION IN PREVENTIVE MEASURES

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, may I direct my question to the Minister of the Environment. In view of concern expressed on the news media and in view of a statement issued by the Minister of Lands, Forest and Water Resources of British Columbia to the effect that a potential for floods later this year now exists in southern British Columbia, may I ask if the minister's department is co-operating with the British Columbia government in laying out strategy to meet any such eventuality?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, our engineers are working closely with the provincial authorities in B.C.

Mr. Patterson: A supplementary question, Mr. Speaker. Has the minister been asked to participate in the activities of the emergency policy committee established to meet any emergency which may arise?

Mr. Davis: Mr. Speaker, not at the ministerial level, but our engineers on the west coast always work closely with their provincial counterparts.

[*Translation*]

ENVIRONMENTAL AFFAIRS

LEAD POISONING—INQUIRY AS TO INSPECTION OF CANADA METAL AND TORONTO REFINERS LIMITED

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

Could he tell the House if his department has sent inspectors to inquire about hazards of lead poisoning at Canada Metal Company Limited and Toronto Refiners and Smelters Limited, which some time ago obtained an injunction against the CBC to prevent them from broadcasting a report allegedly proving this allegation?

[*English*]

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, there have been no direct communications to my department in this connection.

* * *

ENERGY

FUNDY TIDAL POWER—REQUEST FOR PUBLICATION OF REVIEW BOARD REPORT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the minister in a position to indicate if a determination has been made by the review committee looking into the Fundy Tidal Power Programming Board report? What are the conclusions of that committee and will that information in that report be made available to the public?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the final recommendation of the review board has not been received. We look forward to an early response from the provincial representatives in this regard. It is anticipated that, the final decision having been taken, the board will recommend further studies. We are seeking to arrive at an agreement for further studies for this purpose. I hope we can have this information at an early date so that we can proceed with the next stage of the examination in question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York-Simcoe and then call orders of the day.

* * *

FINANCE

LOAN TO IRAN—SUGGESTION CANADA NOT NEGOTIATE FURTHER SUCH LOANS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Acting Prime Minister, who, in answer to another question, mentioned that the Minister of Industry, Trade and Commerce was in the Middle East. Can the Acting Prime Minister assure the House that, included in the minister's negotiations in the Middle East, there will

be no loans similar to the $132.5 million loan that is advertised in today's paper to Iran, bearing in mind that Iran's export revenue from oil alone will push its revenue up to $18 billion for this year, with $300 million of it coming from Canada alone in the form of export revenue?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I will take note of the hon. member's representations.

Mr. Stevens: A supplementary question, Mr. Speaker. I wonder if the Acting Prime Minister could also take note of my suggestion. I hope the government is proposing future legislation for small businessmen in this country, to ensure that small businessmen who only got $30 million in total loans last year will do better.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. That is a representation. Orders of the day.

* * *

AIR TRANSPORT

STRIKE OF FIREFIGHTERS AT VANCOUVER AIRPORT—INTENTION OF GOVERNMENT TO DEAL WITH DIRECTLY OR THROUGH UNION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I am reluctant to take advantage of this time but I know the Minister of Transport would want me to make this very serious point. It came to my attention during the debate—

Mr. Speaker: Order, please. I have no objection to recognizing the hon. member but we have gone beyond the question period. This might be done with the consent of the House. Perhaps the hon. member might be allowed to ask a question.

Some hon. Members: No.

Mr. Speaker: The hon. member rises on a point of order. I apologize to the hon. member. I thought he was asking a question.

Mr. Oberle: Mr. Speaker, it is a point of order which I am sure the Minister of Transport would want me to raise because earlier this week he said the firefighters would find a solution on Tuesday. He said there would be a vote, and a decision made by the firefighters as to whether they would accept the agreement offered by the Treasury Board. Today the minister said that at this point all activities in connection with this strike are illegal. In the same statement, he said that the President of the Treasury Board is in Vancouver talking with the firefighters. Therefore it is obvious that the activities of the President of the Treasury Board are also illegal.

● (1500)

I wish to ask the Minister of Transport whether a decision has now been made to deal directly with the B.C. firefighters, or to continue to bargain with them through their union, the Public Service Alliance?

[Mr. Stevens.]

Mr. Speaker: Order, please. I doubt very much whether this could be a point of order. I am sure the hon. member would find it difficult to raise that point under any standing order. If the point of order were construed as a question, the minister might be allowed to reply.

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

Mr. Speaker: Order, please. I am trying to settle this matter. Is the minister going to reply to the hon. member's question?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there is only one point to which I can reply, and that is the first point. It is true that when the first offer was made and communicated to the firefighters, the Alliance thought they could receive a reply right away. However, they had to receive that through the mail. The President of the Treasury Board has been asked by the firefighters to have a loose discussion with them, but we are not going to go over the head of the Alliance.

Mr. Oberle: Mr. Speaker, the minister missed the point.

Mr. Speaker: Order, please. The hon. member will realize that is not a point of order. Rather, it is an exchange between the minister and the hon. member which might be pursued after the question period. I have to recognize the hon. member for Edmonton Centre who has a question of privilege.

Mr. Paproski: Mr. Speaker, I rise on a question of privilege. In answer to repeated requests for an answer to question 319 on the order paper, the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) stated yesterday that to answer such a question could involve a cost of $1.5 million. The parliamentary secretary arrived at this figure claiming that the task would involve a search of 300,000 files at a cost of $5 per file.

I have learned that one major department had the answer prepared for it, and it had been forwarded to the minister in March. The task took approximately one week and definitely did not involve a search of all personnel files.

Personnel computer printouts are available which contain personnel positions, and the salary can be easily deducted by most personnel officers familiar with civil service positions and the respective salary levels.

The parliamentary secretary cannot mislead the House. When he arrives I would like to ask him either to resign or refute that statement.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I merely want to say that when the parliamentary secretary returns to the House he will undoubtedly want to deal with the matter raised by the hon. member.

Mr. Barnett: Mr. Speaker, I rise on a question of privilege. It is based upon the assumption that members of this House, individually and collectively, have a right to expect that the laws which we have enacted will be reasonably administered, according to the letter and the spirit, by the

government and by administrative agencies which are responsible to parliament.

I have in my hand a publication which just came to me through the mail. It was issued by Unemployment Insurance Canada, Pacific Region, and is dated April 1974. On the second page of this document, in reference to the right of a claimant to receive benefits, it says that the obligations and rights—

Mr. Speaker: Order, please. I have to interrupt the hon. member. He claims to have a question of privilege. The hon. member claims his parliamentary privileges are affected in one way or another. I am not sure the hon. member is referring to a matter which happened within the last hour or so. If not, according to the rules he should have given the required notice. The hon. member cannot rise in the middle of a debate and propose that a matter be given priority over other business simply because he considers it to be a question of privilege. The hon. member should state as quickly as possible his question of privilege, and satisfy the Chair that this is a matter which just came to his attention, and about which he could not have given the notice required by the standing order.

Mr. Barnett: Mr. Speaker, the document which I have came into my hand within the last hour. On that premise, I am raising it at the earliest possible moment. My question of privilege revolves around the fact that this document states a benefit may be denied if an employee was discharged for not conforming to company policy. I submit that is an affront to this House in as much as in any reasonable understanding I have of the law we enacted it is not the right of a company to determine whether a Canadian is eligible for unemployment insurance.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

AMENDMENTS RESPECTING RELIGIOUS SECTS, EARNINGS FORMULA, BASIC EXEMPTIONS, ETC.

The House resumed from Tuesday, April 16, consideration of the motion of Mr. Lalonde that Bill C-19, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, last evening I had the opportunity of commencing my intervention in this debate. The introduction was somewhat extended because of certain interjections from across the way. It was not my intention to be so controversial. Nevertheless, I will heed the interjection attributed to the hon. member for London East (Mr. Turner) and get to the bill.

We are discussing today a bill that will remove some of the inequities and inadequacies of the Canada Pension

Plan. To the extent this objective is being attained, we welcome the bill.

The detailed notes on the bill to amend the Canada Pension Plan, attached to the news release announcing the introduction of Bill C-19 on April 5, 1974, state as one of its main provisions the equal treatment of male and female contributors and beneficiaries. I quote:

> The bill amends the present provisions of the Canada Pension Plan so the surviving spouses and children of a deceased or disabled female contributor will qualify for benefits under the same conditions as surviving spouses and children of a male contributor.

As the technique to achieve this change involves only the deletion of all references to "widowers" and the substitution of "survivor's pensions", it seems incomprehensible that this provision was not incorporated in the initial legislation. Perhaps the public demand was a contributing factor in the decision to make this essential and logical change.

● (1510)

The Royal Commission on the Status of Women was appointed in 1967, and its terms of reference were:

> To inquire into and report upon the status of women in Canada and to recommend what steps might be taken by the federal government to ensure for women equal opportunities with men in all aspects of Canadian society.

With respect to the Canada Pension Plan and the Quebec Pension Plan, two amendments were proposed by the commission. The first recommended an extension to the husband and children of a female contributor of the provisions presently applicable to the wife and children of a male contributor. In this connection I should like to refer to a document presented to the recent annual meeting of the Progressive Conservative party. On page 3 of that document, in section 19, the following appears:

> The Report of the Royal Commission on the Status of Women refers to the fact there are sex differences within the terms of reference of the Canada Pension Plan and recommends that they be removed. Although contributions are equal, regardless of sex or marital status, there are differences in the benefits derived from this source by the dependent or survivor. In this day of shared responsibilities the loss of the income of the female would create as great a hardship as would the loss of the income of the male. Survivor's benefits should be provided for both male and female contributors on a like basis.

The second proposed amendment recommended by the commission was that provision be made for the participation in these plans of the spouse remaining at home. On October 30, 1973, I believed I was voicing the views of many hon. members, some of whom had already so expressed themselves, when I stated, as reported on page 7373 of *Hansard* of that day:

> There is a general oversight in the Canada Pension Plan as it relates to housewives. I know I am not the first member to bring this matter to the attention of the House; others who have preceded me have done so. But I think it is a matter of real concern which should be taken under advisement and dealt with favourably.
>
> It would probably be more correct to say that the Canada Pension Plan does not relate to housewives, and this is why I say it is an oversight. I feel, and I am sure many in my party feel, that the government should devise some mechanism whereby housewives could contribute to the Canada Pension plan and benefit upon retirement or upon reaching retirement age. Of course, there is some question whether a housewife ever retires. In the event of the death of a husband, a housewife could then receive a more adequate income.

This has to do with the possibility of bringing housewives—other terms are used for them now in connection with this particular matter—within the scope of the plan. I should like again to refer to the background paper from which I have previously quoted:

The assumption that the female is always the spouse who remains at home to tend the "home fires" is not currently valid. Therefore, since the spouse who works at home does in fact contribute to the family support by providing goods and services which are invaluable to the family unit, Progressive Conservatives believe this person should share in the benefits of the Canada Pension Plan just as does the partner who is actually registered as being gainfully employed. Amendments will be made to the Canada Pension Plan to give effect to this policy.

I should like to refer in this connection also to the presentation made by the National Farmers Union in 1973 with reference to the position of farm wives. It deals with the same subject but looks at it from the point of view of the lady of the house in the agricultural industry. I will quote one brief section as follows:

Many farm women work as partners with their husbands in performing the duties of farming. The decision whether or not the farming unit wishes to pay an additional annual premium to provide a farm wife with future Canada Pension Plan benefits should be made optional. We request that the necessary amendments to the Canada Pension Plan be effected.

Now I should like to refer to the statement made by the minister in his discussion paper "Housewives and the Canada Pension Plan". I appreciated the view taken by the minister when he stated:

The housewife who remains at home is just as much a producer of goods and services as the paid worker, and in our view she should also have the opportunity to provide for a more financially secure future. Canada has given some of its workers an opportunity to do this through the Canada and the Quebec Pension Plans. To neglect to do the same for some three and one half million other workers in the home is to ignore the essential nature of their work.

In my speech of last October 30, from which I quoted a few minutes ago, I stressed this important aspect. We certainly appreciate the fact that in acting on all these recommendations the government has seen fit to move forward. I believe the minister is sincerely convinced that this is a valid position to take. We appreciate what has been done.

I should also like to read the statement which appears at the bottom of page 2 of the document "Housewives and the Canada Pension Plan", to which I have referred. The minister stated:

For all these reasons, provision must be made for the participation of housewives in the Canada or the Quebec Pension Plan. A comprehensive study will be required to determined the best way of achieving this. Two approaches seem to have considerable merit:

(i) crediting to the spouse remaining at home a portion of the contributions of the employed spouse and those contributions made by the employer on the employed spouse's behalf, and

(ii) on an optional basis, permitting the spouse at home to contribute as a self-employed worker.

Each of these proposals has to be weighed to determine its relative advantages or disadvantages, but on the face of it it appears, as the minister says, that both have considerable merit. We on this side of the House are pleased to see the government prepared to adopt the measures we have been advocating, either in this bill or in future legislation. Whatever the pressures, and from whatever their source, this is another step in the direction of making this contributory and portable plan better able to meet the needs of Canadians today.

[Mr. Patterson.]

Another amending provision is that which provides for an escalation in the yearly maximum pensionable earnings by 12¼ per cent each year until they catch up to the industrial composite. The decision to make this amendment applicable for the years after 1975 perpetuates, in my view, a somewhat unjust situation. With inflation increasing at the rate of approximately 10 per cent per year, it seems to me that providing for at least full escalation at this time would be to the benefit of the workers of the country. The maximum benefits are meagre enough, without delaying the opportunity of contributing a higher premium to ensure more adequate benefits. The levels are $6,600 in 1974 and $7,400 in 1975, as outlined in Bill C-224 passed last session. I stated then, and I state again now, that those levels are not high enough for 1974 and 1975.

The proposed amendment which would reduce the qualifying level for contributions in any given year from 12 per cent to 10 per cent of the year's maximum pensionable earnings—it would, for 1975, reduce it from $800, as presently established, to $700—is very desirable, as is the intent to delete the present special requirement under which self-employed persons must earn at least 1⅓ of the year's basic earnings to qualify as contributors in any year.

● (1520)

It seems to me we must make an attempt to permit every working Canadian to participate in this plan regardless of income. To the extent that these changes will provide greater opportunity for people at lower income levels to participate in the Canada Pension Plan, and in particular increased numbers of fishermen, farmers and other self-employed persons, we commend the minister for his efforts.

The Canada Pension Plan is a contributory plan, and as such I have never felt the government had any right to penalize individuals for whatever they earn after they have retired from regular employment. I agree with those who feel we should encourage people to retire at the usual retirement age. However, life is difficult enough for people of that age without our complicating things more for them by imposing an extra hardship on them when they try to earn a little extra money to help make ends meet.

I am, therefore, pleased to see the proposal in this bill to drop the earnings test for those aged 65 and over. When I spoke on this subject in October I stated I would favour the complete elimination of the earnings test for pensioners aged 65 and over. I made references at that time to a number of letters I had received from pensioners in very difficult straits who were being penalized for earning more than $960 a year. I am sure these people are pleased to see the government has now come round to the point of making this very desirable change.

The last point I would like to make is one that has been made by members from this party on many occasions, and that is that the government should lower the age of retirement for guaranteed income supplement, old age security and Canada Pension Plan purposes to age 60, beginning with an immediate reduction to age 64 and with a yearly reduction thereafter to age 60. As I have said, this sugges-

tion has been made many times previously, but we just want to remind the minister once again in the hope that he will give very close study and attention to this area. If he does I am sure he will receive the appreciation of a great many citizens of this country.

In conclusion, I commend the minister for the action that he has taken in this bill and assure him that he has my support for these measures. I urge him, however, to continue to heed the many requests from this side of the House, and from the people of Canada, regarding those other matters that will make the Canada Pension Plan more effective and responsive to the needs of the Canadian people.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is with pleasure that I rise to speak in this debate. I listened with interest during the question period when the House leader for the government party explained the absence of four senior economics ministers. When he came to the Minister of Finance (Mr. Turner), he said that he had gotten a bill through the House this week so consequently had the day off. I presume that the Minister of National Health and Welfare (Mr. Lalonde) is looking forward to a well deserved day off as soon as we get this bill through the House. There may, of course, be some other bill that he has in mind, and he may be looking to get two days off at once. If so, he can go down to Florida and watch the Dolphins in their spring training. In any case, I am glad the minister is here today and I hope he enjoys whatever time off the House leader gives him on completion of this bill.

The minister has brought forth a very complicated bill. On first reading it I was more perplexed than I was enlightened. One thing I noticed missing was the cost. I do not want to make this any part of the thrust of my speech, but when one buys things in this world one should know what they cost. I am willing to buy this bill, and I am pleased to buy it, but I should like to know what it costs as well. In all of the publicity I have seen and read—and believe me, Mr. Speaker, there has been a lot of it in connection with this bill—I have seen no sign of increased contributions on the part of anyone.

There is a story going around the Hill, probably apocryphal, that when the minister introduced the increased family allowances he was asked by a reporter how much it would cost, and he replied that nobody had stopped to work it out.

I can hardly believe that that was the case, but in any event I did come across the cost of this Canada Pension Plan increase in an article by John G. Doherty of the *Financial Times*. In talking of pension costs he said that the costs assume a 4 per cent rate of inflation. He went on to say:

> The employer's contributions will have to be increased in three different ways. First of all, the company must raise its contributions to cover pension benefits currently being earned by its existing employees.
>
> Secondly, the employer must face the fact that his previous contributions for pension rights earned in the past by his current workers made no allowance for escalating benefits. Refunding for this will cost about $16 million.
>
> The employer must also refund another $5 million to cover the cost of increased benefits to existing pensioners.
>
> All together, the refunding will raise payroll costs by an additional 7.5 per cent a year if the refunding is amortized over 16 years. Thus, the total annual increase in payroll cost will rise by 11.8 per cent considering an assumed rise of only 4 per cent in the cost of living.

I put that on the record simply to balance things off, and to indicate to the people of Canada that they will not get anything for nothing in this world. The government may like to pretend that this money is coming out of its pockets, that it is simply being generous, but in truth it comes out of the recipients' pockets sooner or later. I think this should be part of an open government policy, and I would have increased my admiration for the minister and his staff had he seen fit to do this when he put out all the other publicity kits that heralded this bill.

I should now like to talk about the pensions of servicemen. Servicemen in the armed forces are required to pay into the Canadian Forces Superannuation Fund, from which they draw their pension. They also pay into the Canada Pension Plan which has been integrated with Canadian forces superannuation. I might say that this has created just about as much discussion and unhappiness in the forces as that other integration we sometimes hear about. In any case, the two pensions are now integrated. They are not, however, stacked.

When a serviceman draws his Canada Pension Plan benefit, if he does eventually qualify for it, his CFSA cheque is reduced by part of the amount of the CPP benefit. This is not generally known, and it does create a great deal of unhappiness among servicemen who are unable to see why part of their pension deduction goes to the Canada Pension Plan which is of little or no benefit to them.

Many servicemen suspect that the CFSA fund is very large and perhaps is being used to give body to the CPP fund. In any case, they see no reason or advantage in paying into the fund, from which they will not receive the same material benefit as other contributors. Government employees of all kinds have always wanted open disclosure of the state of their pension funds, but this disclosure seems extremely difficult to get.

Mr. Geoff Johnson pointed this out in an article the other day on disability pensions awarded under the Canada Pension Plan. He said:

> Suppose, as a former contributor to the Canadian Forces Superannuation Account who is not yet 65, you are now receiving military superannuation.
>
> And suppose that you become entitled to a disability pension under the Canadian or Quebec Pension Plans.

● (1530)

The article continued:

> If you are entitled to a disability pension your annuity under the provisions of the Canadian Forces Superannuation Act will be reduced accordingly.

Later in the article it was stated:

> The reduction takes effect from the date you received the disability pension—and the National Defence Headquarters suggests you let them know right away to "avoid an over-payment of your annuity which would have to be recovered."
>
> What kind of help is this to a disabled person?

Why give him the disability pension in the first place?

Why create all that bookkeeping to achieve precisely nothing?

Those are the kind of difficulties bureaucrats get themselves into when they attempt to look after every possible contingency.

I respectfully suggest that there are several anomalies in Bill C-19 which may cause just as much trouble indeed as exists under the act.

I will not bother you with all the details of the case I have before me, but a constituent of mine who wrote me found that when he was on superannuation, having been employed by HMC *Dockyard* and retired, and he eventually came to get the Canada Pension Plan they immediately started deducting $18.49 a month from his superannuation pension. It is extremely difficult for these people to understand this bureaucratic jungle talk that goes on in letters of explanation sent back to them. I would only ask you to bear in mind that this is just one sentence from a letter which was supposed to solve this man's predicament. The letter states:

When the Canada Pension Plan came into effect on January 1, 1966, it was decided that in order to avoid increasing the pension deductions of persons required to contribute under the Public Service Superannuation Act, the amount which a public servant would be required to contribute to the Superannuation Account would be reduced by the amount required under the Canada Pension Plan.

That is all one sentence, and if anybody has the heart to go on to the second sentence I would be glad to show them the letter afterwards. The recipient did not understand anything about it, nor did I, and of course we had to ask for further clarification.

I am not a member of the Standing Committee on Health, Welfare and Social Affairs, to which I assume this bill will be referred, but I should hope that committee will approach it in the same fashion as another committee approached the election expenses bill, that is, in a non-partisan way. Many hon. members of that committee contributed a lot in the way of amendments to the bill, of which over 50 were accepted. In fact it was a learning experience for members of that committee.

Let me look specifically at Bill C-19. I think one of the most startling things to read is found on page 1 in the recommendation of His Excellency The Governor General which states that one of the aims of this bill is:

—to provide, in the manner prescribed for equality of status for males and females under the Act—

I will have quite a bit to say about that a little bit later.

On page 4, in Clause 7, we find reference to the election of a contributor in respect of self-employed earnings, and if you read further you see that there is reference to contributions of individuals who are members of a religious sect. They can elect not to make contributions, and this is on a once in a lifetime basis. I see no reference to a minimum age at which they will be allowed to excuse themselves, and I hope that the committee will see fit to change this by an amendment designating a specific minimum age because anyone who excuses himself under that election may decide years later he wants to come back in and will be forbidden to do so by the provisions of this bill as it now stands.

[Mr. McKinnon.]

This is a very complex bill, so much so that I am sure the parliamentary secretary when he speaks later will want to clarify it.

On page 8 in Clause 10 we find reference to the amount of the maximum pensionable earnings. I can only say that I am very much in agreement with this, but I should like to speak about this matter as it relates to disability pensions referred to on page 12. In the proposed new Section 18 it does not clearly preclude an integrated act such as the Canadian Forces Superannuation Act. If an individual is receiving a disability pension from the forces, and these two acts are integrated, I am curious to know whether the disability pension referred to in this bill is a service disability pension or a Canada Pension Plan disability pension. I think that should be clearly defined before this becomes the law of the land.

We note reference at page 25 to the effect that a surviving spouse under age 65 gets 37½ per cent plus, and over 65 gets 60 per cent of the pension contributed to on the death of his or her spouse. I suggest that anyone who thinks it only costs a husband of a household 40 per cent of his financial budget to run that household has no appreciation of what it costs. I think a housewife would need more than 60 per cent of her husband's pension in order to survive as a widow, and I suggest that 75 per cent would be a much more reasonable figure.

At page 33 there seems to be a clear contradiction in the explanatory notes in that part which reads:

The repeal of section 69 would remove the restriction in the amount of retirement pension that may be received by persons between 65 and 70 years of age while they are in receipt of employment earnings.

I suggest that one becomes confused when one reads at page 33, Clause 35, which starts out by saying "Sections 68 and 69 . . . are repealed." Down at the bottom of the page we get figures and a statement to the effect that a person's pension will be reduced by 50 cents for each dollar which his employment earnings, for the months in the effective period in 1974 after the pension has become payable, but before the individual reaches 70 years of age, exceed that proportion of 12 times $95 that the number of months is of 12. I read this over several times, and eventually came to the conclusion that the government, when it talks in this bill about the effective period in 1974, is really referring to the ineffective period. That is the impression I got, that the effective period in 1974 is that period before this bill becomes an act and before the new amendment becomes law. Certainly that should be referred to as the ineffective period to clear up some of the obvious confusion.

Let me conclude these remarks by referring to page 22 again. I would express my unhappiness about the fact that this bill pretends that women are to get fair treatment under the Canada Pension Plan. The explanatory notes on the righthand page of this bill appear to have been written by a public relations officer rather than the minister, with his fine legal mind. We get a great buildup when we read these explanatory notes at page 22, particularly that statement which reads as follows:

This amendment would provide for equality of status for males and females under the Act.

That is rubbish and irony of the worst sort. The irony is, of course, that the bill provides for money to be paid to the man. How wrong can you be when you pretend to treat

females equally. You are giving them the big break in that you are paying money to a man who outlives them. That is ridiculous. I could quote from several press clippings to indicate that the press has been mislead about this clause of the bill. We find in the Toronto *Star* this heading, "Women to get same benefits as men". Then if we read Clause 25 we find this stated:

(d) a survivor's pension shall be paid to the surviving spouse, as determined pursuant to section 63—

If a woman dies, and if she was the head of the household at the time of death, the surviving spouse with dependent children will get some of the benefits that she has earned. Apparently that is the only concession made to women in this whole bill.

● (1540)

I would like to point out that in clause 25(2)(d)(ii) we have three paragraphs, (A), (B) and (C). This is totally confusing. It says that if the surviving spouse has reached 65 years of age:

(A) had at the time of the death of the contributor reached 35 years of age,
(B) was at the time of the death of the contributor a surviving spouse with dependent children, or
(C) is disabled;

My question is does the "or" at the end of paragraph (B) mean that one must have (A) plus (B) on the one hand, or (C) on the other, or does one have the choice of (A), (B) or (C). Surely the minister's writers could have come up with something which would not lead to such confusion.

It confused the Toronto *Star* which in a headline states, "Women to get same benefits as men". Then the Montreal *Star* in an article said:

The second—

Referring to changes.

—designed to remove sex discrimination, will turn widows' pensions into survivors' pensions. That means that a husband whose wife has contributed to the plan at her job can collect benefits if she dies.

Mr. Speaker, what would give a fair deal to women would be if the housewife were allowed to contribute to the Canada Pension Plan. This may have been what the minister hoped to receive credit for, while clearly avoiding giving this concession. I agree with the press release which came out today by the Advisory Council on the Status of Women which states, on page two, that they seek recognition of marriage as an economic unit as well as a social partnership. They recommend that during marriage 50 per cent of Canada Pension Plan contributions made by either husband or wife should be credited toward the pension buildup of the other spouse, whether or not the other spouse is in the paid labour market.

To me that would seem to represent justice. I believe this should be incorporated in legislation at the earliest possible time. This childishness of wondering whether to call a wife a house-spouse or house person, or contributor or survivor, possibly is a way to bring about discussion while the minister tries to get out of assuming responsibility. After slamming the minister for coming up with these words, if I may I should like to suggest that we could call the wife "counsel in the house" because counsel are well paid.

Believe me, wives are worth a lot more than this bill gives them. They have a right to be considered as full-fledged Canadian citizens. This legislation does not give that to them. The legislation does give them the knowledge that if they should die their husbands may be able to receive some monetary reward for having been married to them. I think this bill is an insult to womanhood.

With those words, Mr. Speaker, I shall conclude. I intend to vote for the bill. I hope the changes I have recommended will be accepted during the committee stage. I hope the minister gets this bill through fairly early and enjoys his day off.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I am glad to take part in this debate on a bill which is good and sound because, in essence, it endeavours to keep pace with changes in our society and the values held by Canadians. I was a little amused by the remarks made today at a certain point by the hon. member for Fraser Valley East (Mr. Patterson), who seemed to claim fatherhood for the measures contained in this bill. I was amused, because we all remember what happened last summer in respect of the measure contained in this bill which would allow individual members of religious sects to be excluded from the provisions of the Canada Pension Plan in certain cases.

At that time another member of the same party took great exception to the measure. I refer to the hon. member for Crowfoot (Mr. Horner). Until I receive notice to the contrary I assume that both the hon. member for Fraser Valley East and the hon. member for Crowfoot belong to the same party.

I find it difficult to understand how one member can claim fatherhood for the measures in this bill while another member of the same party was opposed to them at the time they came before us last. Be that as it may, the Canada Pension Plan came under unwarranted criticism last December by the Canadian Federation of Independent Business.

In a letter to the *Toronto Star* the Canadian Federation of Independent Business mounted an attack on the CPP stating, among other things, that in less than ten years there will be no money in the fund to provide benefits for all those Canadians working at that time. This is not so. The report that was tabled in this House by the chief actuary of the Department of Insurance in 1973 paints quite a different picture in respect of the Canada Pension Plan fund over the next decade. It indicates that if the present Canada Pension Plan contributions rates are maintained, the size of the Canada Pension Plan, far from disappearing as stated by the Canadian Federation of Independent Business, will in fact increase from $6.6 billion to $20.3 billion by 1984.

Also the cost of the substantial Canada Pension Plan benefit improvements that were recently introduced by the government, and which came into effect on January 1 this year will be matched by increased revenues and contributions.

Finally, I find it worthwhile noting in connection with this fund, which is perhaps the envy of any other pension plan in the world for its help and substantial content, that approximately up to 70 per cent of Canada Pension Plan

benefits and administrative costs for the next decade are expected to be financed by the interest revenues accruing to the Canada Pension Plan fund. I have here figures that apply to the year 1974. The revenue from contributions is $1,074,000,000. The revenue from interest is $479 million, and the expenditures, the combined cost of benefits and administrative expenses, amounted to $437 million. This demonstrates the fact that revenue from interest at this point in time at least is greater than the cost of benefits and administrative expenses. I would say that represents pretty good management.

There are in this bill a number of very fine amendments which reflect a sense of fairness and social justice which the plan continually wishes to pursue. In addition to the examples that were given last night by the minister and other speakers, I should like to add a few which are worth putting on the record.

● (1550)

For instance the act provides now that when recipients of disability pensions reach age 65, payments of their disability pensions cease and they start receiving retirement pensions. It was originally intended that this change would occur the month after the beneficiary reached age 65, but through a quirk in the wording of the act the change is presently delayed by one month. One of the amendments proposed in this bill would remove this anomaly.

Similarly, there is a one month lag under existing law for the commencement of payment of widows or survivor's pension to a woman upon her reaching age 65. An amendment in the bill will correct this flaw. The same applies in the case of disability pension when that pension comes to a conclusion and the retirement pension takes over.

Another example is that the act now provides that wages earned by a contributor before his death, but paid after his death, cannot be taken into account for purposes of the Canada Pension Plan. An amendment is put forward to delete certain words in a section of the act which will remove this anomaly, taking effect as of January 1, 1975.

Another example is that the act now provides that the earnings of a self-employed person in the year of his death must be prorated whereas those of an employee are not. That means that if a self-employed contributor dies in the month of January, he could only be credited with one-twelfth of his actual earnings in January. The amendment removes this distinction and treats the self-employed person on the same basis as the employee contributor. This action will take place on January 1, 1975.

Another change deals with a contributor who holds two jobs simultaneously and who may expect to be assigned to two different year basic exemptions and may not have contributed on his total eligible earnings. The act allows such a person to elect to contribute on any such extra earnings. The amendments contained in the bill would clarify the wording of the section and extend the time limit for such election, and allow for an election by a representative of an incapacitated or deceased contributor.

It is a good step that the bill provides, in the case of a self-employed person who is not required to remit income tax by instalments, that he not be required to remit the

contribution to the Canada Pension Plan on an instalment basis.

There is another anomaly in the present act which prevents contributors from securing maximum disability pensions, although this is a minor loss in income. Nevertheless the contributor is required by the act to make contributions for a month in which he is not allowed to make a contribution. One of the amendments contained in the bill will remove this anomaly and pave the way for the payment of a maximum disability pension.

Another example, Mr. Speaker, relates to the fact that under the present legislation a survivor benefit which becomes payable in the month of January cannot be escalated in accordance with the cost of living index of the previous year. However, a survivor's benefit which becomes payable in December can be so escaled. In order to correct this anomalous situation in which the earlier pension is higher than the pension starting a month later, an amendment is proposed. It will apply the escalation factor to the pension payable in the month of January.

Another worth-while measure relates to a provision in the act that the required application for any Canada Pension Plan benefit can be made on behalf of an incapacitated contributor. In order to carry this principle to its ultimate conclusion, there are amendments in this bill that will allow appeals to be made on behalf of an incapacitated person at any three of the appeal levels.

Another example worth mentioning relates to the fact that at the present time the act allows for the denial of Canada Pension Plan benefits to persons who do not have a social insurance number. Among other things the bill proposes to remove this kind of penalty, and both ministers who are responsible for SINs will be authorized, along lines similar to those in the legislation governing old age security, to assign social insurance numbers to contributors and beneficiaries. We hope this particular amendment will be of some comfort, though perhaps limited, to the hon. member for Halton-Wentworth (Mr. Kempling) who has been struggling with a problem of one of his constituents regarding a social insurance number.

Like all those who have spoken before me, I support the changes contained in this bill and hope that there will be more to come in order to keep pace with the changing thinking in our society, with the changing expectations and attitudes toward work and retirement of Canadians.

Those who have spoken before me have already made the point about the desirability of changing the Canada Pension Plan in future so as to permit volunteer contributions by people who are not employed or self-employed but who do perform a valuable function in society without following a regular work pattern.

In the mail today we received a press release from the Advisory Council on the Status of Women. I should like to read a passage relating to the Canada Pension Plan which appears on page 2:

> Recognition of marriage as an economic unit as well as a social partnership is a thrust of the proposal that during marriage 50 per cent of Canada Pension Plan contributions made by either husband or wife should be credited toward the pension build-up of the other spouse, whether or not the other spouse is in the paid labour market.

There is already an awareness in the country that makes it quite clear that a change of this nature would not only

be well received but would also reflect both a fact of life in our country and a desire that has been expressed in so many quarters.

● (1600)

Another change which will be most desirable in future is one affecting recipients of workmen's compensation benefits and pensions. These are paid usually to injured workmen or to women who, because of injury, must leave the labour force, sometimes for months or years. Consequently they cannot contribute to the Canada Pension Plan. It would be most desirable if we could treat workmen's Compensation payments as earnings, for purposes of contributing to the Canada Pension Plan. Such measure would be well received and would meet the aspirations and wishes of people, as expressed over the years.

May I suggest another measure which might be brought forward in future. It could be before this House in one year or so. It has to do with reducing the five-year period of contributions which is necessary before one can qualify for a disability pension. Some people who have been involved in accidents or who suffer from progressive diseases but who, nevertheless, have contributed for a few years, find that they have not contributed long enough to the Canada Pension Plan to qualify for a disability pension.

Instead of forcing them to turn to local or provincial welfare, under the Canada Assistance Plan it would be helpful if we could give them access to some form of disability pension, even if that pension is not as large as it would be for those who have met the five-year contribution criterion. At least they would receive the pension. This would help them. Definitely the fund is in such a healthy state that reducing the five-year contribution period to some lesser period would not affect seriously the level of moneys which have been built up in it over the years.

As I have said previously when answering criticisms, the fund is in an extremely healthy condition. If I understand actuarial studies correctly, it will be possible to support expenditures and administrative expenses with revenue from interest up until 1976. Between 1976 and 1984 revenue from interest alone will be high enough to subsidize 50 per cent, if not more, of expenses. So, the fund is in an extremely healthy condition.

Another desirable measure is suggested in the report issued by the Department of National Health and Welfare entitled, "Canada Pension Plan 1973". Page 9 deals in part with international agreements and reads:

> On a wider scale, an exploratory three-day meeting was held in July, 1972 with officials of the United States Government to discuss problems related to the introduction of a general reciprocal agreement on social security. A similar meeting was held in September with United Kingdom officials for the same general purpose. In addition, the Government of Italy has expressed interest in negotiating a reciprocal agreement on social security. A meeting was held with Italian officials about a year ago and a further meeting is scheduled for the end of May to be attended by interested officials from both countries. In all three cases, National Revenue was involved from the point of view of coverage and contributions.

There is definitely great potential for international agreements with other countries which will permit the payment of Canada Pension Plan benefits to immigrants. Such agreements will take into account total payments of various kinds made to various plans by the immigrant before arriving or settling in Canada. I urge the government to consider such measure. I am sure that such agreements will come about.

Looking to the future, I support the position taken last night eloquently by the hon. member for Winnipeg North Centre (Mr. Knowles). He pleaded for a reduction in retirement age. We made great progress when we reduced the age of retirement from 70 to 65. Perhaps the time is ripe for us to give Canadians further options, that is, permit them to retire at an age of their choice. Of course their income from the Canada Pension Plan would be commensurate with their years of contribution and the age of retirement.

Instead of stressing the reduction of retirement age to age 60 it would make better sense, I suggest, if the government gave consideration to a system under which retirement might take place at any age. Of course, the earlier the retirement age, the smaller would be the payment. As I said, the fund is doing well, and will continue to do well for a number of years. It might do even better if we could determine the degree to which Canadians might wish to make larger contributions to the fund.

That brings me to my final point. Under the Canada Pension Plan there is an advisory committee. It is a good institution. It produces good ideas and gives the government an indication how the plan is functioning, what are its weaknesses, how it can be improved and what changes should be introduced from time to time. I see great merit in that institution.

I suggest that the government should consider seriously extending the system of consultation carried on through such advisory committees. It should do this on a broader basis, and consult Canadians regularly. For instance, the government could determine what Canadians think of the plan and how much they would be willing to pay into the fund, to achieve those very things which have been proposed in this debate, among which is earlier retirement.

Methods similar to those used at present could be used. For instance, when people get their monthly Old Age Security or Family Allowance cheques, they often find in the envelope excellent printed material which deals with nutrition or other messages the government wishes to communicate. By similar means the people could be asked at regular intervals what they think the Canada Pension Plan should offer in addition to what it is offering, and how much more they are willing to pay to achieve certain goals. Questionnaires might be sent to recipients of Old Age Security and Family Allowances.

I appreciate that the sample obtained would be very small and far from perfect. Nevertheless, it would be a way of assessing those in receipt of a substantial social security measure as to their views about the Canada Pension Plan, to consult them, and put to them the cost of improvements, as well as asking whether they would support the idea of greater contributions than are made at present. By so doing the government and politicians would be in a better position to guage the will of Canadians as to what the future of the Canada Pension Plan ought to be.

● (1610)

We could determine whether there is the support we seem to sense, but for which we do not have any tangible proof, with regard to retirement earlier than age 65. It would also determine whether there is a willingness on the part of Canadians to make more substantial contributions to the fund which would in turn permit the fund to pay more substantial pensions and make them available at an earlier age.

The Canada Pension Plan is a very fascinating scheme of social security which reinforces the democratic structure of this country. It certainly reinforces the federal-provincial fibre of this nation. As members know, excess moneys in the fund are invested in provincial securities with a term of maturity of 20 years.

Since the inception of the Canada Pension Plan I understand that substantial funds have been invested in this way. In 1972-73 these excess moneys amounted to $971 million, which were invested in securities of the provinces and Crown agencies. From the inception of the plan up until March 31 of last year the total investment amounted to no less than $5½ billion, no small sum. It is definitely a source of capital that comes in very handy for the provinces for their own public works and other measures that serve the needs of Canadians in each province of this country.

Apart from the aspect of strengthening the fibre of confederation, there is a potential element in the Canada Pension Plan which is promising and exciting. If we could look beyond the scope of the advisory committee and consult Canadians from coast to coast as to their willingness to continue to respond at the present or lower levels, or hopefully at higher levels in order to make available retirement or disability pensions at a greater rate than at present, that would reflect their willingness and readiness to make these contributions available. By doing it in that way we could truly put into effect a fine concept of democracy, something which I suppose was in the minds of those who originally designed this very fine plan.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I welcome the opportunity to participate in the debate on Bill C-19 to amend the Canada Pension Plan. During the debate on Bill C-224 we indicated our support for that particular amendment. On this occasion we have also indicated our support for some restriction of the debate so that this bill can have quick passage.

During the last debate we encouraged the minister to take action in many areas where we felt there was discrimination and hardships. At that time I made a personal appeal to the minister to outline in more detail his philosophy regarding the Canada Pension Plan and, in particular, its relationship to the orange paper on social security.

It is true the minister has acted on many of the recommendations we suggested in the last session, but I find it particularly disturbing that he has not responded to the more important and fundamental issue of providing the details that I believe must be available to ensure the intelligent public debate that he purports to be necessary for developing a total security strategy.

[Mr. Caccia.]

Following the federal-provincial conference on February 19 and 20 of this year there were numerous communiques and press releases which indicated a consensus on many of the issues we proposed in the past, including the very important issue of equality. However, it was readily apparent from the releases that the federal government had not addressed itself to the principle of equal rights for women.

They also announced that this major issue relating to women, particularly in those areas of family farms or small businesses, or indeed at home as housewives, should be studied further and referred to the Canada Pension Plan advisory committee and to the Advisory Council on the Status of Women. I would refer to this as a typical example of the shuffle-the-problem type of game.

Earlier this year June Menzies, the vice-chairman of the Advisory Council on the Status of Women, presented a discussion paper entitled The Canada Pension Plan and Women. Actually it was presented in January of this year. Surely we are not to believe that the Canada Pension Plan advisory committee has been sitting by idly ignoring these issues and not reporting directly to the minister.

The problem that bothers me most, and I feel it is a real insult to the intelligence of this House, is that in his opening remarks yesterday the minister made reference to the discussion paper on housewives and the Canada Pension Plan, which was presented to the Standing Committee on Health, Welfare and Social Affairs on April 4. I plan to make some detailed reference to that later.

To summarize, the government and the minister presented to this House the orange paper on social security, of which the Canada Pension Plan is a very vital component. We are presented with ad hoc amendments which I admit add substantially to the existing legislation. However, we have not had access to detailed information from the department, and we have not had the positive statements required of the minister in the proper forum to discuss in detail the total social security program, particularly as it relates to the Canada Pension Plan. Rather, we have been confronted by a smokescreen, first in the presentation of an inadequately detailed orange paper and now with an ill-prepared paper discussing housewives and the Canada Pension Plan. As I already indicated I will be making some comments about that particular discussion paper a little later.

At the outset I referred to several matters which my party supported in the past and which are now included in this bill. They correct some of the vast injustices of the program. As has been done by other members, I wish to congratulate the minister for bringing in these changes. The main purpose of this bill is to ensure that benefits are paid to survivors of female contributors on an equal basis with survivors of male contributors. We have long recognized this discriminatory feature against female contributors, and have repeatedly requested these changes over the last few years. It is also important to note the provinces have requested similar changes in the past, notably at the most recent federal-provincial conference. In effect the amounts of the benefits paid on application will depend on the same age, health and dependent children qualifications as now apply to widows.

● (1620)

The repeal of the disincentive to work between ages of 65 and 70 has long been recommended by many organizations, including the Advisory Committee of the Canada Pension Plan.

The statistics related to low income indicate that when the head of the household is between the ages of 65 to 69, the incidence of low income is 26.7 per cent; when he is 70 years of age or older, 29.1 per cent. The low income incidence among unattached individuals in the same age categories is of 50 per cent and 65.5 per cent.

With such a high incidence of low incomes among the aged, and with the difficulties our senior citizens have experienced in living with rampant inflation and a spiralling cost of living, I find it difficult to comprehend why this disincentive was originally introduced into the plan.

The completion of adjusting the years maximum pensionable earnings is an additional feature of the bill, along with a new formula for determining the year's basic exemption. Again these proposals are in keeping with the recommendations of the federal-provincial conference. I must add, however, that this is a further example of inadequate information being disseminated to the public. I have been contacted by several small businesses and labour groups who do not comprehend the impact these proposed changes will have on their businesses, many of them marginal in operation, or on the take home pay of those working in such businesses. Surely the minister can supply such data so that the individuals concerned may fully understand the impact of the changes.

The hon. member for Davenport (Mr. Caccia) made reference to Bill C-190 when he spoke a few moments ago. May I simply say I was personally pleased to see the amendments proposed in Bill C-190 during the last session included in the present bill. The presentation made by the Old Order of Amish and Mennonites to the Standing Committee on Health, Welfare and Social Services was for me a moving experience. Their belief that their own religious community, not the government or any outside insurance plan, should carry the responsibilities for the welfare and support of its members is a refreshing testimony to the community spirit. Their contribution to the surrounding community, their fellow man, and to the international community is an example all Canadians could seek to emulate.

Several technical changes have been introduced. They include provisions to improve the appeal system, provisions for self-employed to remit CPP contributions on an instalment basis, changes more in keeping with present divorce laws, provision for payment of disabled contributors, child benefits for natural or legally adopted children acquired by pensioners after the onset of disability, provision for the write-off of certain debts, relaxation of the four year limit on employee corrections to records of earnings, and the repeal of the prohibition which prevents persons who do not have a social insurance number from receiving CPP benefits.

A major problem which has not been adequately covered is one related to the delay in processing applications made not only on retirement but in particular by those applying for permanent disability pensions. In addition, since the program is convenient for many employees, consideration should be given to allowing them to invest money towards their retirement above the present legal limits, if they so desire.

Mr. Speaker, I would like to return to the fundamental issue I raised in the House on October 30, 1973, and referred to in my opening comments today. What role does the CPP play in the entire social security strategy? The Annual Report on Health and Welfare for 1972-73, referring to the Canada Pension Plan implies we are dealing with a social insurance plan:

> The Canada Pension Plan was established by act of Parliament which received Royal Assent on April 3, 1965, and was proclaimed in force on May 5 of the same year. The plan is designed to be entirely self-supporting; all benefits and administrative costs are financed from contributions of employees, employers and self-employed persons, together with the interest earned from the investment of funds.

Mr. Speaker, there is no doubt the impression conveyed to the Canadian public is that this is a social insurance program. It must be re-emphasized that the Canada Pension Plan was introduced as a contributory social insurance program for members of the Canadian labour force, with three basic objectives:

1. To guarantee an income-related pension to every member of the labour force.

2. To provide basic social insurance to each labour force member and dependents in the event of death or total disability.

3. To provide a source of capital to the provinces.

We have established a program which is complex and poorly understood by the Canadian people. The government and the minister have convinced the majority of Canadians that the Canada Pension Plan is a pure social insurance program when in reality it contains many non-earnings-related benefits, giving it many features consistent with a welfare program.

We have a government which talks of a social security strategy, which makes ad hoc amendments to existing legislation, which distracts us with working papers, but which refuses to define the role of the CPP within the context of an over-all income security policy.

Let me give an illustration from my speech last year. When the guaranteed income supplement payments began in 1967, the year in which the Canada Pension Plan commenced, the Guaranteed Income Supplement was initially intended as a temporary program to be phased out when the CPP matured in 1967.

● (1630)

In the 1970 white paper on income security the government proposed to establish the guaranteed income supplement as a permanent program, to continue universal old age security payments, and to amend the Canada Pension Plan. The proposed CPP amendments were to eliminate two problems as defined by the white paper: first, gaps remaining in the income security system, particularly for widows and disabled people; secondly, CPP contributions and benefits had not kept pace with the growth in average Canadian wages. The suggested changes in the CPP amendments were to increase substantially widows and disability benefits, and to increase retirement benefits

through selective increases in the earnings ceilings. These changes obviously emphasized the welfare aspects of the plan.

By design we have a government that discusses the development of a social insurance strategy in which the CPP has received top priority. The government has given the impression that this is a form of pure social insurance and refuses to define, or what is more likely cannot define, the role of the Canada Pension Plan in our fragmented social security system. In effect we have a plan which has features of social insurance, therefore not requiring internal subsidies. In addition, we have a plan which has welfare features, including subsidies paid by the taxpayers, similar to other income support programs. And, what is most tragic, these subsidies in many instances are paid to those with the least need rather than to that large segment living in or near poverty.

At the outset I indicated that I wanted to spend some time discussing what I feel to be a most important document, and that is the discussion paper on housewives and the Canada Pension Plan which was introduced to the Standing Committee on Health, Welfare and Social Affairs on April 4, 1974. I have some comments I wish to make about this, but to comment properly, Mr. Speaker, and with complete understanding, I should like to quote from the discussion paper and then make some observations following that.

The introduction to this paper on housewives and the Canada Pension Plan is as follows:

> This is a time of reappraisal concerning the position of women in society and in the home. Certain traditional assumptions and values are being questioned and changed. This relates both to the increasing participation of women in the economic work force of the nation, and to changing attitudes concerning the position of women within the fundamental unit of Canadian society—the family.
>
> This basic reappraisal bears upon the Canada Pension Plan in two main respects: (1) certain provisions within the plan accord different treatment to male and female contributors and beneficiaries, and this has been questioned; (2) views have been expressed that housewives who remain at home, and do not draw salaries as members of the working force, should be enabled to participate in the Canada Pension Plan.
>
> Action is now underway with respect to the first issue. The government of Canada, with the full agreement of all provincial governments, is placing legislation before the 1974 session of parliament to establish full equality of treatment for male and female contributors and beneficiaries.
>
> The second issue was discussed by the federal and provincial welfare ministers at a meeting in Edmonton in February, 1974, as a part of their review of the social security system. All governments recognized that there were complex difficulties associated with the implementation of this objective. The ministers agreed, however, that the various possible approaches to meeting this objective should be given serious study. The issues involved need to be examined not only by governments, but by the public at large. This paper has been prepared, therefore, in the hope that it will provoke wider public discussion of the issues, and that from this discussion the best answers may emerge.
>
> It should be noted that while this paper speaks of the "housewife", since it is most frequently the woman who remains at home to look after the interests of the family unit, the same principles, of course, apply also in cases when men remain at home for this purpose. However, the term "housewife" was used in preference to the more general but less appealing term "housespouse".

This is the issue as defined in this paper:

> The central features of the issue, the considerations involved, and the practical range of options for the future were set forth clearly by the Royal Commission on the Status of Women. In the words of the Commission:
>
> "With rare exceptions, the woman who stays at home depends on her husband for money. While she may receive a family allowance cheque, the money is spent on the cost of keeping a child and cannot be regarded as payment for its care. Unfortunately we have no over-all solution for the financial dependency of housewives. But there is one area in which steps could be taken to give them some financial independence at least in their later years. Housewives should be entitled to pensions in their own right under the Canada Pension Plan or the Quebec Pension Plan.
>
> "The housewife who remains at home is just as much a producer of goods and services as the paid worker, and in our view she should also have the opportunity to provide for a more financially secure future. Canada has given some of its workers an opportunity to do this through the Canada and the Quebec Pension Plans. To neglect to do the same for some three and one-half million other workers in the home is to ignore the essential nature of their work.
>
> "The Canada and the Quebec Pension Plans do not entirely ignore housewives since they provide for a pension for a widow of a contributor. In other words, these plans recognize that a widow should benefit from her husband's contributions.
>
> "This is in keeping with the concept of marriage as a partnership. But in recognizing only the rights of a widow to a pension on the basis of her husband's contributions, the plans go only part way. For example, in the case of a marriage breakdown, the former wife loses all claim to a widow's pension. This can cause hardship when the breakdown occurs late in life and the wife has had insufficient time to build up a reasonable pension through her own paid work. A second wife may reap the benefits of the contributions made by the husband during his first marriage.
>
> "Even if a divorced or separated woman enters paid employment, the pension she earns may be adversely affected by the years she spent in the home as a housewife. Pensions are related to earnings and her earnings prior to, during and after marriage are averaged over the number of years she could have been employed, and this includes the time that she remained in the home. While some provision is made for reducing the number of years to be averaged, there will be cases in which a divorced or separated woman will be unable to work a sufficient number of years to make up for a non-earning period as a housewife.
>
> "For all of these reasons provision must be made for the participation of housewives in the Canada or the Quebec Pension Plan. A comprehensive study will be required to determine the best way of achieving this . . . However, two approaches seem to us to have considerable merit . . .
>
> "(i) crediting to the spouse remaining at home a portion of the contributions of the employed spouse and those contributions made by the employer on the employed spouse's behalf, and
>
> (ii) on an optional basis, permitting the spouse at home to contribute as a self-employed worker."

This document in many ways, I feel, is a perfect camouflage of the government's inability to ensure women's full participation as contributors to, and recipients of benefits from, the CPP. As I indicated earlier, as with the orange paper we have been presented with little information to promote intelligent debate.

Under the present plan, which I indicated earlier was subsidized by the government in many instances, will the minister be prepared to subsidize a rich 64 year old housewife who can contribute to the Canada Pension Plan rather than utilize that subsidy to assist the poor 64 year old housewife who cannot contribute to the Canada Pension Plan? Would he subsidize a 64 year old housewife under the CPP and ignore one who is 84 years of age?

● (1640)

There is no intelligent way of discussing this document or this paper without presenting dollar amounts involved

per person. When we are being asked to make a choice, on a personal basis or otherwise, in respect of any financial matter or, in this instance, when government spending is involved, we must ask for two important sets of figures: first the dollars you will pay and, secondly, the dollars you will get back. Let me turn as an example to the bottom of page 4, and I should like to quote from this page which deals with mandatory alternatives. It states:

> This approach would certainly give recognition to work in the home as regular employment, and would provide a measure of financial independence to the housewife. However, it seems unlikely that most Canadians would find this to be a satisfactory alternative. It is necessary to ask how many Canadian families would consider it acceptable for the government to intervene in this way in the financial arrangements made between husband and wife? Also, how many families would consider it acceptable to be required to make additional Pension Plan contributions from the same level of family income?

I would simply suggest in respect of such a question that Canadians cannot make an honest appraisal, in order to give an honest answer to that kind of question, without a knowledge as to the dollars in and dollars out to which I referred previously.

The crux of the issue in this document relates to the second point on page 2. I quoted this before but I want to come back to it. It states:

> "(ii) on an optional basis, permitting the spouse at home to contribute as a self-employed worker."

The housewife very frequently wants to be included under the Canada Pension Plan at the same contribution rates and with the same benefit rate as any other Canadian, whether it be her husband, a career woman or someone else. I suggest that this working paper makes no attempt to address itself to this problem but simply waffles by summarizing five points at page 10, proposing these as an answer to the problem in respect of equal rights as between men and women. Let me quote this, Mr. Speaker:

> The most important considerations, however, are issues involving basic social equity, and the future operation of the Canada Pension Plan, and private insurance and pension plans. These issues may be summarized as follows:
>
> 1. If housewives are allowed to participate in the Canada Pension Plan on a voluntary basis, this option would tend to favour wives in families having the willingness and financial ability to participate. Wives in lower income families would have an extremely limited capacity to take advantage of such an opportunity.
>
> 2. Can the needs of wives at home be considered separate and apart from those of other individuals who undergo long periods of no earnings because of unemployment, ill health, extended education, and other reasons?
>
> 3. If housewives with earnings are permitted to contribute to the Canada Pension Plan on a voluntary basis, should any provision for voluntary participation be extended to housewives with part-time earnings, and other part-time and low income workers?
>
> 4. If an opportunity were extended to some or all wage earners to supplement their Canada Pension Plan coverage on a voluntary basis, a situation would be created whereby wage earners could transfer their coverage under private pension plans to the Canada Pension Plan. The differences in funding arrangements between the Canada Pension Plan and private plans would provide a substantial incentive for many to make such transfers. If this were done on a large scale, it could seriously undermine the position of private pension plans.
>
> 5. Actuarial reports which the government has tabled in Parliament from time to time indicate that the financial provisions of the Canada Pension Plan will have to be reviewed at some future date. If such a future review should lead to an increase in contribution rates, would volunteer participants be allowed to reduce or withdraw their participation? If this were permitted, the increased costs of the pensions credits, accumulated by the volunteer participants would be passed on to the participants who are required to contribute to the Plan on a compulsory basis. The equity of such an arrangement could be the subject of serious criticism if the bulk of volunteer participants came from higher income families, and if large numbers of compulsory participants were comprised of low wage earners. These consequences could be avoided if volunteer participants, once allowed to participate, were required to maintain their participation; or, if allowed to reduce or withdraw their participation, were required to accept a reduction in the value of their accumulated pension credits. Such alternatives, however, would likely be considered as acts of bad faith on the part of the government.

As I suggested previously, if the minister is truly interested in resolving this critical issue of equal rights for men and women involved with the Canada Pension Plan, he could help by presenting simple dollar examples and illustrations for various individuals or people involved.

Referring again to page 8 of this paper let me quote from paragraph (b) which states:

> The family could be allowed to assign a dollar value to work in the home (perhaps within some prescribed limits), which would be over and above to wages earned by the husband, and contributions could be made in the name of the housewife based on this amount. This would permit the housewife to build up her own pension credits without any decrease in the family unit's basic protection. However, it would also mean that the family would have to pay additional contributions to the Plan out of the same level of income.

I should like to emphasize again that this is another example of why the Canadian family could not make a valued judgment of such a statement without a dollar presentation, or a proper analysis in respect of a particular family. I strongly urge the minister to present such figures to the House, or to the standing committee, so that an appropriate analysis can be made.

I am deeply concerned about a basic point that has not been discussed in this particular working paper to which I have been referring. If we consider the pensions payable to retired married couples and those payable to a retired person living alone, whether he be single, divorced, a widow or a widower, using as an example old age security, we find that a couple will get exactly twice the amount a single person receives; and if we look at the guaranteed income supplement we find that a couple receives almost twice the amount a single person receives. The minister stated to the House and to the standing committee that the general pattern around the world in respect of government pensions would indicate that a couple receives almost twice the pension received by a single person. That being so, surely a couple should receive under the Canada Pension Plan an amount exactly double that received by a single person?

If this logic is good, then surely splitting the Canada Pension Plan credits, as one of the alternatives suggested, would be at odds with the existing plan and would be of no value? Therefore, only by bringing in housewives with the same contribution rates and the same benefit rates as workers will we achieve this particular end.

The hon. member from British Columbia who spoke earlier referred to the policy paper on women presented to our national convention, and I agree with the two statements he made. If the minister is sincere in implementing this important principle of equality as between men and women by removing the injustices and discrimination against women, surely he will present a detailed dollar

analysis of the various proposals, illustrating individual examples.

● (1650)

Only in this way can we have a proper analysis and appropriate decisions with regard to the plan and regain the confidence of the people of Canada. If the minister in searching for a solution, and wishing to gain the support of the House in these areas I have talked about, would present this particular material to the standing committee, or to the House, and consider the facts I have raised, I think this would go a long way toward improving the program and giving equal rights to men and women across Canada.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I am very pleased to speak during this debate on the second reading of Bill C-19 to amend the Canada Pension Plan. This is the second major bill to amend the Canada Pension Plan that the government has introduced since it began, a year ago, a review with the provinces of Canada's social security system. The first bill was passed by Parliament last session.

The bill we are debating will fulfil the commitment respecting the first round of agreements with regard to the Canada Pension Plan reached with the provinces in October last year, and will give effect to the second round of agreements that were concluded with the provinces just two months ago in Edmonton. It is important to summarize the main features of the bill. It proposes full equality of treatment for male and female contributors and beneficiaries under the Canada Pension Plan.

It proposes repeal of the earnings and retirement tests under this plan so that contributors aged 65 and over can draw all Canada Pension Plan retirement benefits they have earned without regard to subsequent earnings. It proposes a new formula for determining the year's maximum pensionable earnings, which is the earnings ceiling for the plan, so that future benefits and revenue will reflect the advances in the Canadian wage level that have been occurring during the last decade.

The new formula also provides that once the base for calculating new benefits and determining fund revenues is brought up to date it will keep pace with further increases in the average earnings of Canadian industrial workers. Bill C-19 proposes modification in the current formula for determining the basic exemption for the plan so that Canadians at low income levels will have a greater opportunity to participate more fully in the Canada Pension Plan.

The bill re-introduces the provisions that were placed before Parliament last session in Bill C-190 regarding the exemption of persons from the plan on grounds of religious conviction. I notice the hon. member who spoke so long on that particular aspect just appeared and now appears to be disappearing. Then there is the liberalization of the provisions dealing with payment of legal expenses, the measures concerning financial administration of the plan, as well as the negotiation of international agreements. These proposals enjoyed wide support in Parliament but could not be enacted before the end of the last session.

[Mr. Holmes.]

This bill contains a large number of technical amendments that rectify minor errors, inequities and anomalies the department has uncovered in the administration of the plan. Generally speaking these technical proposals do not affect a large number of contributors and beneficiaries but are important to those directly affected. In almost all instances they operate to their advantage.

The review of the Canada Pension Plan has not been completed. Priority subjects are still outstanding. These include the coverage of housewives, early retirement provisions under the plan, the structure and level of the Canada Pension Plan disability and survivor benefits, and the degree to which the needs of the disabled, orphans, widows and widowers should be met by a social insurance program such as the Canada Pension Plan, and the extent to which these needs should be met by income supplementation programs.

Everyone recognizes there are very complex problems raised by the various proposals that have been received concerning the participation of housewives. It is felt that it would be unwise to come to a hasty conclusion before these problems can be thoroughly studied. Various possibilities, such as voluntary contribution and the splitting of pension credits, should be carefully examined during the ensuing years.

It is also desirable to have substantial public discussion of the issues involved. This matter has been referred to the Canada Pension Plan advisory committee and to the advisory Council on the Status of Women for their consideration. In order to have a discussion of the issue within Parliament, the minister has tabled before the Standing Committee on Health, Welfare and Social Affairs a paper entitled "Housewives and the Canada Pension Plan". These initiatives of the minister should provoke public discussion of the issue both inside and outside Parliament. This will assist in determining what are the best answers.

At the same time work will continue on the other studies mentioned, and it is expected that this will be finished within the target period for completing the review of Canada's social security system. The result of these and other studies cannot of course be predicted, but it may well be they will call for the introduction of a further bill to amend the Canada Pension Plan.

Let us examine more closely the major provisions of Bill C-19. The most noteworthy changes proposed by the bill in terms of principle are the provisions for the equal treatment of male and female contributors and beneficiaries. We can take pleasure in seeing them in the bill. The equal treatment of Canadian men and women is a principle to which this government is firmly committed, and is being reflected in further legislation to be considered during the current session of Parliament. The discussion paper recently tabled in the Committee on Health, Welfare and Social Affairs states:

> This is a time of reappraisal concerning the position of women in society and in the home. Certain traditional assumptions and values are being questioned and changed. This relates both to the increasing participation of women in the economic work force of the nation, and to changing attitudes concerning the position of women within the fundamental unit of Canadian society—the family.

It is most interesting in this regard to introduce here the thoughts of my own wife, that there comes a time in the

family unit when a man is so occupied, as we are here in Ottawa, that the woman realizes there is a part she can usefully play in life, and that she should look for a means by which she can be an equal contributor to the productivity of the nation.

● (1700)

Bill C-19 provides striking and tangible evidence of the rate and degree to which traditional assumptions and attitudes on the role of women in Canadian society have changed. The end of the traditional phase of the Canada Pension Plan lies about two years in the future, yet before the plan is fully mature we are already concluding that we should remove the basic distinctions between males and females which were built into the plan with a broad measure of public support a few short years ago.

Distinctions to be abolished by Bill C-19 include the provision in the Canada Pension Plan that upon the death of the male contributor the surviving widow is automatically eligible for a pension equal to 60 per cent of her husband's actual or imputed retirement pension if she is 65 or older. If the surviving widow is between 45 and 65 years of age, or below age 45 and is disabled or has dependent children, she is eligible for a pension equal to 37½ per cent of her husband's actual or imputed retirement pension, plus a flat rate component which now amounts to some $33.76 a month. Lesser amounts are paid to widows between 35 and 45 years of age, and not disabled, or who do not have dependent children.

In addition, when a male contributor dies or becomes disabled, his children automatically become eligible for a benefit that at present amounts to $33.76 per month for each child, or some variation for families with more than four children. On the other hand, when a female contributor dies or becomes disabled, her surviving widower is eligible for a widower's pension only when he is disabled and dependent upon his wife, and the children become eligible for benefit only if they were wholly or substantially maintained by their mother. These differences, it should be noted, have existed notwithstanding the fact that the contribution rate to the plan is the same for male and female contributors.

Bill C-19 proposes the complete removal of these distinctions. The effect of this change, if and when enacted, will be that surviving spouses and children of deceased or disabled female contributors will, in future, qualify for the same benefits, and under the same conditions as those that now apply in respect of the surviving spouses and children of male contributors. The current provision which limits the payment of one benefit for each child will be maintained, and it will be paid upon the death or disability of the first spouse.

An important clause in the bill proposes retroactive eligibility, but not retroactive payment, for the surviving spouses and children of female contributors who died or became disabled prior to proclamation of this bill. In other words, the bill proposes that after proclamation widowers and the children of female contributors who died, or became disabled prior to proclamation, will from that point in time become eligible to receive benefits as though the Canada Pension Plan had always accorded equal treatment to male and female contributors and beneficiaries. This particular proposal of the bill will, it is estimated, benefit about 30,000 individuals.

Those who may be affected by this retroactive feature should note that benefits under the Canada Pension Plan are only payable upon application. Potential beneficiaries of female contributors who died or became disabled prior to proclamation of the bill should consult a CPP district office about their eligibility for a benefit as soon as possible after the bill comes into force.

Another important group of provisions in Bill C-19 deal with the repeal of the earnings and retirement tests. The Canada Pension Plan at present provides that retirement pensions can only be paid to contributors between the ages of 65 and 70 if they have retired from regular employment. Furthermore, if a pensioner, after retirement and under the age of 70, draws wages in excess of $95 a month, the act now requires that his CPP pension be reduced by 50 per cent of his wages between $95 and $155 a month, and by the full amount of his employment earnings in excess of $155 a month.

Bill C-19 proposes the removal of all these restrictions, and so, if and when the bill becomes law, all contributors who are 65 years of age or older will be able to draw all of the retirement pension they have earned whether or not they continue to work and receive wages. It is estimated that these changes will provide an immediate increase for about 5,000 current CPP retirement pensioners, and will result in the payment of perhaps 30,000 additional retirement pensions in 1975.

The removal of the earnings and retirement tests from the Canada Pension Plan could prove to be one of the more costly reforms. It could, over the next 10 to 15 years, turn out to be more costly even than providing full escalation of CPP benefits in accordance with increases in the cost of living. Much will depend upon the number of contributors who will decide to work beyond age 65 and to apply for CPP retirement pensions when they reach age 65.

Virtually half of the contributors who applied for CPP retirement pensions during 1973 were 66 years of age or older, and the proportion of applicants who were 67 years or older was slightly in excess of 30 per cent of all applicants for 1973 CPP retirement pensions. This is interesting in the face of the frequently expressed assumption that most Canadians will shortly be wanting to retire by age 60 or even less. The experience with the Canada Pension Plan indicates that notwithstanding the criticisms of some that retirement at age 65 is an outdated concept, we are still a considerable distance from having universal observance of the age 65 retirement practice. Consequently if contributors who hitherto have been delaying their applications for CPP retirement pensions now decide, in overwhelming proportions, to apply for retirement pensions as soon as they reach age 65, it could have a substantial financial impact on the plan.

Of course persons between 65 and 70 still have the option of not taking their retirement pension, but continuing to contribute to the fund to build up their eventual benefit. A proportion of contributors may conclude that it is in their interest to do this.

Canada Pension Plan

Mr. Speaker, I would now like to turn to the provisions of the bill that deal with the YMPE, or earnings ceiling of the plan. The earnings ceiling, as members are aware, plays a critical role in shaping the revenue and benefit structure of the Canada Pension Plan.

At the October meeting of federal-provincial welfare ministers it was agreed that the CPP earnings ceiling should be brought into line with the one applying to the Quebec Pension Plan, and should then be increased by 12½ per cent a year until it caught up to the average earnings of Canadian industrial workers and, once this was achieved, the ceiling should be kept in line with the earnings of the average Canadian industrial workers. The first steps toward carrying out this agreement were taken when parliament, last session, passed the bill to establish the plan's YMPE at $6,000 for 1974 and at $7,400 for 1975. Bill C-19 contains the proposals for carrying out the other elements of this agreement.

● (1710)

Bill C-19, and the bill passed in the last session, go a long way toward establishing fair and equitable treatment for the nation's retired, disabled, widows, widowers and orphans.

Maximum initial retirement pensions under the plan now stand at $101.41 a month. If the bill is passed, initial maximum CPP retirement pensions should reach a level of about $250 a month by 1980, and $350 a month by 1985. This represents an increase of close to 250 per cent in about ten years' time.

Maximum CPP disability pensions now stand at $125.95 a month. Passage of the bill should raise these pensions to about $225 a month by 1980, and $315 a month by 1985. This represents an increase of close to 170 per cent in ten years' time.

Maximum CPP widow and widower pensions for beneficiaries under the age of 65 now stand at $79.86 a month. Passage of the bill should raise these pensions to about $135 a month by 1980, and $185 a month by 1985. This represents an increase of over 130 per cent in ten years' time.

Maximum CPP widow and widower pensions for beneficiaries 65 years of age and older now stand at $73.75 a month. Passage of the bill should raise these pensions to about $145 a month by 1980, and to $210 a month by 1985. This represents an increase of over 180 per cent in the next ten years.

Basic orphans and disabled contributor child benefits now stand at $33.76 a month. These should rise to about $45 a month by 1980 and $55 a month by 1985.

The increase in child benefits is not provided by this bill, but was accomplished by the bill that Parliament passed last session. This bill does, however, propose that in future they should also be paid in respect of the children of female contributors who die or become disabled. All of these increased benefit rates would be fully escalated thereafter according to increases in the cost of living. It should also be noted that in 1985 we are likely to have three times the 500,000 CPP beneficiaries that we now have.

[Mr. Herbert.]

The updating of the earnings formula that is now in the plan provides that all contributor earnings are updated according to movements in the YMPE; so, sharp increases in the YMPE produce a sharp updating of past earnings at all levels.

These increases in CPP benefits are quite substantial. Still, they do not tell the full story of achievement that has been realized in our social security reforms. During the last year other parts of our social security system have been modernized and, when these improvements are combined with Bill C-19, they produce results of almost dramatic proportions.

For example the income situation of a couple at retirement in a single wage earner family should be considered. A little over a year ago the maximum CPP/OAS income of this couple was about $245 a month; today it is $320 a month. In 1980 it may be in excess of $525 a month; and in 1985 it should be in the order of $700 a month. Seven hundred dollars a month is reasonably close to the average wage of today's industrial worker.

Members might reflect upon the situation of the widow under 65 years of age, with four children under the age of 18. A little over a year ago her CPP survivor benefit and family allowance payments would have amounted to about $200 a month; today they are about $295 a month. In 1980 they should be over $400 a month; and in 1985 they could be in the order of $550 a month. The government is justified in taking considerable pride in this record of achievements.

The Canada Pension Plan has an earnings exemption, called the year's basic exemption, which sets the minimum annual earnings an individual must have in order to contribute to the plan. This exemption is now set at 12 per cent of the earnings ceiling. The possibility therefore arises that if the earnings ceiling is increased quickly, substantial numbers of contributors at the bottom end of the income scale could lose the continuity of their CPP coverage, and so lose some of the advantages of this bill. To prevent this from happening the bill proposes that the basic exemption formula be altered from 12 to 10 per cent of the earnings ceiling. This change, therefore, will provide greater opportunities for people at the lower income levels to participate more fully in the Canada Pension Plan.

The bill also proposes deletion of a special provision that has applied to self-employed persons, namely, the requirement that they must earn at least one and one third of the year's basic exemption to qualify as contributors under the plan. It is proposed that this distinction be removed so that employees and self-employed persons will be on the same footing for exemption purposes. This measure should assist a number of self-employed Canadians in seasonal activities like farming and fishing, where fluctuating conditions sometimes reduce incomes to marginal levels, in maintaining the continuity of their CPP coverage.

There are numerous proposals in the bill which can be labelled as miscellaneous, technical and administrative amendments. The minister has taken the opportunity presented by the bill to carry out some house cleaning in what is a very complex act. These proposals, which for the most part rectify inequities, anomalies, errors, and

ambiguities that have been uncovered over a period of time, should be incorporated as a tidying up procedure.

I should like to draw the House's attention to the fact that CPP benefit payments, and the costs associated with administering the plan, are not paid from tax revenues, but come out of the earnings of the Canada Pension Plan investment fund and contributions. Bill C-19 proposes no change in this aspect of the plan. There is every likelihood that the new CPP benefit levels will, in the coming years, obviate the need for some payments to be made from the Guaranteed Income Supplement, the Canada Assistance Plan, and a wide range of other programs that are financed out of general tax revenues. Bill C-19 proposes no change in existing CPP contribution rates.

Some of the costs of the new benefit levels will come out of the substantial amounts of additional contribution revenues that will be generated by the new earnings ceilings for 1974 and 1975 that were established last year and by the new earnings ceiling formula that is contained in this bill. This revenue source will probably produce additional contribution revenues of over $100 million in 1974, $200 million in 1975, $300 million in 1977, and higher amounts, naturally, in subsequent years. The rest will come from the revenue producing features that are now in the plan.

Since the operation of the Canada Pension Plan began, all benefit payments and administrative expenses of the plan have been paid out of interest earned by the Canada Pension Plan investment fund. Contributions, in effect, have all been invested in the purchase of substantial amounts of provincial securities.

● (1720)

This situation should continue to prevail throughout 1974, as it is estimated that interest credited to the plan during 1974 will be in the range of $475 to $500 million, while benefit payments and administrative expenses will amount to around $470 million.

The amendments that were made to the plan last year, and the ones now being proposed, therefore have substantial implications for the financial structure of the plan toward the end of the century. Consequently the revenue-producing features of the plan will have to be reviewed much sooner than would otherwise be the case.

If the bill is passed it is anticipated that the balance in the Canada Pension Plan account will continue to grow over the next 15 years. This time frame could, of course, change if additional amendments to the plan are made at the end of the social security review. In any event, there should be ample time to carry out an orderly review of the plan's financial structure and to develop a well-planned approach to maintaining the plan on a sound and responsible financial course.

In conclusion, Mr. Speaker, I consider that Bill C-19 is an imaginative and responsible approach to bringing the Canada Pension Plan into harmony with contemporary values and attitudes in Canadian society. I consider that the bill will bring the plan into line with the economic facts of Canadian life now and in the future. Furthermore, if the bill is passed into law it will allow the Canada Pension Plan to play a vital role in the new charter the government is writing for this country's aged, disabled, widows, widowers, orphans and those in need. I hope that the bill will attract the overwhelming support of Canadians inside and outside parliament.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I welcome the opportunity to say a few words on Bill C-19. At first blush, after reading the newspaper reports, I thought the act would give equal rights to male and female contributors. In fact the news release put out by the Department of National Health and Welfare, dated April 5, states:

> Mr. Lalonde stated that a major purpose of the Bill, as indicated in the Throne Speech, is to establish equal treatment for male and female contributors and beneficiaries. This is in accordance with the agreement reached by the federal and provincial Ministers of Welfare at their meeting in Edmonton last February.

From reading the provisions of this bill it does not in fact give equal treatment. The news release is pure and simple window dressing.

When he spoke earlier this afternoon the hon. member for Victoria (Mr. McKinnon) went into detail on the provisions in the bill. He established beyond a doubt that there is not equality as far as male and female contributors are concerned. The bill does, however, give a survivor pension to widowers. This provision has been needed for a long time. There are many instances where a husband has been disabled and unable to work and the wife has been the breadwinner. There has been no provision for survivor benefits for the husband if she should pass on.

I welcome the removal of the earnings test for people between the ages of 65 and 70. I recall many instances in the practice of law where farmers, in particular, retired at age 65 and applied for Canada Pension Plan benefits. They either had wheat on hand, or would be receiving wheat board payments sometime in the future. They received the Canada Pension Plan benefits. When filing their income tax returns the following year they had to include grain sales and wheat board payments as part of their income. The result was they received letters shortly after filing their returns, stating they had been overpaid and asking for a refund of their Canada Pension Plan benefits. Basically this change is welcome.

There are other instances of people who retire at 65, people who had not earned that much during their lifetime. Their assets are such that they are not able to make ends meet. Even utilizing their Canada Pension Plan benefits they have to supplement their income. They find that, as a result of working to supplement their income, they lose part of their Canada Pension Plan benefits. This change in the act will do away with that inequity and I welcome it.

I also welcome the change in clause 8 which provides, and I quote:

> —that income earned by a contributor but not actually received before his death be included as part of that contributor's contributory salary and wages.

Anyone involved in the handling of estates would have found this to be an inequity. It has created problems. Fortunately the government has seen fit, possibly because of representations, to make the necessary change in this act.

I also welcome the changes with regard to clauses applying to self-employed persons. The former requirement was that they had to earn at least one and one third of the

year's basic exemption to qualify as a contributor. The changes will enable a person who is self employed to contribute without complying with this provision.

The minister's news release of April 5 stated:

> These changes will provide greater opportunity for people at lower income levels to participate in the Canada Pension Plan. In particular, increased numbers of farmers, fishermen and other self-employed persons will be enabled to improve their protection under the Plan.

I am interested in the reference to farmers. On March 19 of last year I submitted the following motion to this House:

> That, in the opinion of this House, the government should consider the advisability of amending the Canada Pension Plan Act so as to allow farmers the option to make Canada Pension Plan contributions regardless of their net income.

● (1730)

There was a reason for submitting that motion for the consideration of the House. Farmers are in a difficult situation when it comes to their income. Their income is cyclical in nature. They are faced with the variations of price on the international market, with drought, with losses due to grasshopper infestation. Consequently their income fluctuates from year to year.

A farmer might have no taxable income for three years and then, for two years, he might have a substantial amount of income. During the three years in which he had little or no taxable income he is not able to contribute to the Canada Pension Plan. In the two years in which he does receive a substantial amount of income he is able to contribute the maximum. He is, of course, able to average his income over a five year period and as a result he becomes taxable each year.

By becoming taxable each year he pays taxes based on the rates for each taxation year, but there is no provision for him to make CPP contributions. In other words while, in effect, his income has been taxable for those five years he can only make contributions for, say, two years. The result is that when he comes to collect payments on retirement the amount he is entitled to receive is reduced, despite the fact that during the over-all period he has possibly received substantially more income than a person earning wages over the same period.

I suggested, when I spoke on my motion, that these facts should be taken into consideration, and that the government should consider changes in the act allowing a farmer the option of making contributions to the plan regardless of his net income. The answer I received was to the effect that the plan was not actuarially sound. This came as a surprise to me. I had always assumed that the plan would be actuarially sound, in other words that it would pay its way.

I was told subsequently that, at the rate at which benefits were being paid out, the plan would go into the red some time in the 80's. Later I was advised that, as a result of the increase in the benefits payable last year, the plan would go into the red some time in the late 70's. It seems to me that if we do not examine the whole concept of this scheme we shall create a situation in which our children, and their children, will be paying for the benefits we ourselves will be receiving. I believe the plan must be actuarilly sound, and I suggest to the minister that he take a hard look at it and give thought to arranging it in such a way that it will pay for itself without becoming a burden on our children.

There are one or two further comments I should like to make. At times there is undue delay in paying benefits—to widows, in particular. I have found that the regional offices are very efficient. I refer particularly to the office in Regina. When I was practising law I know that after a widow had gone there to complete the necessary documentation, the representatives of the administration locally would have the documents ready in a matter of a week or ten days. Naturally, having made an application and having been told the documentation was complete, the widow expected she would be receiving benefits within, say, a month or six weeks. This was the exception rather than the rule.

When I inquired about the delays the answer I received was that they arose in Ottawa—the red tape was there. I have known cases where a widow had to wait for as long as six months before receiving payments under the plan. And not only were payments delayed. In many instances, when the husband died later than the month of June, widows would receive five or six months of benefit payments in the following year, say, in January. Under the Income Tax Act these back payments are counted as income in the year in which they are received. Mr. Speaker, I have seen situations in which widows have paid income tax on as many as 18 months of benefits.

Some hon. Members: Shame!

Mr. Neil (Moose Jaw): If that money had been paid to them prior to the end of the year, or if there was some provision in the Income Tax Act whereby benefits so received could have been considered as income in the previous year, no tax would have been payable at all. These are instances where the widows concerned had very little in the way of estates. I said it was a shame. As a matter of fact when I was practising law I wrote several letters to the Minister of National Revenue in this regard.

Mr. Alexander: All ignored, I suppose.

Mr. Neil (Moose Jaw): Yes, as a matter of fact they were all ignored.

Some hon. Members: Shame!

Mr. Neil (Moose Jaw): I believe there are several other hon. members who would like to take part in this debate so I shall not proceed further with my comments. I am happy with the bill as far as it goes, but there are many changes which could be considered. I hope my comments about payments which come in after the end of the year will be taken into consideration by the minister, and by the Minister of National Revenue (Mr. Stanbury), and that changes will be made accordingly.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, at the outset of my comments on Bill C-190 I should like to echo the words of the hon. member who has just preceded me. Basically I am satisfied with the amendments, but I think that some matters which ought to have been included have been omitted, and that the government has not gone far enough in certain respects.

Basically I agree with the argument in favour of equality as between male and female contributors. The situation of the female contributor has been improved by placing her on the same basis as far as dependents are concerned. I think we shall probably be called upon to review the whole subject to arrive at a fair and equitable formula which will enable housewives to participate in this plan. I appreciate the difficulties. I have read the minister's paper with interest, and I hope he will be able to produce a sensible solution.

● (1740)

I have never been able to understand the section in the present act which, in effect, instituted a means test at the age of 65. It did not make sense to me that if you contributed to a plan which was the same as any other insurance plan, and which paid a universal benefit, your pension would be reduced by the amount of your outside earnings. So I am glad that the minister has seen fit to abolish what was, in effect, a means test at the age of 65.

The changes in the formula for the year's maximum pensionable earnings ceiling, which will result in a change in the formula for benefits will, I know, be accepted cheerfully by all contributors to the plan. It is probably long past the time when this plan should have been modernized and adapted to make it more compatible with the present day cost of living.

However, I should just like to reaffirm what other hon. members who have spoken before me said, that we are rapidly reaching the stage where we must be very careful in all this tinkering with, and adjusting of, the CPP. I feel we are rapidly getting to the point where we might get into the same kind of mess the Unemployment Insurance Act is in. That was a good act until the government decided to monkey around and to make out of it a trough for catching votes in 1971 by broadening its provisions. This made the plan no longer actuarially sound. I hope this will be a lesson to the minister, and that before we go on to make any more generous amendments to the act we will make sure that the present fund, and the payments to be made, will be sufficient to take care of the increased benefits that are being provided.

Having said that, and having complimented the minister for bringing in these amendments to the act, I am a little disappointed that certain other amendments have not been made. The Canada Pension Plan is basically a good plan; I do not think anyone would question that. I think it is part of our social planning. Individuals have been able to incorporate the plan into their own private arrangements, which I think is probably the only way a good many Canadians have been able to develop any kind of retirement pension for themselves.

As I say, it is a good plan, and I think most are happy with it, but there is one class of contributor that is, I think, discriminated against. I do not know whether it is because of the wording of the act or because of the way the act is being interpreted, but the chief complaints I get about the CPP come from those who have to retire from work before the age of 65. On applying for the pension, in many cases they are refused because they do not come within the definition of "disability" under the act. I think this is my chief complaint with the amendments we are studying today.

The definition of "disabled person" is contained in section 43(2)(a) of the act. That section reads as follows:

(2) For the purposes of this Act,

(a) a person shall be considered to be disabled only if he is determined in prescribed manner to be suffering from a severe and prolonged mental or physical disability—

I do not know what is meant by "prescribed manner", but it seems to me that if a person has a medical certificate from a qualified medical practitioner to the effect that he is incapable of working, and that further work would be injurious to his health, then that should be sufficient to qualify him for the Canada pension to which he has contributed since the plan came into force. "Prescribed manner" would seem to me to indicate that an examination by a qualified medical practitioner should be sufficient.

The subsection goes on to provide:

—a disability is severe only if by reason thereof the person in respect of whom the determination is made is incapable regularly of pursuing any substantially gainful occupation—

If an applicant's doctor advises him that, by reason of heart failure or a lung condition, or any other physical disability, further work is injurious to his health and might in fact result in his death, then surely that should be sufficient to qualify him under the disability section of the act for a pension. In fact the subsection goes on to refer to illness or disability that is likely to be long continued and of indefinite duration, or is likely to result in death.

I had a case the other day of a woman who had had one coronary and two cardiac arrests. Her doctor certified that she should not even take part in any light work. Certainly if anything is likely to result in death, it is cardiac arrest. This woman applied for her pension but was refused. In fact she was told, even though she had her own doctor's certificate, to get another medical examination.

Therein, Mr. Speaker, lies the rub. I come from a small town, and like most small towns in this country there is a shortage of doctors. It is hard enough to get one medical examination done by your own physician, but when you are told that your own physician's report cannot be accepted and that you will have to get an outside opinion, you find it takes 60 to 90 days, if you are lucky, to get an appointment with another doctor. I do not know whether the officials of the Canada Pension Plan are hoping these people will die within the 90 days while they are waiting for the other opinion or what, but I sometimes wonder.

This situation is serious enough, but much to my surprise only last week I discovered that in the city of Moncton—I do not know whether this applies to other cities—there are no doctors either capable of rendering a professional opinion that is acceptable to the department or willing to examine patients sent to them by the Canada Pension Plan administration. I do not know whether this is because the fee that the CPP pays is not high enough, or whether the doctors there are simply fed up with this business of having their professional judgment questioned; but we now have the ridiculous situation where people with serious heart conditions, emphysema, or other serious disabilities are told there is no doctor in Moncton qualified or willing to give the CPP a satisfactory report, and so they have to go to Halifax or Saint John.

When senior citizens who have had two or three heart attacks, and do not know how long they are going to last, are told that they have to take a bus, train or plane trip to Halifax, some 200 miles away from Moncton, to undergo a medical examination, the frustration and excitement are enough to knock them off.

I could not believe that this was the practice of the CPP, so I called the local office. The first reply to me was: "Oh no, this is only done in exceptional cases". When I asked what the exceptional cases were, I discovered they were heart cases and lung cases in particular. I consider these the two most common causes of physical disability necessitating early retirement from work, and I found the situation almost unbelievable.

I do not know whether this is a policy that has been laid down by the minister or his officials. People in the local office always say their hands are tied, that there is nothing they can do about it because it is determined by the Ottawa office. If that is the case I certainly feel that Section 43 should be revised in order to make clear what is meant by substantial or gainful occupation.

● (1750)

How disabled must you be before you are incapable of other work? Must you be a basket case, or bedridden? When a person has suffered three or four serious heart attacks, surely the fact that he is able to walk does not mean he is able to work, but this seems to be the interpretation placed on this section by officials administering the plan. These are the people who are suffering.

It is all right to say that there is an appeal provision, but anyone who has had any experience with the appeal procedure under the Canada Pension Plan will know that there is an initial three-month delay before you can get another medical opinion, and that medical opinion may not be accepted before the commencement of the appeal procedure. This is where the delay and frustration begin.

I remember an appeal a few years ago when it took 15 months from the time the application was put in until the appeal was disposed of finally. I cannot see the justice in decisions which delay the payment of benefits to persons who have been forced to pay into the plan because deductions were made from salary. Where is the justice in forcing these people to wait 15 months because officials of the department are not prepared to interpret the regulations as they should be interpreted, or because there is not sufficient staff to look after the applications?

Perhaps the wording of this section could be changed, or something could be made clear in respect of the interpretation of what is a substantial or gainful occupation. Is it fair to suggest that because an individual has been a carpenter, and cannot work with his disability, there is no reason why he cannot be a nightwatchman or perhaps run an elevator? This is one of the things that has bothered me. I use elevators quite a bit and, as many others, I am not happy having somebody operating an elevator who is so disabled this is the only type of job he can do. It does not make sense to tell a person who has had three or four heart attacks that he should take a job as a nightwatchman. I do not think we want a person who is apt to drop dead at any moment on that kind of a job.

I was happy to hear the minister refer to upcoming revisions. He talked about many things and I cannot find the exact reference, but he did say that amendments would cover several areas. There was reference to disability payments, but no reference to a definition of disability. The proposed bill makes reference to a clarification of the definition of disabled children, but does not make any reference to what is a disability, or what procedure must be followed for these people to qualify.

As I indicated earlier, I am in favour of the amendments and appreciate them as far as they go, but I hope the amendments the minister has promised to bring in will take into consideration this whole section I have mentioned. It may be possible to improve it by legislation, or it may be that all that is required is a direction to the officials regarding interpretation. When this goes to the committee I hope this will be one of the matters considered, so that this category of people now being discriminated against will be able to obtain the fair treatment they are entitled to as contributors under the act.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in rising to contribute to this debate I am in somewhat of a quandry as to whether I should begin or call it six o'clock.

An hon. Member: Call it six o'clock.

Mr. Munro (Esquimalt-Saanich): May I call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): It being six o'clock, this House stands adjourned until tomorrow afternoon at two o'clock p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 18, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

ASSISTANCE TO DAIRY AND EGG PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roch La Salle (Joliette): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion.

In view of the fact that in the announcement made recently by the Canadian Dairy Commission concerning dairy policies for 1974, there is no guarantee of a required minimum income for dairy producers; that the Quebec Federation of Industrial Milk Producers has decided, at its annual assembly yesterday, to implement a plan of action aiming at withholding dairy products, and that the precarious situation in which the Canadian egg producers find themselves is due to the import of American eggs on the Canadian market, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That the responsible committee of the House do convene immediately to discuss these problems in order that new recommendations may be put by this committee to the House so as to solve the problems that these two categories of producers are now facing.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

FINANCE

INTEREST RATES PAID BY BANKS ON DEPOSITS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek consent of the House to move a motion in a case of urgent and pressing necessity. If it is accepted I have no plans to debate it, and I hope no one else will. The urgent situation concerns the action of the Bank of Montreal, as disclosed to me this morning, of responding immediately to the decision of the Bank of Canada to increase the interest rate by one percentage point by raising its prime rate from 9½ per cent to 10½ per cent for loans but not yet raising the interest rate payable on deposits for the benefit of its customers. I would therefore move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That this House is of the opinion that chartered banks, at the moment of increasing interest rates on loans, should also increase the interest rates payable to customers for money on deposit with the banks.

Mr. Speaker: The hon. member's motion, proposed under the terms of Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRANSPORT

SUPPLY OF RAILWAY BOXCARS IN ATLANTIC PROVINCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the nationwide shortage of rolling stock on our railways and reports that Canadian National Railways has informed the president of Scott Maritimes Pulp Limited and others that a further withdrawal of boxcars will be made from the Atlantic region which, if carried out, in the case of Scott alone will result in a production curtailment and cost in excess of $100,000 per month for alternate shipping arrangements, and which also will affect shippers of fertilizer, peat moss and other staples of the Maritimes economy, I move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

That the Minister of Transport, who indicated recently that it would be improper to take boxcars from the Atlantic area for use in the west because this would hurt the Atlantic economy, take all necessary steps and exert whatever authority he may have left to prevent the Atlantic region from being shortchanged by our national railway system.

PROPOSED CROSSING TO LINK NEWFOUNDLAND AND LABRADOR—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my motion under Standing Order 43 also concerns a matter of urgency. The direction of effort by

the province of Newfoundland to develop the lower Churchill hydro resource, the effort to collaborate with the province of Quebec on a Quebec-Labrador highway, and the development of a national park in western Newfoundland emphasize the need to consider a connecting link between the land masses of Newfoundland and Labrador. I would therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That studies produced by Acres Bechtel Limited, Northumberland Consultants Limited (1968) and the faculty of engineering and applied science of Memorial University be referred to a special committee comprising Regional Development, the Ministry of Transport, Energy, Mines and Resources, Science and Technology, and Indian Affairs and Northern Development to determine the feasibility of establishing a crossing between Newfoundland and Labrador for the social, economic and political well-being of and advancement of Canada's national goals.

● (1410)

Mr. Speaker: The hon. member's motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

POST OFFICE

PAY RATES OF POSTAL CODERS AND MAIL SORTERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, under the provisions of Standing Order 43 I would like to move a motion of importance. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That, in view of the refusal of the Post Office Department to bargain collectively with the postal employees on the question of rate of pay for postal coders whom the Post Office Department proposes to pay $30 a week less than mail sorters are now getting, and in view of the fact that this refusal has led to a work stoppage in a number of Canadian cities and will, if not resolved, lead to a complete shutdown of the Post Office, the question of the pay rate for postal coders and mail sorters be referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

[Mr. Marshall.]

AGRICULTURE

IMPORTS OF UNITED STATES EGGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. William C. Frank (Middlesex): Mr. Speaker, I rise at this time under the provisions of Standing Order 43 on a matter of very urgent and pressing necessity, namely, the growing volume of egg imports from the United States, which is destroying the viability of the Canadian egg industry. Due to the recent high volume of imports and the probability of this level drastically increasing, plus the cost to the Canadian Egg Marketing Agency to remove these imports and thereby try to maintain orderly marketing and pricing in Canada, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That this House instruct the Minister of Agriculture to take immediate steps to counteract the importation of United States eggs into Canada in order to protect the Canadian egg industry from below cost of production United States eggs further destroying our market in Canada.

Mr. Speaker: The hon. member's motion, as do others under Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

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POST OFFICE

EMERGENCY MEASURES TO MAINTAIN DELIVERY OF SOCIAL SECURITY CHEQUES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43. I believe it will be acceptable because there have been conversations with representatives of the various parties. I therefore move, seconded by the hon. member for Ontario (Mr. Cafik) who, I might say, has agreed to do so:

That this House calls for, and offers its full support of, any emergency arrangements that can be made so that there will be no interruption in the delivery of family allowance, welfare and pension cheques.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Winnipeg North Centre under the terms of Standing Order 43. Is there unanimous consent?

Mr. Bell: On a point of order, since the hon. member for Kingston and the Islands (Miss MacDonald) first raised this matter yesterday, we will give our support to this motion.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure the hon. member will appreciate that is not a point of order but rather an indication of how he proposes to vote. The difficulty with that kind of intervention is that it invites other similar interventions and possibly debate. We are now going to have one by the hon. member for Lotbinière. I really think

the Chair should be allowed to put these motions without debate. The hon. member for Lotbinière.

[*Translation*]

Mr. Fortin: On the same point of order, Mr. Speaker, I would say that we would very much agree with the motion of the hon. member for Winnipeg North Centre (Mr. Knowles), if he would include unemployment insurance cheques.

[*English*]

Mr. Speaker: Order, please. I again suggest to hon. members there should be no debate. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There appears to be unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Mr. Andras: Mr. Speaker, I rise on a point of order. The hon. member for Lotbinière mentioned unemployment insurance cheques. Are they to be included as an amendment to the motion?

Mr. Knowles (Winnipeg North Centre): I shall be glad to include those words, Mr. Speaker,

Mr. Speaker: I am not too sure how the motion would read. I understand that the hon. member for Winnipeg North Centre, seconded by the hon. member for Ontario, moves:

That this House calls for, and offers its full support of, any emergency arrangements that can be made so that there will be no interruption in the delivery of family allowance, welfare, unemployment insurance and pension cheques.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Woolliams: On a point of order, Mr. Speaker, I think the motion is most commendable and I am sure everyone in the House is in agreement, but surely we should now have from the government a statement on motions telling us how it proposes to move these cheques since the whole country is paralysed as a result of its inactivity.

* * *

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the alarming growth of labour disputes already causing strikes in vital areas, and the inflationary spiral giving rise to them, I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That this House welcomes the Prime Minister back from his vacation in Barbados and requests him to postpone the government's political football bill by bringing forward immediate legislation to alleviate the staggering inflationary problems which affect all Canadians.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimity.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

GOVERNMENT INTENTION RESPECTING ADOPTION OF GENERAL GUIDELINES FOR WAGE AND SALARY INCREASES—ESCALATION BASED ON COST OF LIVING INCREASES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. In light of the work stoppages already taking place in the Public Service and others that are threatened, has the government of Canada adopted guidelines with regard to the wage and salary increases it is prepared to permit during the next year or the next bargaining period? Has the government adopted guidelines related to the wage and salary increases it will permit?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, each case is being discussed on its merits by the government.

Mr. Stanfield: Is the government of Canada prepared to agree in appropriate cases to building in allowances for increases in the cost of living in contracts which are being negotiated or which may come up for negotiation?

Mr. Trudeau: Here again, we deal with each of these labour negotiations in terms of the propositions made by the two sides. It may be that in some cases escalation clauses are suggested and not in others. The government has no—

Some hon. Members: No policy.

Mr. Trudeau: —uniform approach. It has a policy of dealing equitably with every labour contract that comes before it, and we hope that in this we have the support of the opposition.

Mr. Stanfield: It is obvious that the Prime Minister has been away or he would have noticed that things were not going so well.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Tell us about Jack Horner!

● (1420)

Mr. Stanfield: May I ask the right hon. gentleman whether the government has any plan to break inflationary expectations, a plan that would really encourage employees to moderate their demands for pay increases and provide them with some sense of security with regard to being able to meet the increase in the cost of living? If the right hon. gentleman has any such plan, why does he not bring it forward instead of treating this whole matter as a political football, creating all kinds of difficulties in the country?

Mr. Trudeau: Mr. Speaker, I thought it was quite clear that I said in my two previous answers that our plan is to deal with each particular case on its merits. If this is not the position of the opposition, then I take it they are just proposing a general wage freeze which, as the Leader of the Opposition knows, is a way of hurting the little man as against the big man.

* * *

FINANCE

REQUEST THAT MINISTER TAKE STEPS TO INDUCE FINANCIAL INSTITUTIONS TO ROLL BACK MORTGAGE INTEREST RATES

Mr. David Lewis (York South): Mr. Speaker, I want to address a question to the Minister of Finance, and it will not be a question asking him or the government to get workers to agree to take less than they are entitled to. In view of the fact the recent increases in mortgage rates will not only place an unbearable burden on Canadian families but also bring millions, perhaps hundreds of millions, of dollars of additional profit to banks, mortgage companies and other financial institutions, will the minister take steps to persuade, order, or in whatever way he can, mortgage companies, banks and other financial institutions to roll back the mortgage interest rate instead of leaving them at the present usurious level?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, one of the premises of the hon. gentleman's question is not correct. The spread between the price that trust companies, insurance companies and banks are now paying for money and the price that they charge for money has not changed.

Mr. Lewis: Mr. Speaker, I suggest that the Minister of Finance ask his department to make some calculation of what will be the effect on profits. I want to ask the Minister of Finance this question. In view of the fact that the corporations in this country, according to various sources, are handing their high executives second mortgages at the best interest rate available, let alone first mortgages, will the government take any steps to reduce the burden of mortgage interest rates on the ordinary Canadian family, which has made it impossible for Canadian families either to buy homes or to contemplate this for the future?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have already said that the legislative thrust of my colleague, the Minister of State for Urban Affairs, dealing specifically with housing and the mortgage problem, namely, the social housing program and the poverty line housing program, is a matter with which I am closely associated. As for the general question of conventional mortgages in the private sector, I have already said to the hon. gentleman's colleague, the hon. member for Oshawa-Whitby, that, in this type of tight housing market where there is a strong demand for housing, any manipulation of the interest rate, either by way of allowing part of it as a deductible item against income tax or by way of some subsidization of the interest rate, would only be reflected in a transferred capitalization, increasing the price of a house.

Mr. Speaker: The Chair will recognize the hon. member for York South on a supplementary, followed by the hon. member for Témiscamingue.

* * *

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR TWO-PRICE SYSTEM FOR DOMESTICALLY PRODUCED COMMODITIES

Mr. David Lewis (York South): Mr. Speaker, it is obvious that the Minister of Finance believes that only private corporations can manipulate interest rates in favour of their top executives. I want to ask the right hon. Prime Minister a question in this general area. In view of the fact that even the chairman of the Food Prices Review Board has seen the value of a two-price system in certain basic food commodities, may I ask the Prime Minister whether the government is now prepared to bring in a two-prices system for many commodities produced in this country so that Canadians will not have to pay exorbitant prices merely because of international shortages and pressures?

Mr. Speaker: Order, please. The Chair will, of course, allow the right hon. Prime Minister to reply to the question, but the hon. member will appreciate that while this may be a related question it is hardly a supplementary. As the question has been asked, the right hon. gentleman may reply, following which the Chair will recognize the hon. member for Témiscamingue.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand that Mrs. Plumptre indicated she was going to look into this matter, and we will, of course, study the results of her report with great care if and when it is made.

* * *

[*Translation*]

POST OFFICE

EXTENSION OF WORK STOPPAGES—GOVERNMENT ACTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to put a question to the Postmaster General.

Can he say what is the present situation concerning the postal strike throughout Canada? Has progress been made? Have there been negotiations and meetings between the department and union conciliators?

Hon. André Ouellet (Postmaster General): Mr. Speaker, the situation is this: obviously, there have been work stoppages throughout the country. I must repeat that they are illegal and go directly against the present collective agreement. An injunction is being debated today in Superior Court in Montreal. I would also say that we keep in contact with representatives of the national executive of the Canadian Union of Postal Workers, and further discussions are to take place during the next hours.

WORK STOPPAGES—REQUEST THAT PRESIDENT OF TREASURY BOARD INTERVENE IN NEGOTIATIONS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the President of the Treasury Board.

Since most mail distribution centres of the country are strike-bound or occupation-bound, and particularly at a time of inflationary crisis when our needy citizens will suffer from delayed social benefits cheques, does the President of the Treasury Board expect to announce in the next few hours, for the sake of the common good, that he intends to sit at the negotiating table, the only place where a satisfactory settlement of this dispute can be reached?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I can say that special measures have been taken by the Postmaster General in order that the cheques referred to earlier may have absolute priority for delivery. The moment my presence at any table may prove helpful, I shall be glad to take part in the negotiations.

Mr. Wagner: Mr. Speaker, I should like to put a supplementary question.

Does the President of the Treasury Board admit that the root of this conflict among workers lies in the approach, the style and implications of the present automatic sorting of mail.

Mr. Speaker: The hon. member will admit that such a question is controversial. He could word it otherwise to enable the minister to answer, if not I will recognize the hon. member for Winnipeg North.

Mr. Wagner: Mr. Speaker, I note the bad temper of the Prime Minister who has just said that the question is useless and as usual blames the member for being incompetent. He thus accuses the Postmaster General of being incomptent—

Mr. Speaker: Order, I have allowed the hon. member to word his question in other terms. He could perhaps do it now so that we may hear the supplementary questions.

Mr. Wagner: Would the President of the Treasury Board assure the House that he intends to meet with the bargaining committee within the next few hours?

This question can easily be understood, even by the Prime Minister.

[*English*]

SUGGESTION THAT POSTAL CODERS BE PAID SAME RATE AS MAIL SORTERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a supplementary question to either the Postmaster General or the President of the Treasury Board. In view of the fact that the work stoppages in post offices result from the dissatisfaction of the postal workers with the unilateral decision of the government to set the rate for workers who will be sorting mail with the new machines at some 72 cents an hour less than mail sorters have been receiving under the present contract, is the government considering adjusting that rate so it will be comparable with the rate now paid to mail sorters?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, when I met the executive of the Council of the Postal Unions I indicated that I would be available, as well as the deputy minister, to sit with the manpower committee to study and give priority to the coders' situation. I should like to take advantage of this reply to the hon. member to add that it is imperative—and I am sure both the public and most hon. members will agree—that the administration decide how the postal services are to be run and not the union as the hon. member for Saint-Hyacinthe would have it.

● (1430)

[*English*]

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Winnipeg North for a supplementary and then the hon. member for Don Valley.

Mr. Orlikow: Mr. Speaker, I note the offer of the minister to sit in on the negotiations. I ask the minister again whether he is prepared to make a concrete offer of an upward adjustment in the rate, which the workers feel is now completely unacceptable, so that they will have a reason to sit down with him?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I think it is essential that the employees should first of all respect their collective agreement and return to work. Only then will we really be able to sit down with them and discuss a solution to the coders' problem.

* * *

[*English*]

LABOUR RELATIONS

INFLATION AS A FACTOR IN UNREST

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. In view of the position taken by the Prime Minister that each of the critical labour problems will be considered on an individual basis, is it the considered position of the government that the historic high level of inflation we have now in this country is not a major factor in the labour unrest in Canada today?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I indicated my opinion on that in my speech during the debate on the throne speech.

* * *

POST OFFICE

WORK STOPPAGES—ACTION TO ENSURE DELIVERY OF SOCIAL SECURITY CHEQUES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Postmaster General. Given the fact that a number of airports in Canada are already closed because of the firefighters' strike and the fact that we are facing a possible nationwide closing of airports because of the air traffic controllers' dispute, may I ask the minister how he intends to get family allowance and old age pension cheques across the country?

[*Translation*]

Mr. André Ouellet (Postmaster General): Mr. Speaker, I should like to remind the hon. member that a large number of post offices are still open where the mail is being sorted out, and that all those offices are giving priority to that type of letters. I also wish to tell the House that I hope an agreement will be reached as soon as possible to settle the matter.

[*English*]

Mr. McGrath: May I ask the minister how he proposes to get the cheques out where airports and postal stations are already closed?

[*Later:*]

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my supplementary is to a previous question. I want to get back to this business of how pension cheques and other benefits will be moved across this strikebound country. I want to ask the Postmaster General whether his model of efficiency proposes to transport these cheques to the deserving recipients by means of the same private enterprise courier service the Post Office has used for many months to move its internal mail between cities of this country?

Some hon. Members: Oh, oh!

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR ASSISTANCE TO INDUSTRIAL MILK PRODUCERS—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): I should normally put my question to the Minister of Agriculture or his parliamentary secretary. Neither one is here so, although I do not want to cause any inconvenience, I dare ask the Postmaster General, who has other problems but once met with dairy producers, whether, considering that the Federation of Industrial Milk Producers which was holding its annual meeting yesterday decided to institute a program aiming at withholding dairy products—

[Mr. Gillies.]

Mr. Speaker: Order. The question cannot be put to the Postmaster General—unless he is the Acting Minister of Agriculture—and I have no indication that he is. The hon. member could perhaps address it to the right hon. Prime Minister. It would be more appropriate than to put it to the Postmaster General.

Mr. La Salle: Mr. Speaker, I will direct my question to the right hon. Prime Minister, as I am convinced he is already aware of the problem.

Since the recent dairy policy has been rightly judged to be totally insufficient for the future of the dairy industry in Canada, does the right hon. Prime Minister intend to ask the cabinet to reconsider it and to submit for the milk producers measures to ensure the future of the dairy industry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not agree with the premises of the question and cannot therefore agree with its conclusions, which are necessarily wrong.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

ELIGIBILITY FOR BENEFITS OF UNEMPLOYED RURAL WORKERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact the Unemployment Insurance Commission has been making it a policy to disqualify unemployed rural workers from UIC benefits on the pretext that they are restricting their area of employment search, will the minister assure the House that he will take another look at the matter and instruct the UIC to stop discriminating against unemployed rural workers?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think in this instance, as with other similar representations, I would have to ask the hon. member to give me specific cases in which this has been done and I would be glad to look into them.

Mr. Speaker: The Chair will recognize the hon. member for Yorkton-Melville on a supplementary and then the hon. member for Provencher.

Mr. Nystrom: Considering the fact that most of these workers search for jobs within 25 or 30 miles from home, will the minister assure the House that the commission will not force these claimants to uproot their families and move to cities merely to qualify for the UIC benefits they deserve?

Mr. Andras: Again, if the hon. member would give me specific examples I would be glad to look into them. In the meantime, any such disentitlements or any such disqualifications are subject, of course, to the appeal system and those decisions would either be upheld or denied by the boards of referees or subsequently by the umpire.

Mr. Speaker: The hon. member for Provencher.

Mr. Epp: Mr. Speaker, I was going to direct my question to the Minister of Agriculture or the parliamentary secretary.

Mr. Howard: On a point of order—

Mr. Speaker: Order, please. If I may interrupt the hon. member for Provencher, I believe the hon. member for Skeena is rising on a point of order.

Mr. Howard: Mr. Speaker, the response given by the minister about unemployment insurance claimants being denied in rural areas is misleading because the minister has no authority under the law to do anything about specific cases. For him to say that an hon. member should give him specific information is misleading the House and I submit he should know better.

Mr. Speaker: Order, please. The minister rises on the point of order. I hope we will try to return to the question period soon.

Mr. Andras: Mr. Speaker, the general suggestion made by the hon. member who preceded the hon. member who just rose on a point of order was that I should look into the policy aspect or the program aspect. Before doing so I wanted the hon. member to co-operate with me, in order that I can co-operate with him, by giving me specific instances on which I could base my decision.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member did not really have a point of order; it was a point of debate. The minister has replied to it. Now the hon. member for Yorkton-Melville rises on a further point of order. I will take all these points of order into account when allocating questions between now and the end of the question period. The hon. member for Yorkton-Melville.

Mr. Nystrom: Mr. Speaker, I rise on a point of privilege which I think affects most members of the House. I have on several occasions contacted the minister and given him examples of how the UIC discriminates against rural unemployed workers. I know that most members of the House have contacted him. He should not deliberately try to mislead the House in that way.

Mr. Speaker: The hon. member for Yorkton-Melville has risen on a question of privilege and has charged that the minister is deliberately misleading the House. The hon. member for Yorkton-Melville has been here for a few years and he should know that under the rules and practice of the House he has no right to charge another member, be he a minister or another member of the House on one side or the other, with deliberately misleading the House. I would hope the hon. member would take that into account.

● (1440)

Some hon. Members: Shame!

Mr. Speaker: The hon. member should indicate to the Chair that he would like to qualify the charge he has made against another member of the House.

Mr. Nystrom: Because of the fact that apparently it goes against the grain of the traditions of the House, I will withdraw it. I do so with some hesitation, but I will follow your instructions.

Mr. Speaker: I appreciate the hon. member's assistance.

* * *

AGRICULTURE

IMPORTS OF EGGS FROM UNITED STATES—STEPS TO ENSURE FAIR RETURN TO CANADIAN PRODUCERS

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct this question to the Prime Minister. It is an urgent matter. In view of the recent high volume of eggs imported into Canada from the United States and the tremendous threat this poses for Canadian producers, can the Prime Minister advise what immediate steps the government is prepared to take to ensure that Canadian egg producers will be able to market their product in an orderly way at a price which will provide them with a fair return?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be very pleased to draw the representation of the hon. member to the attention of the Minister of Agriculture.

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[*Translation*]

THE CANADIAN ECONOMY

INFLATION—SUGGESTED TWO-PRICE SYSTEM FOR DOMESTICALLY PRODUCED COMMODITIES

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to ask a question of the Minister of Finance.

Further to the statement made by the President of the Food Prices Review Board, Mrs. Plumptre, that the government should establish a two-price system for essential commodities, namely an export price and another one for local consumption, could the minister tell the House if he intends to apply such a measure?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, even before Mrs. Plumptre's statement which, by the way, I did not read, I have dealt with this matter in a quite accurate and general reply to our colleague, the hon. member for York South.

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AIR TRANSPORT

AIRPORT FIREFIGHTERS' STRIKE—GOVERNMENT ACTION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I wish to direct a supplementary question to the hon. Minister of Transport.

In view of the fact that Montreal Airport firemen are due to begin a study session at 6 o'clock tonight, and that the Montreal Airport will be the eighth airport thus affected by such study sessions throughout Canada, what precise step will the government take to improve this situation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, very precise steps have been taken daily at least for the past week to settle this conflict and if the hon. member is aware of any means more effective than those now used, I should like him to indicate them to the House.

Mr. Grafftey: You are supposed to administer this country. You are the party in power, not us.

I wish to direct a supplementary question to the hon. President of the Treasury Board.

Could he advise the House of the precise step the present administration will take?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I fully rely on the hon. Minister of Transport.

[*English*]

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my supplementary question is for the Minister of Transport. Has the government indicated to those involved in these illegal strikes what action it is prepared to take, either through the courts or by special legislation to end this illegal activity?

Mr. Marchand (Langelier): Mr. Speaker, I think that on a few occasions I have made the situation quite clear. Treasury Board has negotiated with the Public Service Alliance which is the certified bargaining unit. The conflict is not between the two bargaining agencies but is within the union. We are trying to normalize the situation instead of compromising it at this stage and thus prolonging it. We hope that in a very short while the solution which is contemplated will be accepted.

Mr. Fraser: I have some sympathy for what the minister is trying to do, but the public interest is involved here and the public are asking how long the government is going to sit doing nothing and apparently not saying what it is going to do.

Mr. Marchand (Langelier): There is only one thing which is not right, and I hope the hon. gentleman will admit it. It is not true that we are doing nothing. I have been working about seven or eight hours a day on this matter, trying to find a solution. It is not lack of esteem for the House if we do not speak of every step we take in order to restore peace in British Columbia and elsewhere in Canada. We as a government are not responsible for this situation because we have negotiated an agreement and the Alliance supported it.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I will recognize the hon. member for Vancouver South on a supplementary, then the hon. member for Esquimalt-Saanich, and perhaps other hon. members on further supplementaries.

[Mr. Grafftey.]

Mr. Fraser: Again my question is for the Minister of Transport. I am in complete agreement that the minister has worked very hard but the question is: in view of the situation, which is not of the government's making but which is affecting the public interest right across the country, what is the government going to do now? Is it going to continue saying that there is nothing it can do about it?

Mr. Marchand (Langelier): Mr. Speaker, I think that the alliance, with which we have an agreement, has to have this agreement ratified by the firefighters. We are suggesting to the alliance that this might be too slow a process and that we have an alternative so that perhaps the situation can be handled faster than usual.

Some hon. Members: What is it?

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Esquimalt-Saanich on a supplementary, followed by the hon. member for Kootenay West.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the President of the Treasury Board. Would he be willing to tell the House and the nation the outcome of the informal meetings with the firefighters which we were told he was having yesterday in Victoria and Vancouver? This might clarify the situation somewhat.

Mr. Drury: Mr. Speaker, I support the Minister of Transport in the view that it is not particularly helpful to try to negotiate at the bargaining table on the one hand and across the floor of the House on the other. This leads to confusion rather than clarification.

Some hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

LEAKAGE OF OIL FROM SHIP GROUNDED IN ST. LAWRENCE RIVER—ACTION TO PREVENT POLLUTION OF CANADIAN SHORELINE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of the Environment. In view of the recent grounding of the ship, *Imperial Sarnia*, in the St. Lawrence waterway last Monday, resulting in a small but serious oil spill which apparently is still not all contained, especially on the Canadian side, what action is being taken to prevent any possible pollution of the Canadian side of the river, and is the water supply of any town or city threatened?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I do not believe that the water supply of any city or municipality is threatened as yet. There is close co-operation meanwhile between the company people, who are undertaking most of the clean-up, the Department of Transport, which has the lead clean-up role among federal departments, and the Department of the Environment in this respect.

Mr. Harding: In view of the planned co-ordination and co-operation between Canada and the United States on contingency plans for containing oil spills in the joint Great Lakes and St. Lawrence river areas, I would ask the minister if sufficient equipment was available and why these joint clean-up resources were unable to handle this relatively small oil spill adequately, especially as the weather was good and the water calm for several days after the spill occurred?

Mr. Davis: As the hon. member says, there is a joint Canada-United States contingency plan to deal with oil spills. This plan was invoked at an early stage and U.S. authorities have co-operated throughout.

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TRANSPORT

ALLEGED WITHDRAWAL OF BOXCARS BY CANADIAN NATIONAL RAILWAYS FROM ATLANTIC REGION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to ask the Minister of Transport whether he is investigating representations that Canadian National Railways is withdrawing boxcars from service in the Atlantic region to the detriment of that region, and also whether he has any procedures in place to make certain that no region in Canada is treated unfairly at this time of nationwide shortage of railway rolling stock?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the hon. gentleman gave me notice yesterday of this important question and I did make inquiries. I was told that it may be that some cars were withdrawn but that other cars that were idle either in Quebec or Ontario were added. When they withdraw cars they are just regularizing the situation. They do that not only in the Maritimes but in Quebec, Ontario and the west so as to utilize the maximum capacity of the cars. I did it personally for the fruit growers in the Okanagan Valley. They were asking for cars and we took some idle cars and brought them in. After that they were sent back to where they came from.

● (1450)

ALLEGED UNFITNESS FOR SERVICE OF CANADIAN PACIFIC RAILWAY LOCOMOTIVES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the Minister of Transport regarding the continuing transportation crisis in rail movement. Have he or his officials looked into the charge made by the Moose Jaw Railway Labour Association that a majority of CPR locomotives are unfit for service and, if so, is he in a position to make a report to the House?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will surely inquire and make a report.

PUBLIC SERVICE

REASON FOR DISPUTES WITH AIRPORT FIREFIGHTERS, SHIP PILOTS, POST OFFICE EMPLOYEES AND AIR TRAFFIC CONTROLLERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the President of the Treasury Board in reference to the difficulties with the firefighters, to which the Minister of Transport has referred, the difficulties with the ship pilots, the difficulties in the Post Office, and the threatened difficulties with the air traffic controllers. Does the minister have any explanation for this rash of difficulties throughout the Public Service? Is it due to bad employer-employee relations, for example? What explanation can the minister give the House in view of the concern we all have for the growing number of difficulties which are causing great inconvenience to the public?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think, as the Prime Minister has indicated, that there are no two situations which are exactly the same.

An hon. Member: They are all bad.

Mr. Drury: I should perhaps indicate to the House that because they are not the same the solutions will all of necessity be different, as the causes are different.

An hon. Member: Elementary, my dear Watson.

Mr. Stanfield: Now that the Prime Minister has suggested the explanation to the President of the Treasury Board, does the minister have any explanation why all these difficulties are breaking out and spreading in various departments of the government? Admitting that each situation is different, and so on, what is the explanation? Is the explanation simply bad management on the part of the government and an accumulation of bad employer-employee relationships?

Mr. Drury: Mr. Speaker, I think that to get a clear understanding—

Mr. Clark (Rocky Mountain): Ask Goyer!

Mr. Drury: —of the hon. gentleman's preoccupation would take a longer period of time than the question period would allow.

Mr. Stanfield: Revert to motions.

Mr. Drury: In one case the cause is technological change. In another case it is a general public change in attitude, the optical perspective in which one vocation is held in relation to the traditional vocations. In another case there are special circumstances related to the difficulties, the nervous tensions, in a job. These are all quite different problems and call for different treatment. I regret to have to say again to the hon. gentleman that there are no instant solutions, instant successes, or universal panaceas such as he has offered.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I seek the co-operation of all hon. members. We will be running short of time in a few minutes. I will recognize the hon. member for Annapolis Valley on a supplementary.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I direct my question to the Minister of Labour. In view of the fact that we certainly have no panacea in the non sequitur from the President of the Treasury Board and since the Minister of Labour has returned to this country, and we welcome him back—

Some hon. Members: Oh, oh!

An hon. Member: Where have you been?

An hon. Member: Who told you? How did you find out?

Mr. Speaker: Order, please. The hon. member for Annapolis Valley has the floor.

Mr. Nowlan: Well, I guess we welcome all of you back.

Some hon. Members: Hear, hear!

Mr. Nowlan: Seriously, Mr. Speaker, now that the Minister of Labour has had a chance to get acclimatized to the very unstable labour picture in this country, I should like to ask if he has had a chance to talk with the hard-working Minister of Transport who is working overtime, and the President of the Treasury Board who is certainly working overtime in his answers in the House, to try to find not a panacea to settle all problems with a universal plan but to try to settle each individual problem with an individual plan so that we can get some labour peace and stability and this country can start to get on the road again in an economic way, that this government is not prepared to admit?

An hon. Member: Right on!

An hon. Member: What have you done, John?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, it is a little difficult to take lectures on stability from this hon. member.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Having said that, Mr. Speaker, I am sure the hon. member is aware that we are supposed to abide by the laws passed by parliament. With respect to this particular matter, the series of labour disputes to which the Leader of the Opposition referred do not fall under legislation within the ambit of my particular responsibility. That is not to say that the government, collectively, is not dealing with them. I think the Minister of Transport particularly is doing an admirable job and will constructively help the situation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

[Mr. Drury.]

Mr. Speaker: Order, please. I again seek the co-operation of hon. members. We are coming to the end of the question period.

Mr. Nowlan: A supplementary—

Mr. Speaker: The Chair is prepared to recognize the hon. member for a supplementary, then the hon. member for Portneuf, and then we will just have about reached the end of the question period.

Mr. Nowlan: From the minister's answer, not the prelude to which I take some exception but the gist of his answer, do I understand he feels that, regardless of the specifics of the different acts involved, the Department of Labour in a general way has no interest whatsoever in trying to resolve these four or five present labour disputes that are fogging up the whole land?

Mr. Munro (Hamilton East): Mr. Speaker, I hope the hon. member is not suffering some physical disability in terms of hearing. My answer quite clearly indicated the opposite.

Mr. Speaker: Order, please. The Chair will try to recognize the hon. member for Portneuf and perhaps two or three quick questions without supplementaries before calling orders of the day.

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[*Translation*]

TRANSPORT

REASON ST. LAWRENCE RIVER PILOTS PAID LESS THAN PACIFIC COAST PILOTS

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to put a question to the Minister of Transport.

Can the minister tell the House why the St. Lawrence River pilots are paid some $9,000 less than those of the Pacific coast and also whether he would consider inflationary granting the St. Lawrence River pilots salaries equivalent to those paid to Pacific coast pilots?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, salaries have been negotiated by the Pacific Pilotage Authority and the Pacific Coast Pilots Association. We are now dealing with the St. Lawrence River pilots. The hon. member certainly knows that throughout Canada, in the west, in central Canada, in Ontario, in Quebec and the Maritime provinces, the salary structures are different and they must be taken into account to determine salary rates. If the Social Credit Party of Canada ever has a theory on that, we would like to hear about it.

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

Mr. Speaker: Order. I just said that the question period was getting to an end and that I hope we will be able to have two or three questions more without any supplementaries. Otherwise, we will have to call government orders.

[*English*]

The hon. member for Edmonton West.

Mr. Lambert (Edmonton West): Mr. Speaker, my question is to the Prime Minister—

● (1500)

[*Translation*]

Mr. Fortin: Mr. Speaker, on a point of order.

Mr. Speaker: The hon. member for Lotbinière on a point of order.

Mr. Fortin: The statement just made by the Minister of Transport in connection with the relevant question by the hon. member for Portneuf demonstrates that he does not understand our solutions to this problem any more than he understood our financial suggestions, and he will be faced with as many problems in his department as there are financial problems in Canada—

Mr. Speaker: Order.

Mr. Marchand (Langelier): Mr. Speaker, on a question of privilege.

Mr. Speaker: The hon. Minister of Transport on a question of privilege. In spite of these interruptions, I will, however, recognize the hon. member for Edmonton West in a moment and then I will have to call the order of the day.

Mr. Marchand (Langelier): Mr. Speaker, I just want to say that if the hon. member for Lotbinière understands union problems as he does financial problems, I am not surprised he does not understand anything.

* * *

[*English*]

FINANCE

OPINIONS EXPRESSED BY PRIME MINISTER AND MINISTER ABOUT FORTHCOMING BUDGET

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Prime Minister. Can he tell the House whether the Minister of Finance was stating government policy when earlier this week he said that the budget will not contain any instant solutions to the economic problems of Canada, including inflation? How can he reconcile that with his own observations about what the contents of the budget might be? Can he now tell the House whether the Minister of Finance's version of the budget will be the correct one?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not see any difficulty there. I indicated that I thought the budget would be a very good one. I understand that the Minister of Finance is of the same opinion.

AIR TRANSPORT

MAJORITY RECOMMENDATION OF CONCILIATION BOARD ON AIR TRAFFIC CONTROLLERS' SALARIES—POSITION OF PRESIDENT OF TREASURY BOARD

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the President of the Treasury Board. Is the minister prepared to recommend to his cabinet colleagues acceptance of the majority conciliation board report that recommends a two-year staged wage increase for air traffic controllers of 9 per cent in January, 1974, 2 per cent in July, 1974, a further 7 per cent in January, 1975, and 2 per cent in July, 1975?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the negotiations with the air traffic controllers are still in progress.

* * *

HOUSING

ACTION TO RELIEVE EFFECT OF MORTGAGE RATE INCREASES ON PROSPECTIVE BUYERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Finance. As many prospective home buyers in the middle and lower income brackets are having to cancel contracts for housing because of the excessive increase in mortgage interest rates, can the minister indicate if he is going to take action to relieve this problem that faces prospective homeowners?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not know whether in individual cases that might be so but, despite rising interest rates, in the first quarter of this year, 1974, housing starts and mortgages were up again in the first quarter over last year.

Mr. Bell: You can bet mortgages are up.

Mr. Speaker: The Chair will recognize the hon. member for Kingston and the Islands on a last question and then call orders of the day.

* * *

SOCIAL SECURITY

ACTION TO ENSURE DELIVERY OF CHEQUES IN LIGHT OF POST OFFICE DISPUTE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the resolution passed by the House earlier today and in view of the fact many post offices are already closed, will the minister indicate how he plans to distribute family allowance and other cheques which would normally be mailed in the next two days? I ask him this in view of the urgency of the situation and the hardship it will cause hundreds of thousands of Canadians, beginning this weekend.

Business of the House

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member said, the cheques should be issued in about two days. However we still hope the mailing services will resume; if it where impossible to issue the cheques in the usual manner, a public announcement will be made in due time.

[*English*]

Mr. Speaker: Orders of the day.

Mr. Woolliams: On a point of order, Mr. Speaker, before you call orders of the day I wonder if we could hear from the Prime Minister, in view of the fact travel is paralysed across the country, there is no mail delivery and high interest rates are being charged. My point of order is this. I understand that today we are to debate the football bill. I wonder if the government could not bring forward some legislation or program to solve these problems, rather than kicking around a football?

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, I do not know whether my question will help the mood of the House. May I ask the traditional Thursday question about business. While we are not sure how far we are going into next week, because we do not wish to transgress on our newly discovered friendship with the hon. member for Winnipeg North Centre (Mr. Knowles), if we do go into next week may I ask the House leader what the business will be?

Mr. MacEachen: Mr. Speaker, the business for today, as is already well known, has to do with the Canada Pension Plan, a very important measure.

Mr. Woolliams: Will that solve the problem of interest rates?

Some hon. Members: Sit down!

Mr. Trudeau: Keep your cool, Eldon.

Mr. MacEachen: This would be followed by the football bill.

Some hon. Members: Oh, oh!

Mr. MacEachen: It may be that I will ask hon. gentlemen later in the day to deal with a measure other than the football bill, although I have not reached that conclusion yet, namely, Bill C-3, to do with substances that contaminate the environment. I assure my hon. friends opposite that no personal references are intended. I would then call Bill C-4, the Export and Import Permits Act, the Federal Business Development Bank, the Export Development Act, the capital stock of banks bill, in the name of the Minister of Finance. I would also mention the possibility to hon. members that next week we may be asked to deal with legislation relating to the St. Lawrence situation.

[Miss MacDonald (Kingston and the Islands).]

[*Translation*]

Mr. Fortin: Mr. Speaker, in connection with the business of the House, I would ask the hon. President of the Privy Council when he will table in the House the bill to amend the current legislation on unemployment insurance as announced in the Speech from the Throne.

[*English*]

Mr. MacEachen: Mr. Speaker, not in the immediate future, not before we complete this list.

Mr. Marshall: On a point of order, Mr. Speaker, can the minister indicate if amendments to the War Veterans Allowance Act, as mentioned in the Speech from the Throne, will be brought forward soon?

Mr. MacEachen: Yes, Mr. Speaker. I had some discussions yesterday with respect to the drafting of those amendments. I hope it will be possible to bring a measure forward at an early date.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

AMENDMENTS RESPECTING RELIGIOUS SECTS, EARNINGS FORMULA, BASIC EXEMPTIONS, ETC.

The House resumed, from Wednesday, April 17, consideration of the motion of Mr. Lalonde that Bill C-19, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, when I was interrupted by the clock last evening I had not even had the opportunity to say that I will be supporting the general thrust of this bill. I feel that it is important for me to make a few specific comments about two or three clauses.

First, I, like some of my colleagues, want to destroy the illusion which was created by the Minister of National Health and Welfare (Mr. Lalonde) in some literature he had printed and distributed in connection with the presentation of this bill. A claim was made in that literature that one of the major purposes of this bill was the elimination of discrimination between the sexes.

Mr. Speaker: May we have order, please? It is very difficult for the hon. member who has the floor to be heard, even by himself, with all the noise in the House.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I think there is room on the floor for only one Munro at a time.

Mr. Munro (Hamilton East): I like your tie.

Mr. Munro (Esquimalt-Saanich): As I was saying, the Minister of National Health and Welfare was willing to

leave the impression that one purpose of this bill was the elimination of discrimination on the basis of sex. One clause purports to do this. However, it would be most improper if the country were misled in this regard. I agree with those who have said that this is an entirely misleading representation. No doubt other members will make the same statement. Nevertheless, a step in the right direction has been taken. It is worthwhile and I am glad it has been taken. Let us not fool ourselves, let us not fool the nation. This provision does not finally eliminate discrimination between the sexes on the basis of pensions paid under the Canada Pension Plan. For example, housewives are not reckoned with here. They are not permitted to contribute and they are not allowed to apply in their own right for these pension privileges.

● (1510)

This bill merely adopts a principle that would allow others to cover you with virtue, especially when your own virtue is tarnished. However, I am forced to admit that the amendment to clause 56, which appears on page 25, provides for an upward adjustment of the pension due to the surviving spouse. There are two elements in this particular clause which I welcome, one the upward adjustment from 50 to 60 per cent and, two, the provision for the surviving spouse. In other words, there is no specific mention of the widow or the widower, but the one who survives. However, I do not consider the proportion sufficiently great. Like my colleague, the hon. member for Victoria (Mr. McKinnon), I think 60 per cent is a pretty low rating for a surviving spouse of whatever sex. If we have to set the amount in percentage terms, and I suppose in the long run we must do that, I think 75 or 80 per cent would be nearer the mark.

I am very heartened to see this principle adopted because I am reminded of some remarks I made in this House on March 11 in my contribution to the Address in Reply to the Speech from the Throne. At that time I argued that it is grossly unfair to expect the surviving member of a couple to carry on with only 50 per cent of the revenue from the old age pensions that were enjoyed when the two were living. There are many continuing expenses. It is not just a matter of half the number of people. The roof still has to be maintained, the telephone paid and the gutter around the roof may have to be replaced. A surviving spouse has to deal with many things. Furthermore, the surviving spouse is not always able, at the age the pension is due, to do work himself or herself and must employ casual labour, if he or she can afford it at the reduced revenue. I say we have further to go in this direction.

I am not entirely sure I understand the full financial implications or impact of 56(1)(a)(i) where an amount of 37½ per cent is introduced. I hope the minister or the parliamentary secretary will elucidate further on that.

My next comment concerns the means test. I am glad to see it has been eliminated. Insofar as it is determined on the basis of age, it has had some pretty strange results. For example, when a friend of mine reached the age of 65, he was sent a form to complete in order to qualify for the Canada Pension Plan. He filled it in, submitted it and in due course, fairly promptly, the pension began to arrive regularly. When he filled out his income tax return at the end of the year, he received a very rude shock. He entered this revenue on his tax return and paid the tax on it. After the income tax return was received by the Income Tax Department, he received a letter from the pension people stating that he should not have been receiving the pension because his earnings were greater than those that merited the payment of the Canada Pension Plan at that age and that he must repay the pension. Happily, because of revenues he enjoyed during that year, he was able to make that repayment. It was not pleasant, but he did it.

Things went smoothly for this person for the next two or three years. After he passed his 69th birthday, he received another form. He had heard talk about a gradual reduction in the age of eligibility for the Canada Pension Plan from age 70 to 69 to 68, so he again filled in a form. The payments resumed. After filling in his income tax return this year, he has once again been told that he must repay those payments to the Canada Pension Plan. He did that, but perhaps not quite so easily. For a variety of reasons, his revenue on the earlier occasion was better than in the last year and therefore he was rudely shocked when told he would have to repay, without the appropriate adjustment in income tax I am led to believe, that portion of his income which came from the Canada Pension Plan. Therefore, I am glad that part of the problem is being eliminated by amendments that are now before us.

I have other concerns about the means test. I have had these for a long time. Here I will be speaking for myself and not for anyone else in my party. I want to make it clear that I think a means test of some kind is desirable. It should not be on the basis of age, but rather on the basis of income and income alone. There are some who do not need the Canada Pension Plan payments. There are some who work and put away money to look after their own future and the future of their family. I am glad of that. That virtue should be cultivated. We should certainly not discourage it. I do not disagree one bit with the cradle to the grave notion for those in need, and here I swiftly interject for those in need. Otherwise, I maintain we are destroying a very fundamental virtue in man, his sense of responsibility, resourcefulness and concern to look after himself and his family in his own way without leaning on the government or anyone else.

● (1520)

Governments have not always been considerate, let us remind ourselves, in human terms, as we can see even from the events of the last few weeks. Can anyone rely on government to be paternal when the time comes? If you are in need, you have no option, but when you are not in need I think you should not be obliged to accept this pension. In my view, a man should be encouraged by every means to look after himself and his family in his own way.

Having said this, I recognize that everyone is not able to do so, unfortunately. There are some who, through circumstances beyond their control, are not able to provide for themselves and their families. They may work all their lives and yet be unable to save for a rainy day. Let them save through the Canada Pension Plan. Why not? To this extent I favour the plan, but I think it should be regarded as a fall-back position, not as a primary post on which to lean.

Speaking to this bill on second reading, as reported in *Hansard* on page 1482, the Minister of National Health and Welfare (Mr. Lalonde) talked about families drawing $700 a month under the Canada Pension Plan and OAS allowances in 1985. This is a figure I find staggering. Have we paused to calculate what it would mean in terms of dollars from the treasury—what it would mean in terms of taxation? I am deeply concerned at the prospect. For those in need, fine. They will need every penny of that $700, the way things are going, unless there is a drastic change in the next month or so. But this should only be a backstop for those who have not been discouraged from looking ahead and providing for their own needs. Consider the extra burden that $700 a month would mean in terms of income tax—another $8,400 a year on which to pay tax. I suggest indeed, that payments should not be made even by way of AOS benefits—and here I know I am being heretical—unless requested. In this way we might avoid the difficulty referred to by my hon. friend and also the problem of the unnecessary income tax. The OAS payments and the Canada Pension Plan payments might be allowed to accumulate as savings, as a savings account, if you will, until such time as someone is in need, with the proviso that in case of a sudden demise the savings which have been accumulated pass into the estate of the deceased.

I must say I am not really happy about the amendment proposed to section 63(1) of the act related to the determination of the legal identity of the surviving spouse. The seven year "living together" principle has been dropped and in its place a three year period has been inserted.

An hon. Member: What about common-law?

Mr. Munro (Esquimalt-Saanich): Common-law people are pretty well looked after, I gather. I am talking about legally married couples. The time requirement in the amendment on page 25 has been reduced to nil. The surviving spouse of a deceased contributor is defined as the person who was by law married to the deceased contributor at the time of his death. I suggest that this is open to abuse and I should like to see a change made in committee.

With these comments, I close my reflections on the bill before us. However, I should like to summarize. First, I definitely reject the notion which the government has allowed to grow up that discrimination on the basis of sex has been eliminated by the bill before us. Second, I favour a means test and a deferment program for CPP and OAS, both of which should be optional. Finally, I am unhappy about the definition of a surviving spouse as "the person who was by law married to the deceased contributor at the time of his death." I think I should like to see a two or three year element introduced here to avoid abuses of or by, let us say, sugar daddies.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to speak on Bill C-19 I must say to the House that I was not here when the bill was first introduced or when second reading began. However, I have read the speeches which have been made. I took particular note of the speech made by the hon. member for Hillsborough (Mr. Macquarrie). At the beginning of his remarks, he said:

Mr. Speaker, I begin by giving the minister a hint that this measure will pass.

[Mr. Munro (Esquimalt-Saanich).]

That was a pretty brave thing to do, because a similar bill was presented to the previous parliament and I was successful in making certain that it did not pass. There is a significant difference between the bill before us now and the bill which was presented to the previous parliament. I should like to warn the minister and the hon. member for Hillsborough that the most significant difference I could find between the two bills was that the previous one contained seven clauses and the present bill contains 57. I have had some experience with regard to the passing, or failure to pass, of legislation brought before the House of Commons. I would remind all hon. members, particularly new members, that it is very difficult to block a bill which is only seven clauses long. Sometimes one is successful, sometimes not. Last session, I and a few others were successful.

I have counted the pages of Bill C-19, and I find there are 46. Now, there are a lot of words in 46 pages, and under our rules one can move to amend virtually every one of them. Mr. Speaker, you are an able person in your job, and you can group those amendments for debate in any way you please. Nevertheless, I believe the hon. member for Hillsborough, when he gave the minister a hint that this measure would pass, was a very brave person because I do not give the minister that hint. I would be less than honest with this House if I made anyone believe that I will contribute in any way to the passage of this legislation, because I will not. I think it is a mistake. It is poor legislation and I will do my best to encourage all members not to assist in its passage and to oppose it in every way.

● (1530)

I say to the hon. member for Hillsborough (Mr. Macquarrie) and other members of the House that there will be votes, and I address my remarks particularly to members from Alberta. Their votes with regard to exempting various religious groups from this particular tax that the government has placed on all Canadians, a tax that this legislation is now increasing will be noted by Albertans.

Having made very clear to all members my stated intentions in the debate on this bill, I will now attempt to explain why I am so firm in my dedication to block this measure. First of all, the Canada Pension Plan covers only one third of the population of Canada. My hon. friends to my left, of whom there happens to be none here today, are forever talking about rip-offs and windfalls. When the Canada Pension Plan was first passed in 1966 there was a windfall age group, and, "windfall," became quite a common term. The first time I ever heard the word was in this House of Commons in 1966. This windfall age group fell between the ages of 55 and 65, people who were eligible for the Canada Pension Plan. This group of people were designated a windfall age group because they were going to get more from the Canada Pension Plan than they paid into it.

According to a report I read in a Toronto newspaper, though I do not have it here with me, the leader of the New Democratic Party is in this windfall age group. The first year he becomes eligible for the CPP at 65 he is going to receive more money from the plan than he has paid into it during the previous ten years. I am not going to suggest that the hon. member is going to accept a rip-off; he is against rip-offs and very often speaks in this House in

disparaging tones about them, so I do not think he would accept one. But I merely point out, to make it firm and clear in everyone's minds, that there is a windfall group that will reap more from the Canada Pension Plan than they put into it. I notice one member of the NDP is now here and he can correct me if anything I have said during the last few minutes is absolutely wrong.

Now, Mr. Speaker, if there is a windfall group, then there is also a group of people who are going to pay more into the plan than they can possibly reap; that stands to reason. If there is a windfall group on one side of the ledger, there must be another group on the other side. Who comprise this group on the other side? Basically these are the 18 year olds who are entering the labour force today, or tomorrow or yesterday for that matter. They are the 16 year olds even, if they enter the labour force at that age. They will pay, for easy mathematics, for 50 years into the CPP, and pay into it far more than they will take out, provided the longevity of the average Canadian is not extended far beyond what it is today.

As I have said, only one third of the population is covered by the Canada Pension Plan. This piece of legislation is exempting another two groups. I am not going to go on at length about whether or not they are good Canadian citizens. I made a speech on the CPP bill in the last session, I think it was Bill C-190, and I was quoted as saying that Hutterites are not good Canadian citizens. I was quoting a brief, a study carried out by and for the Alberta government, in which the commissioners stated that they were not good Canadian citizens. I remember the debate we had on that bill very well. Some members of parliament broadcast across the air waves of western Canada their opinion that they were the best citizens, honourable Canadians, but I am not going to get into that. Each member of this House and Your Honour can determine in his or her mind what makes a good citizen.

Legislation has been presented to the House from time to time which singles out a specific group of people for special treatment because they are extraordinary citizens—for example the veterans. Our veterans have served Canada, and Canadian parliaments in years gone by—and I suppose parliaments to come will do the same—have brought down specific pieces of legislation for our veterans, who risked their lives to defend what we cherish most, freedom—freedom of the world, freedom of the western world, thus ensuring freedom within Canada. This signifies to me that it is a group needing special mention, that it is a group that has proven its preparedness to serve Canada.

I am not going to tell this House of Commons that all Mennonites are one, that they are all alike, because they are not. Members of the House who are knowledgeable in this regard know of what I speak. The Mennonites referred to in this bill are part of a sect resident in what might be called the southern part of Ontario. They in no way have anything to do with the Mennonites in western Canada; I make that abundantly clear.

This aspect was studied when we were debating Bill C-190 in committee, and at that time the minister informed the committee there had been no application by the Mennonites of western Canada for exemption from the CPP. In fact, the minister stated to the committee—I want to make this abundantly clear before the hon. member for Hillsborough leaves, since he made mention of Mennonites who were practising their religion and trying to promote it outside of Canada—that many Mennonites presently living outside Canada had informed the Department of National Health and Welfare that they hoped they could continue to make payments to the Canada Pension Plan because they wanted to look forward to retirement in Canada, a retirement during which they would receive benefits from the Canada Pension Plan. These people are Mennonite missionaries abroad in the world, some of them even in Bangladesh.

So, Mr. Speaker, there is no question in my mind that this particular group of people wants to remain within the Canada Pension Plan. I repeat that the Mennonites of western Canada have made no request for exemption from the CPP. This was clearly stated in the committee proceedings last session.

The other main group that is actively and avidly seeking exemption from the Canada Pension Plan is composed of those commonly referred to as the Hutterites, or the Hutterian sect, which perhaps is a branch of the early Mennonite order. I am not going into the history of the Hutterites. If any member wants to study them and their way of life he should read a book called "All Things Common," by a university professor who lived with the Hutterites in Manitoba, Victor Peters. That is a very interesting book and it is a very interesting religion. I have no axe to grind in respect of their religion as I fully believe they should be allowed to practise any religion they want within Canada, but I do not believe parliament should take it upon itself to say that one man's religion is better than another. I have made it a practice in public life never to ask anybody his religion, as I believe that is a personal belief and it should be retained as such. I have said in this House on a number of occasions that any religion is better than no religion at all. For you atheists in the House, and this is not for your benefit, Mr. Speaker, as I know you are not one of those, I mean just what I say, that any religion is better than no religion at all, but parliament should not rule that one religion is better than another.

● (1540)

One might ask how I determined that Bill C-19 suggests that one religion is better than another. The minister sometime ago in committee said the Hutterites should be exempt because of their religious beliefs and their zealous desire to take care of their elder citizens. He felt that, based on their past record, they did not need the Canada Pension Plan. One of the most deplorable things about our society today is that governments in recent years, and the present government more so than any other in the past, have encouraged Canadians not to save. It does not pay anybody in Canada to save money today. In fact, the way money is depreciating the quicker you can spend it the better off you are. In any event, governments have not encouraged people to save. You cannot take care of your elder relatives unless you do save.

Let us suppose someone has a government annuity of such and such an amount that will pay such and such a premium to a father and mother when they retire. Does that allow those persons to become exempt from the Canada Pension Plan because that is proof that they can

look after themselves in retirement as well as they could if they were receiving benefits of the Canada Pension Plan? I suggest that does not make them exempt, and that is what the minister indicated.

A number of people in this House have made the suggestion that we in the Conservative party must believe in the freedom of religion, that the Canada Pension Plan does, in fact, prevent the Hutterian Brotherhood from practising their religion freely and that this is a contradiction. That is a very interesting concept, and I wonder what another arm of the government thinks about such a concept. I happen to have with me this afternoon a decision handed down by the Federal Court of Canada on September 15, 1973. This is not an old decision but is relatively new, and it is in respect of a case between a number of Hutterian people, as plaintiffs, and Her Majesty the Queen as defendant. This case was in respect of the payment of income tax by these people, and the suggestion was, by counsel for the plaintiff, that no income tax was leviable against them because they were not in receipt of income. Let me read from page 11 of this decision as follows:

—in any event, the income of a member is found to be taxable by reason of the provisions of the Income Tax Act, such provisions are inoperative because they are in conflict with the provisions of the Canadian Bill of Rights—

That was a reference to the position taken by counsel for the plaintiffs. That suggestion was made during the debate on Bill C-190. The suggestion is that because these provisions are in conflict with the Canadian Bill of Rights, specifically Section 1(c), they in effect interfere with the Hutterites' freedom of religion. The plaintiffs argued that because the Income Tax Act interfered with their freedom of religion it should not apply. The argument in this case was presented on September 11, 12 and 13, 1973. The government argued that the provisions of the Income Tax Act did not interfere with their right of freedom of religion, and at page 22 of the same decision we find the following stated:

Since the objects or purposes of each colony are not exclusively religious they cannot be ... "religious orders" within the meaning of Section 27(2) of the act—

That was clearly spelled out in that judgment at page 22 where we find the following statement, which I think is very significant and which I bring to the attention of the Minister of National Health and Welfare (Mr. Lalonde) and his parliamentary assistant:

The application of the Income Tax Act in no way imposes any obligation upon the Hutterites to accept income. All that has been done is to enact legislation within the powers of the Parliament of Canada requiring the taxing authorities to tax the income earned by all Canadians including Hutterites.

What does the Canada Pension Plan do? It in no way imposes a tax on the Hutterites or anybody else if they do not make any income. In fact, this bill has a tendency to increase or broaden the terms of exemptions by increasing the amount one can earn without being subject to payments under the Canada Pension Plan. If you do not earn $600 a year you do not have to contribute one penny to the Canada Pension Plan, or that was the way it was, and this bill refers to the $600 amount and makes it 10 per cent on an adjustable scale, so it will go up over the years.

In any event, the Canada Pension Plan in no way obligates the Hutterites to accept income, and in no way imposes an obligation on them to pay to the Canada Pension Plan if they make less than $600 a year. They must only pay if they make more than that in earnings as individuals.

Let me just deal for a moment with the definition of "individual", and I did this at some length during the debate on Bill C-190 in respect of the whole question of social security. At pages 17 and 18 of this same judgment we find the following statement:

It is clear then that such earnings are the earnings of the members and are properly included as income in reporting their taxable income—

I do not intend to read the whole paragraph, but that in essence determines whether they should be considered as individuals under the Income Tax Act. Certainly, if they have earnings those earnings are taxable.

During the debate on Bill C-190 I read from the writings of a learned author who wrote about Hutterite teachings centuries ago. I believe his name was Rideman. He stated the Hutterites had no objection to and would comply with all taxes imposed by the government. He went on to state that they should render unto Caesar what is Caesar's. I will not read from his writings again, but the point is that contributions to the Canada Pension Plan are in fact taxes levied on any Canadian who earns income over and above a certain amount. If an individual does not have have an income over that amount the Canada Pension Plan does not apply. The question of whether they are allowed to freely practise their religion has been clearly spelled out. Their defence in respect of the application of the Income Tax Act is the same in respect of this plan, that it interferes with their right to freedom of religion. In any event, the court has ruled that the Income Tax Act did not interfere with that right of freedom of religion.

● (1550)

The defendant in that particular case was the Government of Canada. I commend the Government of Canada for taking that position. Here we have the Government of Canada, however, bringing forward a bill called C-19 which these people feel might interfere with their freedom of religion. It does not and will not. Unless they earn income they will not have to pay any attention to it. Here, clearly, the minister is trying to get rid of his workload because it is difficult to tax the Hutterites as individuals in respect of the Canada Pension Plan. They will not accept social security numbers, so the minister is attempting to lighten his load by increasing the load on every taxpayer of Canada.

The question of whether or not the Canada Pension Plan imposes a tax is interesting. One might look at the definition of the word "tax" in the Random House dictionary of the English language. It has this to say:

1. a sum of money demanded by a government for its support or for specific facilities or services, levied upon incomes, property, sales, etc.

This is a tax levied by the Government of Canada upon the people for a particular service. It goes on to state:

2. a burdensome charge, obligation, duty, or demand.-v.t.

3. (of a government) a. to demand a tax from (a person, business, etc.). b. to demand a tax in consideration of the possession or occurrence ...

That pretty well spells out what a tax is. I happen to have another dictionary, the Pocket Oxford edition. It states this in respect of the word "tax":

> Legally levied contribution to State revenue, levied from or in respect of; whose burden actually falls on those they are levied from . . .

That pretty well spells out the essence of what is a tax. It is a demand by the government upon the people whom the government is attempting to govern. This Canada Pension Plan premium is in essence a tax. I shall not suggest at this time whether or not it is a tax that is fairly applied. I think the fact that it covers only one third of the population of Canada suggests that it is not universal. I supported the hon. member for Palliser (Mr. Schumacher) in respect of his suggestion during the debate on the other bill that wives should be allowed to contribute a portion equal to their husband's contribution so that they could receive a full pension or in the event that there should be a separation within the family the wife would have made a contribution to the Canada Pension Plan.

An amendment of this type would mean that the legislation would cover a great deal more than one third of the people. I think the basic decision which must be made here is whether certain people are to be given the right of exemption from the Canada Pension Plan and not others. If we adopt the idea that some may be exempt because of religious beliefs then why should others not be exempt. My own religious belief is inferior to that of no one in this House. Therefore, I take great exception to the government suggesting that one religion is better than another. As recorded at page 1482 of *Hansard*, the minister said that because of his belief in freedom and tolerance he believed certain religious groups should be exempt. No one in this House cherishes his freedom more than I. I ask the government and the minister whether they really want this bill to be passed. I know the minister is not particularly fussy this week because this is purely a filler so far as the government is concerned. The Prime Minister (Mr. Trudeau) came back today and it was nice to see him, but he really wanted to be away this week so they are just putting fillers before the House of Commons to test the wind so to speak. At the outset of my speech I indicated how the wind should blow in respect of Bill C-19.

An hon. Member: And we are hearing it.

Mr. Horner (Crowfoot): And you are hearing it, yes. This bill contains 57 clauses. That is sufficient number of clauses for some amendments to be moved. Some clauses contain subclauses and there might be two or three amendments filed in respect of a clause by certain members of the House of Commons. The bill contains 46 pages and there are many words contained on each page. This bill is in for a rough ride, but the Minister of National Health and Welfare knows we may be into an election before we even get through second reading of this bill.

An hon. Member: What are you going to do about it?

Mr. Horner (Crowfoot): What am I going to do about it? If that is the only way I can kill this bill I hope an election comes along, but the bill shall die if I have my way. As recorded at page 1482 of *Hansard*, the minister stated that because he believes in freedom and tolerance he thinks the House should accept exemptions in respect of these two religious orders.

Let us take a look at the question of tolerance. Is it tolerance because the minister thinks these organizations are quasicharitable groups? Let us see what the court had to say with regard to the question of charitable groups. At page 9 the judgment states:

> The above, then, sets the framework for these appeals. Counsel for the Plaintiffs early in the trial acknowledged that he was not arguing that the colonies were charitable organizations . . .

I have known many lawyers who would not discard any point if they thought it would benefit their client, but this lawyer whom these people hired—and they get the best since they have the money because they have not paid income tax for many years—did not attempt to argue that these were charitable organizations.

The judgment states this clearly at page 9. I will read it again:

> Counsel for the Plaintiffs early in the trial acknowledged that he was not arguing that the colonies were charitable organizations within the meaning of Section 62(1)(e) of the Income Tax Act . . .

That disposes of that question in a hurry. Their legal counsel did not argue that they were a charitable organization. Why should the minister, out of the bigness of his heart, which he has demonstrated clearly all across Canada recently on a number of issues, ask for tolerance on the part of the House of Commons when the counsel for these people did not argue that they represent a charitable organization. Then, what are they? This is the question. In order to make it abundantly clear I should like to read from the Hutterite Church doctrine or what one might call their charter. It states this:

> Each congregation or community of the Church is empowered, inter alia, as follows:
>
> To engage in, and carry on farming, stock raising, milling, and all branches of these industries; and to manufacture and deal with the products and by-products of these industries;

● (1600)

> To carry on any other business (whether manufacturing or otherwise) which may seem to said congregation or community of the said Church capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the property or rights of the congregation or community;

That particular part of their charter spells out what they are. In essence they engage in the business of farming, stock raising and milling. This is no secret. Everyone in Alberta knows that they carry on an extensive operation in farming, milling and even manufacturing. When I was a young fellow I used to favour their brand of pancake flour. It made good pancakes, and still does. Now, my wife makes the pancake mix herself rather than buying the ready mixed pancake flour. But if you live in Alberta you can buy their pancake flour. The Hutterites in Alberta are in the manufacturing business. They manufacture pancake flour. It has a brand name and I would be doing them a disservice if I did not mention it. It is called Coyote Howling Pancake Flour, or something like that. In any case it has a picture of the coyote howling, and it makes good pancakes.

The Hutterites do not pay their workers compensation nor do they pay minimum wages in that manufacturing firm. Only recently have they paid income tax, that is

after the judgment of a year ago and the last one which I quoted of last September when the income tax department told them that income taxes must be collected from them.

One can reach any conclusion one wants to on this particular issue. This judgment from which I quoted states very clearly at page 10:

Apparently until the year 1960, the colonies paid no income taxes of any kind.

The first court case was fought in 1966 and the final case was in 1970 with regard to one group of Hutterites commonly referred to as Lehrer-Leuts. I am speaking of Darius-Leuts rather than Lehrer-Leuts, and they fought this case on their own, as a separate entity. One or two years ago in May the Lehrer-Leuts lost their case, and last September the Darius-Leuts lost theirs before the federal court of Canada. Both cases were fought on the basis of the concept that the income tax levied against these people would, in one way or another, restrict freedom of religion. The courts ruled it did not.

It is interesting that there should be members of parliament coming before the House trying to make the case that this tax will restrict their freedom of religion. In no way will it affect their religion because, in the first instance, they do not make any income so this tax will never be levied; second, if they have really taken the vow of poverty, they do not want to make an income in any case, so they do not have to worry.

The judgment went on to summarize findings in a similar case. It reads:

. . . in my opinion, applicable in this case with the result that it would seem there is nothing to preclude the application of the Income Tax Act to the farm income merely because of the reference in each colony's Articles of Association to the promotion of religion.

Before I was led astray I read out the article of the charter of the Hutterites which specifically encourages them to engage in a business. The judge singled out this aspect in particular. I maintain that that particular aspect applies equally to the Canada Pension Plan which in essence is a tax, as I showed by quoting from the two dictionaries earlier. The judgment goes on to say:

. . . the revenues earned by the Plaintiffs herein are mere depositories for the income earned by each member. Since no distinction can be drawn between individual members each is the recipient of an equal share of the net income, even though it is not drawn by them and this is income within the meaning of sections 2, 3 and 4 and therefore taxable in their hands.

In other words, their income is taxable whether or not they give it back to the colony. If a portion of it remains in their hands, it can be used by them in whatever way they like. However, they must pay the levy for doing business in this country. It has often been said that they are good people, that they ask nothing from this country and therefore we should not tax them. It is said that very few of them go to jail and that they mind their own business. All this is true, but it is also true that 99 per cent of all Canadians do not go to jail, and 99 per cent of those engaged in business wish the government would leave them alone.

However, the long tentacles of government reach into every facet of every Canadian's life. Sometimes I feel that these tentacles reach farther every day, so why exclude a particular group from their reach? It has been said that they are good people. I will not argue whether they are good or bad. My argument rests on the fact that they live in Canada and many of them are Canadian citizens who do business in this country. Therefore, they should pay tax for doing business, whether or not they are good, whether or not they go to jail, etc.

[Mr. Horner (Crowfoot).]

It has been argued that members of the Amish or Mennonite order in southern Ontario do not take advantage of what society has to offer them. What is interesting is that before they were to appear before the committee, some members of the committee did not want the Hutterites to appear so they quickly concluded the deliberations of the committee and the group did not appear. That was the committee members' mistake on that occasion. Perhaps it is true that the Amish group in southern Ontario do not depend on modern technological advances, but that cannot be said of the Hutterites in the three prairie provinces. They certainly take advantage of every new technological advance in carrying out their business. Certainly, they are not backward.

If I were a young, inexperienced farmer wanting to engage in the business of agriculture, one of the most knowledgeable men I could visit and from whom I could take advice regarding what is current, practical and applicable in agriculture in western Canada would be the Hutterite farming boss in the area. He knows what is going on and takes advantage of modern technological services provided to the farming community in Canada, as well as to the manufacturing industries with regard to flour and milling. They take advantage of our society and therefore I say they should pay the tax for belonging to our society.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member's time has expired.

● (1610)

Mr. Jake Epp (Provencher): Mr. Speaker, in rising to express my thoughts on Bill C-19, I should first of all like to make a few comments on clauses other than those that have been covered by the former speaker.

First of all, on the question of surviving spouse, I welcome the change in the bill that brings in the term "surviving spouse". I question, though, the adequacy of the 60 per cent which is being used as the base for the amount of the former pension that can be received by the surviving spouse. As mentioned by the hon. member for Esquimalt-Saanich, (Mr. Munro), while the expenses of the surviving spouse might not equal the total living expenses prior to the death of the spouse, surely 60 per cent is hardly adequate to meet the daily living needs of the person left behind. I would urge the minister very earnestly, that a re-examination of that 60 per cent be undertaken and that possible changes be examined very carefully in committee. Questions have also been raised as to whether the salaries of the husband and wife should not be combined when contributions are calculated so they could make a total contribution based on both salaries, regardless of whether that contribution is paid by the husband or the wife alone. I should like to present that possibility to the minister for further examination.

I also welcome the change that removes the earnings test between ages 65 and 70 in order for a person to be eligible for Canada Pension Plan benefits. I believe in our society today, with a retirement age of 65, one should not be asked to prove whether one is entitled to a retirement pension. In view of the fact that the Canada Pension Plan is a contributory plan, largely by the employer and employee, and these contributions have been made for the benefit of the employee, that person should receive those benefits at age 65. That correlates with the age at which a person becomes eligible for the old age pension or the guaranteed income supplement. I believe it is only natural and right that these clauses should be introduced. I welcome them and commend the minister for introducing them.

As I am sure many hon. members realize, when I got to my feet this afternoon those matters were not going to be the main thrust of my argument. I find it strange to be in a position where I have to challenge the thoughts of a colleague who sits on the same side of the Speaker as myself, but that is what I intend to do today. First of all, the spokesman for my party on this bill very clearly defined that our party was going to endorse the legislation. He gave the commitment of our party that we favoured the changes and while we have certain questions on various points, by and large we are in agreement with the bill. I did not believe that the hon. member for Hillsborough (Mr. Macquarrie) was a brave person, although I will give him credit for that as well, but I believed he was an honest person, stating very clearly the position that his party had taken. I endorse the position that the hon. member for Hillsborough has taken on behalf of our party.

When a bill is presented to the House, every member has a right in his own good conscience to either say he is in favour of the bill or is opposed to the bill. I do not remove that right or have any intention of removing it from those who disagree with me, but I do seriously question a person who uses arguments that, through innuendo, question the sincerity of others and uses that approach to block a bill. I seriously object to that kind of approach, Mr. Speaker.

The basis of the Canada Pension Plan has been the concept of universality, that a person who earns a taxable amount of income pays Canada Pension Plan premiums. This was also the basis of the argument which the hon. member for Crowfoot (Mr. Horner) used but I maintain, just as I did on Bill C-190, that the concept of universality was not used when the Canada Pension Plan was introduced. I do not know how you can say you have universality and yet you do not. It is an all or nothing type of thing. When the Canada Pension Plan was brought before this House and passed by this House, exceptions were given to people who made the vows of perpetual poverty and who were church employed. Since the date when the bill was passed, effective in 1966, there have been people in Canada who have had the option of exempting themselves on the basis of those two positions.

I am not quarrelling or questioning whether people exercise that option, but I say the option was there and is there today. I further say, Mr. Speaker, if you follow the argument, that this exception was given because of freedom of religion, then it makes no difference whatsoever whether a person exercises that option. The option is in the bill, and it is in the law of Canada today.

If that is the basic concept of the argument I should like to read from the baptismal vows of the Hutterian Brethren, very specifically as to what their position is relative to these two clauses. The vows are that no one shall have any private possession any more: for one gives and surrenders himself to the Lord and His church with all that he has and is able to do, as it was in the original apostolic church, when no one said of his possessions that they were his own, but all things were held common to them.

The hon. member for Crowfoot mentioned the book "All Things Common" by Dr. Victor Peters. Dr. Peters takes the position, after extensive study of the Hutterians, specifically in Manitoba—and I know Dr. Peters—that the Hutterians are a group of people who are engaged in making a living for themselves. There is no question about that and I would maintain that almost all Canadians fall in that category. He maintains, too, that they hold all things common under the terms of Acts, chapter 2. This fact has also been based on a judgment in a case in Manitoba in which a number of former Hutterians left a colony. They took their case to court, arguing that the proportion they constituted of the male household heads of the colony of which they had formerly been members, entitled them to that same proportion of assets of that colony. Say for example, that they constituted 30 per cent of heads of households in the colony, then they should have received 30 per cent of the total assets of the colony when they left it. In the judgment the court very clearly stated, on the basis of the baptismal vows, that no one held anything but that the total membership held all goods and, as a result, those goods could not be divided because the common ownership had been given voluntarily by an adult at the age of accountability. One is not born a Hutterite. On reaching the age of accountability, a person can decide whether, by baptism, to become a Hutterite. That is an adult decision. It is not something which happens through birth.

● (1620)

How can you follow the argument of the hon. member, that you possess nothing as an individual? The Canada Pension Plan allows an individual to build up personal equity, just as if he were a member of a registered retirement savings plan. A person can build up equity by being a member of the plan, or by taking out a plan with an insurance company or similar type of company. At present we are talking of equity built up through membership in the Canada Pension Plan. How does an individual do this? He is given a social insurance number and makes contributions. The concept of individuality is in direct violation to the vows he has taken in the case in question, as an individual is held to own nothing.

Much of the previous speaker's argument was based on the fact that the Hutterites are not a church but, rather, a corporation or business. It is true that up until the 1960's they did not pay income tax. The government of Canada challenged that situation in the courts. The courts maintained the government's position. I firmly accept that decision. I am of the opinion that if Hutterites make a profit from farming, they should pay a tax. The difficulty with regard to the tax situation to which the hon. member

referred and the judgment to which he referred was this: up to that time, Hutterites had paid taxes as any other corporation pays them. The tax decision resulted in Hutterites being assessed and required to pay individually. This violated their concepts under which individuals do not gain wealth. They challenged the decision but lost the case. It is now a matter of history. I want to make it clear that they challenged that decision as a corporate body and not as individuals, because it has been held that an individual should not build up wealth for himself.

There is no evidence to show that Hutterites have not paid taxes, or that they have paid less or more than other Canadians. They are paying their taxes. That is not the real point at issue. If one argues that CPP premiums are a tax, one might argue that the Hutterites should pay such premiums. If you subscribe to the idea that you should render unto Caesar those things which are Caesar's and unto God those things which are God's, the tax should be rendered to Caesar—I do not know if that is an apt reference to the present government. That is the argument one might make.

I do not think that the basic concept of CPP premiums being a tax applies in this case. Why? The individual who pays CPP premiums will also get a personal benefit. The member who began this argument said that some people might even get windfall benefits. Further, the member made the innuendo that this bill treats some religions as being superior to others. He then destroyed that argument by saying that the Hutterites are not a church, not a religion, but a business. I do not know how they can be a religion and not a religion at the same time; but that is the point he tried to make. That is not the main point of my argument. I do not see how we can maintain that one religion is better than another. I do not see how you can bring that concept into this argument on what the bill does.

The government took the position, first enunciated by the former minister of national revenue and repeated by the Minister of National Health and Welfare (Mr. Lalonde), that Hutterites, effective January 1, 1972, would be exempt from the requirement to pay Canada Pension Plan premiums. Clauses relating to perpetual poverty and church employment were included in the original bill and therefore the present provision is not a special dispensation, as such clause has already been included. Therefore the government is fulfilling an obligation which was set out in the act it brought before the House in the 1960's.

Let me make one more argument. If my argument proves valid for January 1, 1972, it should prove valid for the time of the inception of the bill in 1966. What I am speaking of is this: We live in a democracy. Many have come here, to become part of the democratic framework of Canada. Canada took in many of these people who had been persecuted in other countries. Look at their history, and look at the persecutions under which they suffered in the 1500's, and at the places to which they were driven. At last they came to Canada; Canada gave them haven. All they asked of Canada was that they be allowed to follow their religion. Canada guaranteed them religious freedom. They did not ask for special favours. They did not say they would not become good citizens. They said they would obey the laws of this country, and they have. If you champion individual freedom, how can you champion it for one group but not for another? If certain freedoms are provided in a statute of Canada, how can you provide them for one group but not for another? All this bill does is finally rectify an inequity that has existed since the days the Canada Pension Plan bill was introduced.

● (1630)

As far as the democratic rights which this country gave to the Hutterites are concerned, I would like to point out that in Alberta, where there are a number of Hutterite colonies, there was a law that Hutterites could not build a Hutterite colony within 40 miles of an existing colony. It was called the 40 mile limit. The present government of Alberta rescinded that law. Under the Alberta bill of rights, the Alberta government took the stance that it was discriminatory legislation against a specific group.

Granted there are problems. I am not denying that. However, I think a number of us may have had neighbours with whom we might have had a problem or two. If we are honest about it, maybe some neighbours even had a problem with us. Alberta has rescinded the 40 mile law. There is a gentleman's agreement. I appreciate the difficulties in the implementation of it, but surely that is what life is all about. It is the responsibility of government to iron out differences between governments and individuals.

In Manitoba there has never been a law specifically relating to where Hutterites are to settle. We have a gentleman's agreement or the so-called 10 mile limit whereby Hutterites are asked not to build colonies within 10 miles of existing colonies. This has worked out quite well in Manitoba. Why? Because it has been based on co-operation between one group and another, between a government and its citizens. That trust is there. It worked with the former administration of Manitoba and it works with the present administration. Why? Because we want to make it work. If you are going to legislate and say that you are better than I or vice versa, you will run into trouble. You cannot do it. I maintain that this bill is trying to rectify that discrimination.

I would much rather discuss this bill on its merits but I have been forced into taking a position on clause 7 and that is why I spent most of my time debating that. I would like to conclude with this thought. If we want freedom, and if we want to do more than give lip service to the Bill of Rights, then we should be very careful and sincere about groups or individuals who feel certain actions would be a violation of conscience but not a violation of the laws of this country. Government should have the conscience and the ability to say a provision is discriminatory and remove the discrimination. That is the only way democracy will work.

I commend the minister for following up the promise made by the former Minister of National Revenue. I was disappointed in the previous session. On the last day of that session, I asked the minister about Bill C-190 because I was disappointed it had not gone through. The minister will recall that. I simply wish to reiterate that this bill has my full support and I hope for its speedy passage.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wish to begin by associating myself

with the comments just made by the hon. member for Provencher (Mr. Epp). He is well known to his colleagues for his decency, sense of compassion and sense of justice. He again demonstrated that. We can all be proud to be members of the House of Commons with him. His remarks, which were short and extremely meaningful, were among the finest I have heard since my election to the House of Commons in October 1972.

Some hon. Members: Hear, hear!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): I will not speak for a great period of time. Like the previous member, I will confine my remarks to that portion of the bill which deals with the rights of minorities who conscientiously object to being included in the Canada Pension Plan.

This bill is essentially the same in relation to that particular aspect as the one presented in the last session. It is my intention to deal only with the question of the Old Order Mennonites in my area. Frankly, I am not competent to deal with the question of the rights of Hutterites. This was dealt with very fully and in an excellent manner by the hon. member for Provencher. I certainly accept his judgment on that.

The problem exists in my particular area because Mennonites are not allowed to participate in insurance schemes. The past practice has been that they will willingly pay taxes. Because their religion does not allow them to collect welfare or money from other programs such as family allowance or old age pensions, they simply pay their taxes but do not collect any money from these schemes. In other words, they contribute vastly more than the average Canadian to the general welfare, but take nothing in return. All they ask is a chance to live a decent life in peace and in freedom.

Old Order Mennonites are not allowed to participate in the Canada Pension Plan because it is considered an insurance scheme. The Mennonites in my area have publicly stated on a number of occasions that they are quite prepared to pay money and simply not collect, if the revenues come through general tax revenues and if it is not considered an insurance program. Indeed, the Mennonites in my area have made it clear they are willing to pay to a charity a comparable amount of money to what they are being asked to pay to the Canada Pension Plan. It is not a matter of asking for a free ride or for someone else to bear their burden. They are trying to abide by the principles of their religion as best they can. Let no one misrepresent what they are asking from this House of Commons.

In December 1971, the minister's predecessor and the predecessor of the Minister of National Revenue (Mr. Stanbury) issued a joint press release indicating that in the next session of the House of Commons a bill would be introduced to exempt Mennonites and Hutterites, people who for reasons of conscience could not participate in the Canada Pension Plan, as of January 1, 1972. The government did not keep that promise. The legislation was not introduced in the next session. As a consequence, the Mennonites were forced to choose between their country and their God. The government seized the cream cheques of these people and confiscated that portion of their income. Ultimately, the sanctions available were for these people to go to jail for simply trying to live their religion.

In the last session, this minister finally introduced legislation to exempt Mennonites and other people with conscientious objections as of January 1, 1972. When the minister appeared before the committee, he was asked whether he was willing to accept an amendment or bring in further legislation which accepted the principle that these people were being denied freedom of religion by being forced to pay after January 1, 1972 in exactly the same way as they were deprived of their freedom of religion by making these payments prior to 1972. The minister refused. There is some question in my mind about both his sense of logic and his sense of justice. The house leader and the Prime Minister (Mr. Trudeau) allowed a tiny minority of the members of this House to frustrate the will of the majority. The hon. member for Provencher, the hon. member for Perth-Wilmot (Mr. Jarvis) and I went to speak to our counterparts on the other side to ask them at least to schedule the legislation. It would have been a lot easier to get that legislation through, a simple piece of legislation with regard to which the filibuster was dying, than it will be to pass the bill we are dealing with today. But the government was not willing to schedule the legislation. They allowed it to die.

● (1640)

Since hearing first of this matter I have held conversations with people in my area who have had dealings with the Mennonites. They have found them the finest of people, excellent citizens of Canada and of their community. The whole area has benefited economically and socially from their participation. The Old Order Mennonites are highly regarded, as anyone who wished to do so could ascertain if he talked to their neighbours. Mr. Speaker, the strength of a democracy is its willingness to tolerate people who choose to be different from the majority in a society.

Some hon. Members: Hear, hear!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): We are saying in this bill that people have a right to differ, a right to live their own lives. This is a principle which makes the greatest difference between the socialists, the leftists and those who, as I do, support the Conservative party. It is the ability to allow a person to live his own life, to be different from the mass, to live in freedom. This is why I am proud to be a Conservative.

Some hon. Members: Hear, hear!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): If any member of parliament believes that an appeal to prejudice or fear will cause Canadians to rally to his banner, let me disabuse him of that notion. Such an appeal is an insult to rural Canadians who have proven their tolerance, their sense of justice and their compassion. They will reject any such attempt to win their favour, whether it is expressed directly or in code. The politics of prejudice is dying in Canada, and it will not be missed. There should be no doubt as to where the majority of this House, or the majority of this party, stand. The will of the majority of Canadians must not be frustrated this time,

and the rights of these Christian and devout people must not be denied them any longer.

Some hon. Members: Hear, hear!

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to speak in this debate and bring forward some ideas on an aspect of the bill which has not been touched on so far, that is, the general effect of the cost of the Canada Pension Plan in relation to its benefits in the future.

I am concerned to think we have been considering only the benefits which the CPP has in store for our citizens rather than its effect on our future economy. I might say that, speaking personally, I will probably receive benefits earlier than many people in this chamber. But in the course of this debate we have not touched on what the cost is likely to be, or upon the changes which are likely to be felt in the financial structure of the country. We have not questioned the effect of the proposed amendments or the actuarial soundness of the plan. We have tended to talk as though there were a bottomless pit of money rather than a fund designed to begin shrinking within the decade. I have heard it said by people who have studied it that the plan as now constituted will be bankrupt in four or five years. We have not considered the enormous amount of capital, under the control of the federal government and available for the use of the provinces; that, in fact, none of this money will be left to private enterprise for the development of Canada and to sustain economic growth. Enormous sums will be hived off from the general economy, taking no part in the national development.

I believe we have been guilty of assuming that dollars are the most important thing about a pension. In fact it is what those dollars can buy that matters. Merely giving dollars is of little value unless those dollars can purchase for their recipient the necessities of life. One comment about the inflation in Germany after the Second World War sticks in my mind. The housewives there said: We took our money to the store in baskets and brought the food home in our pockets. More and more, workers and employers regard the CPP contributions as a tax. With the emptying of the fund it looks less like a contributory, self-supporting pension scheme and more like a transfer payment. I have no quarrel with this essentially, as long as we know what we are doing and where we are going. We need to examine the consequences of this legislation, particularly to the young, including those who have not yet made their first CPP contribution, and demonstrate an awareness of the cost burden in the years ahead. To pass this legislation blindly without discussing these aspects of the plan would be a hasty action indeed.

This afternoon we have been discussing the aspect of the bill which concerns a religious group. These considerations are important. But if we do not deal with the financial aspects, the situation in the years ahead will be perilous. The magnitude of the benefits that the Canada Pension Plan will bring is quite staggering compared with what those affected—that is, the middle and lower income groups—might customarily expect. The minister outlined the very generous benefits that will be accorded those who contribute to the plan. If a contributor in 1966, at the onset of the plan, was earning $4,000, then was earning $5,000 a year in 1974 and $7,000 in 1985, and be then retired, had the plan remained as it was originally he would have received only $162 a month whereas he will now receive $223 a month because a cost of living index relationship has been built into the plan.

[Mr. Beatty (Wellington-Grey-Dufferin Waterloo).]

● (1650)

Then, the minister pointed out, and I think quite rightly, in calculating the entire income of a single wage earner or a couple, that a little over a year ago the maximum income derived from the Canada Pension Plan and old age security would have been about $240 a month, whereas today it is $320 a month. By 1980 this same couple will receive $525 a month, and by 1985 well over $700 a month. This assumes that the wage earner makes $7,000 a year during his last working year. In addition to that, the cost of living index will be incorporated into the plan, and with the increase now running at 10 per cent hon. members can see a truly large amount of money is involved. The cost of giving our retired people pensions will be a large element in our over-all social structure.

The minister quoted an example which showed that in 10 years a couple would increase their pension from $300 a month, with one of the couple working, to $700 a month. If he were to save this amount of money, the difference in amount would be quite staggering. Many years ago, in attempting to understand insurance annuities and so on, I was informed that it took approximately $1,000 of annuity at age 70 to give an individual $10 a month, for his life expectancy. At 65 an individual required an annuity of somewhere in the neighbourhood of $1,300 to provide him with $10 a month.

Let us see what the Canada Pension Plan and old age security will do for the couple earning a maximum of $7,000 a year, with only one person earning. This single wage earner would have had to save somewhere in the neighbourhood of $40,000 to $50,000 in order to get a comparable annuity for himself. This is to say nothing of the very great benefits the CPP confers upon widows, dependent children and the disabled. I am not saying that this is not right, but I point out that the Canada Pension Plan as constituted, along with old age security, represents a transfer payment of a considerable amount.

In addition, no private plan would carry with it the cost of living index, as the CPP does. In fact, the $700 a month forecast by the minister with the cost of living index incorporated into the CPP and old age security that a couple would receive in 1985 may well rise as high as $1,200 a month. Perhaps this couple will need that amount then, but nevertheless this is an indication of the actuarial scope of the Canada Pension Plan.

When walking up to the House of Commons this morning I passed an institution down the street that invited me to invest my money. According to a sign in the window, if I invested $10 in 1966 that amount would now be worth $13.59. In other words, in the space of eight years the man who invested $10 would have made $3.59. This works out to approximately four cents on every dollar per year, not including personal income tax. When he comes to pay income tax on that amount, as he will some day, this investor is making a cent and a half on every dollar invested. This underlines how difficult it is to save money and how private fields cannot compete with the Canada

Pension Plan as amended by this bill. A lot of fundamental changes are going to occur in our society as a result of this bill.

In other words, this bill makes largely ridiculous the saving of money for an individual's retirement, at least the individual with an income below $10,000 or $12,000. It might be worth the while of wealthy people to save money but I presume they do not need to save money for retirement. For anyone earning less than $10,000 to $15,000, the wisdom of saving money can be seriously questioned. Any savings by the group above 50 years of age earning under $10,000 to $12,000 will be largely—

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member but it is now five o'clock. Pursuant to Standing Order 40, it is my duty—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order. Perhaps I should put the questions to be raised at the time of adjournment tonight.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—Air Canada—Negotiations respecting use of Winnipeg as overhaul base for Boeing 727 aircraft; the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty)—Housing—Action by government to reduce cost; the hon. member for Yorkton-Melville (Mr. Nystrom)—Unemployment Insurance—Eligibility for benefits of unemployed rural workers.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there have been some discussions, and unless our tentative understanding has fallen through, I believe there might be agreement to use whatever part of this hour between five and six might be necessary to complete second reading of this bill.

Mr. Stevens: Mr. Speaker, I do not agree with the hon. member. I think we should go into private members' hour, as was the original intention.

Mr. Knowles (Winnipeg North Centre): The hon. member does not agree with his own House leader.

The Acting Speaker (Mr. Laniel): Order. It being five o'clock the House will now proceed to private members' business as listed on today's order paper, namely private bills, notices of motions (papers), public bills.

● (1700)

[*Translation*]

Since there are no private bills on the order paper, the House will now proceed to the consideration of notices of motions (papers).

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*Translation*]

IMMIGRATION

REQUEST FOR COPY OF AGREEMENT WITH WEST INDIAN GOVERNMENT FOR WORKERS TO HARVEST CANADIAN CROPS

Mr. Adrien Lambert (Bellechasse) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the agreement between the Department of Manpower and Immigration and the West Indian governments with respect to the hiring of West Indian workers to harvest certain Canadian crops.

He said: Mr. Speaker, since I now have the information I asked for in the motion on the order paper, I ask the unanimous consent of the House to withdraw the motion.

The Acting Speaker (Mr. Laniel): Order. Is there unanimous consent that the hon. member for Bellechasse be allowed to withdraw notice of motion for papers No. 1?

Some hon. Members: Agreed.

Motion withdrawn.

* * *

[*English*]

MANPOWER

REQUEST FOR COPY OF EVALUATION REPORT OF CANADA MANPOWER MOBILITY PROGRAM

Mr. David Orlikow (Winnipeg North) moved:

That an order of the House do issue for a copy of the latest evaluation report of the Canada Manpower Mobility Program.

He said: Mr. Speaker, I am not surprised the Minister of Manpower and Immigration (Mr. Andras) and the government have refused to agree to the publishing of a copy of the latest evaluation report of the Canada Manpower Mobility Program as this is in line with the general policy of this government over the years to give members of parliament and of the public as little information as possible. The Department of Manpower and Immigration spends almost $600 million for its work in the field of manpower and immigration, and I exclude from that figure the amount which is spent by the Unemployment Insurance Commission which reports to parliament and the people of Canada through the minister. I will confine myself and my remarks to those programs conducted by the department in the field of manpower and immigration.

When one looks at this year's estimates, he sees that the department has estimated its expenditures for the year

1974-75 in the amount of $599 million. If one looks at the breakdown, he will see that it will be spending some $315 million on manpower program activities, and when one looks at the utilization and operation of those programs he sees that the estimated expenditure amounts to almost $300 million. Let us assume for the sake of argument that this department is doing a superlative job. I suggest that the officials are still human beings and can make mistakes, and if a member of parliament is in touch with his constituents he will know from speaking with people who have been in touch with manpower training schools and community colleges that from time to time departmental officials make decisions they feel are arbitrary or that they cannot understand.

Some weeks ago I raised a question with the minister in respect of the amount of money the department contracts to turn over to the provinces for manpower training. This amount seems to have been cut this year in respect of training projects by something in the neighbourhood of 10 per cent in almost every province. That may be a good decision as perhaps we have been spending too much money in the training of too many people, but there has been no evidence made public or to members of parliament at meetings of the standing committee, or to provincial governments, that would substantiate such a decision. This is a unilateral ukase on the part of the Department of Manpower and Immigration. Without suggesting that officials of the department were wrong, they should be ready to explain and justify what is being done. They should be ready to show the people of Canada and members of this and provincial governments what has led them to the decision to cut the expenditures in respect of these programs, or the adoption of new ones.

What has bothered me for a number of years is the seeming desire on the part of the government to keep everything quiet, hidden and secret. It may be that the expenditure of something in the neighbourhood of $500 million is necessary, worthwhile and justified, but if that is so the department should be willing and eager to give this information to the public. The department should not have to be urged or coerced.

Let me give a specific case. We have a mobility program operated by the department of manpower under the jurisdiction of the minister through which a person with a particular skill can be encouraged to move to another area where there is a requirement for that skill if that individual cannot find suitable work in his own city, town or village. This might involve a miner from Cape Breton being moved to Sudbury or an electrician being moved from an area where there is no work for one with such a skill to Vancouver or another city where there is work. This is a voluntary program and no worker is forced to move because there is no work for him in his field in his own city or province.

The whole purpose of the mobility program is to encourage workers who have skills which cannot be put to use in the area where they reside to move to places where there is a need for skilled workers in that field, and where the likelihood is that such workers can obtain meaningful employment at satisfactory rates of pay. I support that program, but I think the people of Canada are entitled to as much assurance as possible that it is operating successfully and is actually achieving the purpose of finding employment for people in other areas when they are not able to find employment in their own cities or provinces.

● (1710)

I would hate to think of a person who had been encouraged to move from say Cape Breton Island or Halifax to Sudbury or Toronto, because supposedly there was a job waiting for him there, finding, after having worked for a month, two months, three months or six months that there was no longer any work for him and that he was unemployed in a strange city and a strange province. I am not saying this is what happens, but it is a possibility. I would hate to think that a worker who was encouraged to move by way of being given a mobility grant might find that the employer did not live up to the conditions. Perhaps the pay scale did not turn out to be what had been promised, or the working conditions were not as stated or decent housing was not provided after he had been promised that it would be available. This is the type of problem which I submit can and does occur. I do not say this in criticism of the government. The only way in which there could be no mistakes in respect of a mobility program would be if there were no such program.

I am not opposed to a mobility program. On the contrary I think it should be expanded. How can we know that the program is working in the way in which it was designed to work? How can we know whether the officials administering the program are doing a job or are doing it properly? I submit we cannot know if the government is determined as it seems to be to hide everything. I suggest, as I suggested on other occasions and I hope I will be more successful this time, that there is no reason the government should keep secret these house surveys, these detailed reports merely because the position is taken that they are confidential and therefore cannot be disclosed. On the contrary, I say we require much more information, much more openness and much more desire on the part of the government to tell the people of Canada what the government is doing and why it is doing it. The cost of government increases from year to year. The number of people employed by governments, federal, provincial and municipal, increases from year to year. It does not seem to matter whether the government involved is Liberal as it is federally, Conservative as it is in Newfoundland and in Ontario or NDP as it is in Manitoba, Saskatchewan or British Columbia. In any event, the cost of government increases.

The number of public servants employed by governments increases. I say this is inevitable so long as the people want government to provide more services. I do not object to it, but I believe governments must be more accountable for the responsibilities they undertake. I think governments must have not only a duty but a responsibility to account to the people for what they are doing and to inform the people what they are doing and why they are doing it. The people should be informed concerning how programs are operating, the success of the programs and so on. It is for this reason, after becoming aware of the fact that the government has received an evaluation report on the Canada Manpower Mobility Program, that I moved this motion. I would urge the government to stop hiding things. When it hides such reports the

government convinces members of parliament and members of the public that they should wonder what is going on. I believe some members on the government side might agree with me in this regard but they cannot say so because they are members of the government. I do not say this in a critical way because I assume if I were a member of a government party I would feel the same way.

Stories are told about people ripping off the unemployment insurance fund, drawing welfare benefits to which they are not entitled and so on. One may hear stories about farmers receiving assistance under some farm legislation to which they are not entitled. If hon. members doubt what I am saying they need simply tune in on any hotline radio program in order to find out the type of feeling people have about governments, federal, provincial and municipal. In this way hon. members would realize that people are concerned about the way in which governments operate. I suggest to members on the government side that it is not surprising that people feel the way they do. On the contrary, it is surprising that more of them do not feel the same way.

If one wishes to see the extent to which people can become upset, or the extent to which they can come to believe that governments and elected members of a legislature or state or federal government can fail to do the job, one might simply look at the various polls being conducted in the United States concerning how the people of the United States feel about their President and their elected representatives in the House of Representatives or in the United States Senate. In a recent poll it was indicated that less than 25 per cent of the people believed their elected representatives are doing a good job. A large part of the disillusionment in this regard is that, rightly or wrongly, the people believe that President Nixon has failed to give them the facts concerning the Watergate affair. I am not suggesting for a moment that the people of Canada have as poor an opinion of their elected representatives as the American people have of theirs. I do not believe this is the case. I hope it is not. One should not be surprised, however, if Canadian citizens express concern or surprise about the way they are being governed if they are so consistently and deliberately kept in the dark concerning what is going on.

I wish to conclude my few remarks by simply appealing to the Minister of Manpower and Immigration (Mr. Andras) to stop being so determined about hiding the real facts concerning what is going on in his department. If he believes, as I think the minister should, that his department, his officials and the people who work in his department are trying their best to do a good job and on the whole are succeeding, then the minister should have no hesitation in agreeing to table this kind of report so that in this area the people of Canada would be able to see whether the program is working and the way in which it is working.

● (1720)

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, this is not the first time I have had the pleasure and privilege of following the hon. member. It seems to me that he keeps repeating month after month, year after year the same fiction that we have heard from him and others about this particular government, namely, that it seems to be a secretive government that does not want to let the opposition know what is going on. We know that that is fiction, that there never has been a more open government or one that has been keener to ensure that opposition parties in particular have access to information. Not only are they given access to information but they are given research staffs—an unheard of step. This government, in the interests of being democratic—

Mr. Clark (Rocky Mountain): Oh, oh!

Mr. Cullen: I see the hon. member for Rocky Mountain (Mr. Clark) is speaking from his usual position, which is sitting down, not wanting to participate in the debate and not having the courage to speak from a standing position.

Mr. Clark (Rocky Mountain): May I ask the hon. member a question?

Mr. Cullen: It is not my role, as a backbencher, to answer questions. There is a position here that I want to advance.

An hon. Member: You do not have the courage to answer the question.

Mr. Cullen: If I may finish my remarks, I will be happy to accept any question from the hon. member at the conclusion of my remarks.

The point I was endeavouring to make is that it was this government which made funds available to the opposition parties so that they could hire a research staff and do more delving and digging. It was the regulations and rules passed by the House when this government was in power that permitted careful scrutiny of each bill at the meetings of various committees rather than having the bottleneck of committee of the whole House which would limit questions to those of two or three members on a particular bill. Now, we have a bill scrutinized in the committee its passage flows through much better and each member is given the opportunity to ask questions. If members have done their homework, they have the opportunity to obtain all the information that they want.

We also have the 40 minute question period, which is always extended beyond the time limit, as I think it should be, so that opposition parties can ask questions on a daily basis. In addition, we hear a catalogue of questions being answered in the ordinary course of events by the parliamentary secretary to the House leader. Despite the fact that more questions are put on the order paper due to the fact that opposition parties have research staff available to them, we find that anywhere from 80 per cent to 90 per cent of the questions are answered. That is a commendable record. So for someone to suggest that this government is not being free with information is not in accordance with the facts.

I should like to paraphrase the statement of an individual who said that none is so blind as those who will not see. While listening to the hon. member, I thought it would be more appropriate to say that none is so poorly informed as those who will not read or, perhaps I should say, those who will not participate in debates that have taken place in this chamber. The President of the Privy Council (Mr. MacEachen) on March 15, 1973, in what I felt was a

splendid address and certainly guidance to opposition parties, gave an admirable presentation of this government's view and the views of the governments of Sweden, Great Britain and the United States, about the kinds of documents that should fall into the public domain. Then, he indicated the exceptions to such documents; in other words, those that should not be made public. On that occasion an appendix was added to the issue of *Hansard* of March 15 at page 2288. In that document the general principle is spelled out by the President of the Privy Council and I should like to read part of it:

General Principle

To enable Members of Parliament to secure factual information about the operations of government to carry our their parliamentary duties and to make public as much factual information as possible consistent with effective administration, the protection of the security of the state, rights to privacy and other such matters, government papers, documents and consultant reports should be produced on Notice of Motion for the Production of Papers unless falling within the categories outlined below in which case an exemption is to be claimed from production.

What we normally hear is a categorical denial of the exemptions without treating them on an individual basis. This, in fact, was the complaint registered by the President of the Privy Council when he stated this principle and exceptions to it. I will take one of them as an example, namely, "legal opinions or advice provided for the use of the government." I do not think anybody in his right mind, unless he is being totally political, can disagree with that exception. Another one is "papers, the release of which would be detrimental to the security of the state". There are 16 such exceptions. When we hear complaints by opposition members that a particular document should be made available or made public, it seems to me that we should answer on the basis of any of the 16 exemptions, and if they should be attacked, that is where the opposition parties should move in.

In this instance, when the hon. member moved his Notice of Motion for the Production of Papers No. 12, in my view, he would have been well advised to read the comments made by Professor Knight of the University of Queensland in 1966. He would find there a strong case for not disclosing internal departmental memoranda. This is one of the main areas of interest in notices of motions which ask departments to produce internal memoranda. I will not read the whole article by Professor Knight but I think that a portion of it would indicate the thrust of the thinking of the Professor who is a recognized expert in the field. He said it in 1966 but I suggest it is equally true today:

The civil servant may feel, too, that he must avoid placing on record anything which is likely to offend or cut across the interests of any individual or group in the community. This could affect not only the generalist administrator having a policy advisory role, but also the large body of officials whose work is concerned essentially with matters of a technical or professional nature. An officer who prepared a report on, say, the relative merits of butter and margarine, might well find himself the centre of a political controversy long before any decision about subsidies or production restrictions had been reached at the political level. Even if he wished to defend himself and had the ability as a controversialist to do so, the means open to him to do so would hardly be adequate.

So we place our civil servants and people who were retained to advise government departments in an untenable position. If they are told that a particular study or report they are preparing for the consideration of the government on a policy that it has adopted or proposes to adopt or a program that has been in effect for a couple of years will not be kept confidential, I suggest that this weakens the report. If they give a report that they anticipate will be kept confidential and it is then not kept confidential, then I think you do a disservice to the individual who has been retained to give you that report.

There may be a series of suggestions in this report on the mobility program that the government would reject out of hand as not being consistent with the thrust of intention of the particular program. On that basis you would have an individual who has made a report contrary to a government position. A cabinet minister has the ultimate responsibility for making the decision, and then you would have a crossfire between the deputy minister, or whoever prepared the report, and the minister becoming a matter of public record.

I suggest that this would weaken the parliamentary system. This is going to the very root of what the parliamentary system is all about, that the man or individual who has the prime responsibility for a piece of legislation or a program is the minister himself, and it is up to him to cull out what he thinks is good in the program and then face the House of Commons on that subject. He then, of course, has to answer during examination of the estimates for the money that is put out on a particular program; he has to indicate its strength and defend its weakness. That responsibility in the parliamentary system falls upon the elected member who in this instance is a cabinet minister.

• (1730)

Mr. Speaker, I understand that there are many other members who wish to speak on the subject. I was going to elaborate, for the edification of the hon. member who moved the motion, on the general principles and exemptions that were indicated by the President of the Privy Council on March 15. I see that the hon. member for Winnipeg North Centre (Mr. Knowles) is here. I believe he participated in that debate. I thought, therefore, he might have drawn to the attention of his colleague why this particular report falls within the exemptions that were enumerated in the debate.

Recognizing that our time is limited, Mr. Speaker, I will yield the floor to others who wish to participate.

Mr. Clark (Rocky Mountain): On a point of order, Mr. Speaker, I wonder if the hon. member will now entertain my questions. I gather that he will, from his gesture.

I should like to ask the hon. member for "Haldeman-Ehrlichman", who has just spoken on his concept of open government, what has happened to the assessment report of the OFY program for 1972, a program which operates without the authorization of a statute of this House. Also, what has happened to the assessment report of the OFY program for 1973? Why have we not had presented to the House the assessment of the LIP program for 1972 or 1973? Why have we not received in this House the assessment of the jeunesse Canada monde program? Why have we not received an assessment of the core funding program for native people? Why have we not received a copy of the assessment for the student summer employment program?

I could go on, Mr. Speaker, but I think the hon. member has my point. Can he answer these specific questions on behalf of his open government?

Mr. Cullen: Mr. Speaker, I am pleased to respond to the hon. member for Rocky Mountain. The weakness of his action was pointed out by the snide remark in referring to me. I am the hon. member for Sarnia-Lambton, which I am proud to represent and which I hope to represent for many years to come.

The hon. member reminds me of an individual who looks at a glass of water which is three-quarters full and says it is one-quarter empty. That is why I would not want to live in a Conservative world. They always see the negative, black, and gloom and doom. In answer to the hon. gentleman's questions, I could use the tactic that he has used and catalogue a whole series of items that have been provided to the opposition at their request. There are many hundreds of reports, but he has catalogued five or six items that in his view should be made available now.

I suggest that the question has been asked of cabinet ministers already and satisfactory answers have been given, although they may not be satisfactory to him. There are good and sufficient reasons why some are not made available in the timetable in which the hon. member operates, which we have come to understand is from headline to headline.

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, it had not been my intention to intervene in this debate. However, I find myself in the unusual position of being able to agree with one of the socialist members of this House and, being struck by that unusual feeling, I thought I should express support for the motion and the comments made by the hon. member for Winnipeg North (Mr. Orlikow).

Having said that, however, I must say that I think this House, if anything, spends too much time on notices of motions for the production of papers. It spends too much time on these discussions because the government is forcing us into the position of continually bringing forward such motions. They could be avoided if this government were as open as it should be and if it recognized that the foremost responsibility of any member of parliament is to consider the programs of parliament and either to vote for or to withhold the supply of money to the government for carrying out the programs which it puts forward.

Here we have a classic case, as was pointed out by the hon. member who moved this motion. A department of this government spends $599 million per year; one could almost round out the figure to $600 million because, in keeping with the tradition of the Liberal Party as expressed by C. D. Howe, their attitude is "What's a million?" Unlike the hon. member for Winnipeg North, I will not excuse this government from its responsibility with regard to the Unemployment Insurance Commission. The department is not entitled to expend funds not voted by this parliament. But they were spent anyway. This does not inspire confidence at all.

The Canada Manpower Mobility Program is worthy of support—and I think would receive it, from those who participated in the discussion of the program and voted supply,—if this House knew whether it is succeeding. Given the failure of this government to deal with unemployment, the projections as to unemployment in this country are that it will remain high and may even increase. This program, therefore, probably will be even more important as it seeks to encourage skilled people who are searching for jobs to relocate in areas where their skills can be used.

I come from the industrial city of Hamilton, and I venture to say that people will be referred there because we are in the fortunate position of being able to provide jobs. Indeed, if any problem is encountered by such major employers as Stelco and Dofasco, it is because of the abuses of the unemployment insurance program. Jobs are available, but sometimes people find it easier not to work. It has always been our belief in this country that a man should get what he works for, but he should work for what he gets. In Hamilton we know that this philosophy is not encouraged by the policies of this government.

The hon. member for Sarnia-Lambton (Mr. Cullen) who spoke before me put up a defence of the attitude of this government of hiding things and keeping them secret, basing this on the excuse that it was not necessary to produce papers because opposition parties had been provided with research staff. I venture to suggest that as eloquent as his arguments were, they were probably provided by his own research bureau. Having just entered the debate, I did not have the benefit of using the research bureau of the official opposition, excellent as it is.

Mr. Knowles (Winnipeg North Centre): You don't know how lucky you are.

Mr. O'Sullivan: The hon. member for Winnipeg North Centre (Mr. Knowles) says I don't know how lucky I am. Perhaps he is correct, except that I think the research bureau of the official opposition works with more accuracy and fairness than that of the New Democratic Party.

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

Mr. O'Sullivan: Mr. Speaker, I should know better than to permit a question from the hon. member for Winnipeg North Centre, but I will do so in tribute to his seniority.

Mr. Knowles (Winnipeg North Centre): Does the hon. member realize that I was suggesting that he will be a much better member if he does his own research work?

Mr. O'Sullivan: That is a very worth-while suggestion, and coming from someone as esteemed as the hon. member for Winnipeg North Centre, with his years of experience, it is one which I hope to follow for a good many years to come.

To return to the basic argument of the hon. member for Sarnia-Lambton, no amount of research and no amount of money applied to research can help a member of parliament discharge his responsibilities if he does not know what is going on in government and thus whether to withhold or to vote supply. We have another case of a program that does not fall within the purview of state secrecy or security, the right to privacy respecting confidential information that would be detrimental, if known, to the economy, or for any other reason. It is simply a program for which this parliament has voted funds. It has

been demonstrated to be a department that does not inspire confidence in anyone, and we have a right to assess the program before we determine whether we should vote funds for it.

● (1740)

The general principle must not be overlooked. As the hon. member for Sarnia-Lambton expressed it, information should always be provided to members of parliament if it will assist them in discharging their duties and not endanger the security of the state or of individuals within the state. Obviously, information about the Canada Manpower Mobility Program would assist members of parliament in discharging their foremost responsibility. Such information would not endanger the security of the state or of individuals within the state.

Government expenditures have reached a level which is nothing short of atrocious. The government is intruding more and more into the private sector and into the lives of individuals. The government is budgeting for expenditures of some $22 billion per year, or $1,000 for every man, woman and child in this country. I am not saying that $1,000 is spent on every man, woman and child; merely that the government's budget is huge when $1,000 per man, woman and child has to be budgeted for. If the parliamentary system is to be weakened, it will be weakened, not by disclosing information to which members of parliament are entitled but by withholding it. When you hide things from members of parliament, representatives duly elected of the people, you are saying, "We have something to hide."

If you have a good reason to withhold information, because disclosure would imperil the security of the state, individuals within the state or their right to privacy, that is one thing. On the other hand, when you withhold information you are encouraging people to fear what the government is doing, to be suspicious about how their money is spent. You weaken their confidence in democracy, confidence which is necessary if a democratic society is to function, if the government is to be respected and if it is to discharge its responsibilities to the people. This it can do only in an atmosphere of co-operation and when it feels it has the support of the people.

I join the hon. member in suggesting that whenever possible documents relating to government activity which will assist members of parliament discharge their responsibilities should be made available to members on the conditions previously referred to. I hope that the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. MacGuigan) will respond in that spirit to my comments and, hopefully, give a more positive reply than has been given on other, similar occasions in this House.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the motion in the name of the hon. member for Winnipeg North (Mr. Orlikow) reads:

> That an order of the House do issue for a copy of the latest evaluation report of the Canada Manpower Mobility Program.

When the hon. member originally requested the latest evaluation report on April 10, I replied to his request in these words as recorded at page 1331 of *Hansard* for that date:

> —the evaluation report of the Canada Manpower Mobility Program was prepared jointly by the department and the Treasury Board secretariat as an internal working document for their exclusive use. I would therefore ask the member to withdraw his motion.

The hon. member was not willing to withdraw; hence, we are debating the matter today. This motion raises one of the greatest issues which confronts a democratic people—the right of people to know what is going on in their country. Although it may not be evident from hon. members' speeches, this is an exceedingly complex question: it is not a simple question to which a simple reply can be given. To show my general outlook on the subject, may I quote from the third report of the Special Committee on Statutory Instruments placed before the House in 1969. I had the privilege of being chairman of that committee. In the introduction to this report, the committee said:

> This report is based on the assumption that public knowledge of governmental activities is the basis of all control of delegated legislation. For parliamentary democracy is a system of government which requires that the executive be responsible to the legislature and that both be accountable to the people, and there can be neither responsibility nor accountability where there is no knowledge of what has been done. In political matters knowledge is the beginning of power, and its lack, impotence.

I stand by those words which I had the privilege of creating earlier.

Mr. Knowles (Winnipeg North Centre): That would be a good place to sit down.

Mr. MacGuigan: As I said, and would repeat for the benefit of the hon. member for Winnipeg North Centre (Mr. Knowles), the question is not simple, neither is the answer. Despite the greatness of his contributions to the House, the hon. member tends to be precipitous in his comments.

The general principles which the government adopts were stated by the President of the Privy Council (Mr. MacEachen) on March 15 last year. The criteria are set out in the appendix to *Hansard* at page 2288. As these have been alluded to, I do not think I need to repeat them. Basically, the thrust of these principles is in favour of providing members of parliament with all the factual information about government activity which can be provided consistent with the responsibility of the government to govern effectively. When speaking on the matter, the government House leader outlined a number of exemptions which he believed were necessary in order to enable the government to govern effectively. One of those exemptions relating to that which we are discussing today is No. 15, "Internal departmental memoranda".

The hon. member for Sarnia-Lambton (Mr. Cullen) earlier indicated the government's interest in keeping such documents internal to the government. If we followed the policy of releasing all such documents, a policy which hon. members opposite contend is proper, such policy could reduce us to the position of being unable to use paper for communication at all. If members on the government side, especially ministers and the public servants who advise them, could not use documents which are strictly for internal use, and if there were always the danger that these documents could be brought into the public arena at

some time, it is difficult to see how the government could function effectively. Conditions like these would force the government to rely entirely on oral dealings. Obviously, that would not be of benefit to the country.

I remind hon. members opposite that there are many ways of obtaining factual information. The hon. member for Sarnia-Lambton pointed out that this government has been very, very open. He gave as an example the research staff which the government has provided to opposition parties for the first time in Canadian political history. That this is not irrelevant I shall try to indicate in a moment.

As a result of the report of the committee on statutory instruments to which I referred a few moments ago, the government instituted a whole host of procedures which helped to bring about more publicity with respect to statutory instruments, and in that way, as well as in a number of other ways, to safeguard the liberties of the Canadian people. This government has been dedicated to the concept of open government. But not only must the government be open; it must be effective.

Mr. Clark (Rocky Mountain): So must its leader.

Mr. MacGuigan: The hon. member for Rocky Mountain (Mr. Clark) may have his own opinion. I do not doubt that of the people of Canada when they are given an opportunity to express their views on it. I prefer the verdict of the people to that of the hon. member for Rocky Mountain.

I suggest to hon. members opposite that by moving motions such as this they are asking the government to do their work for them. We have hearings in standing committees on legislation and, more to the point in this context, estimates are referred to standing committees. The Minister of Manpower and Immigration (Mr. Andras) has appeared before the Standing Committee on Labour, Manpower and Immigration in recent weeks. In his statement to the committee he referred to the Canada Manpower Mobility Program and thereby, as well as by the consideration of the estimates, laid himself open to questions on the subject. I do not recall any questions being asked on this subject in committee. That would seem to indicate members were satisfied with the government's program in this area.

● (1750)

What is even more to the point is that the members of the committee unanimously adopted the estimates of the Department of Manpower. This has already been done. It was done without a single question being asked on the subject. What greater indication could there be? Either the research bureaux with which the opposition have been so generously supplied are not fulfilling their function, or members opposite are not using them. Or possibly the government's performance is so satisfactory that there is no reason for any questions to be asked in this particular area.

Mr. Clark (Rocky Mountain): Or that you cannot find the facts.

Mr. MacGuigan: If the hon. member for Rocky Mountain had cared to attend the committee hearings, he might have had an opportunity of finding the facts. The minister was most open in presenting the facts. Members do not need to have the actual report presented as an internal document. They are able to question the minister about the same area as that covered by the document. They can ask his views and those of the departmental officials as to how well the department is functioning. In that form they get exactly the same information.

We are here discussing more a point of procedure than a point of substance. We on this side are not saying parliament should not have this information. We are saying we will not present an internal departmental document because that kind of documentation, in a case such as this, would establish a precedent which could lead to the breaking down of effective democratic government. Members opposite have other ways of finding out the same information. The best way is to criticize and question the minister when he comes before the committee on his estimates. They have not done that with regard to this program, yet they come here and ask us to hand them on a platter information which they have not taken the trouble to ascertain. I do not think that is good parliamentary practice. I will be charitable and suggest that perhaps this is the fault of the researchers they have hired. I think this is the best way to leave that point.

What is it the Canada Manpower Mobility Program does? What kind of concern would the department have in authorizing an analysis of this kind? The basic principle of the Canada Manpower Mobility Program is to provide financial assistance for unemployed, underemployed or persons about to become unemployed to enable them to relocate in areas closest to their homes where there are suitable job opportunities. It may be used to help the worker who is without a job because his skill is not required in his own area, or the worker who is underemployed in a job where his skills are unused or outdated. It can also help the person who needs to improve his earning capacity by attending federally-sponsored training courses not offered near his home, or persons who need specialized Manpower service not available in their home area.

The program complements other measures to promote high productivity. Assistance under the program forms an integral part of other federal government departments' adjustment activities, namely, those of the Department of Indian Affairs and Northern Development, the Department of Regional Economic Expansion, the Newfoundland fisheries resettlement program and other provincial schemes. The aim of the Canada Manpower Mobility Program is not to subsidize all workers' mobility but, rather, to assist and serve as an incentive to those who need to move but require financial assistance.

The Manpower mobility regulations provide four types of assistance. First, exploratory grants to enable workers to search for employment in another area. Second, relocation grants to facilitate permanent relocation of workers and their families. Third, trainee travel and commuting allowances to enable adults to take occupational training in a locality other than that in which they reside. Fourth, special travel grants to obtain special Manpower services required to facilitate entry into productive employment.

Manpower Mobility Program

In his statement before the House the minister announced revisions to the regulations which improve the scale of allowances under exploratory grants as well as a major change in the home owner's allowance. This is the type of conclusion that is obviously based on studies which have been made and which the opposition could have asked questions about. His conclusion was as follows:

I am pleased to advise that these changes have made the relocation of workers and their families more successful than previously.

Our evaluation of the exploratory grants program indicates that approximately one in every two workers is successful in obtaining a job during the first exploratory trip.

The information is there being made available to parliament and to the public. The opposition just has not been able to recognize the forest for the trees which it has put in the way. Obviously, the kind of thing with which a study of this kind would be concerned would in large part be the question of disincentive. Is there any disincentive imposed by such a program? In the absence of the program would the worker have remained unemployed in his locality? Would he have placed an increased demand on unemployment insurance and social welfare? Obviously, this is the type of thing such a study would have attempted to answer. These are the very types of questions to which the minister was attempting to provide answers during his appearance before the standing committee on estimates. He also stated at that time:

The second change introduced was to increase the home owner's allowance from $500 to $1,500 to enhance the success of relocation for families who did not own a home. Since the revised home owner's allowances went into effect, there has been an increase of approximately 18 per cent in the number of workers who were able to purchase a home in their relocation area ensuring the success and permanency of the relocation.

The vote which was approved by the committee was for $9.2 million. That was a week or so ago. To continue with the analysis of the problem and the type of service given by the Manpower Mobility Program, a program about which the opposition might have asked questions if they had wished, I shall give a fuller explanation of the exploratory grants program to which I referred in mentioning the changes which the minister announced. The exploratory grants program covers the cost of return transportation of the worker to the nearest area considered by Canada Manpower to hold reasonable prospects for employment. Interviews for the client with prospective employers are often arranged by the department. The grant also includes a living allowance of $13 a day, for a maximum of five days, while the worker is in the area actively seeking work.

Perhaps I might call it six o'clock, Mr. Speaker.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. MacGuigan.]

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

AMENDMENTS RESPECTING RELIGIOUS SECTS, EARNINGS FORMULA, BASIC EXEMPTIONS, ETC.

The House resumed consideration of the motion of Mr. Lalonde that Bill C-19, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, at five o'clock I was dealing with certain aspects of the Canada Pension Plan. Now, after the supper hour, I am happy to see that so many members, including the minister, were able to tear themselves away from the hockey game. If the minister could get the bill passed I am sure we would unanimously agree to deal with hockey in the next couple of hours instead of the football bill we may be faced with.

In setting aside people's savings under the Canada Pension Plan we are bringing about a vast change in the savings patterns of individuals. I suggest that savings by the group over 50 years of age is now much less important than in the past. With the present very high rate of inflation this large group is not able to protect itself by ordinary plans. The minister himself pointed this out in Toronto when making a statement according to a report in the *Globe and Mail*, before the Canada Pension Plan conference held in November of last year. He said, "When the value of the current $105 in old age security is added, we can discuss adequacy with a clear conscience".

I think he then drew attention to the important question behind this legislation: what is adequacy? If the old age pension and Canada pension together are adequate for an individual, then it seems to be of little value for him to save as well for his retirement. Has the Canada Pension Plan made private pension plans redundant or largely made private pension plans redundant? The minister went on to point out at this conference that it is a matter of public concern that only 40 per cent of Canadians are covered—this is quite true—and that in many ways the Canada Pension Plan can cover the whole field better than private plans. On the other hand, will the Canada Pension Plan be a truly funded plan, or will it be increasingly funded from general revenue with little relationship between what one puts in and what one takes out?

● (2010)

It also seems important that those who are retiring within the next 10 or 15 years take a look at their own savings from the point of view of spending them for their own personal benefit, rather than using them as an income supplement, since the Canada Pension Plan presumably will be quite adequate.

One other factor in comparing the Canada Pension Plan with private pension plans is that the Canada Pension Plan lends money to the provinces, and they alone are the recipients of CPP funds. If provinces are able to borrow from the CPP without having to go to the market for funds, then in my opinion this makes for an absence of the normal restraint that is placed on provincial spending. For instance, if a provincial government has a program that

has to be funded, say a hydro development project, then if they go to the market to raise the money I think the project will be designed better and more thought will be put into it, whereas if the province is able to borrow from the Canada Pension Plan fund almost at will, there is an "easy come, easy go" attitude.

The Canada Pension fund also provides a huge reservoir of cash which is independent of the business cycle; hence over-all government spending, taxing measures and fiscal policy are beyond the normal restraint exercised by the legislature. Often people criticize free enterprise for its failings, but if there is a great deal of intergovernment borrowing that short-circuits the free market, then the free market is being jeopardized. If a province needs money, it should deal directly with the market. Borrowing from the Canada Pension Plan conflicts with two different interests—the needs of the provincial treasury and the rights of contributors to the pension fund.

Naturally, a provincial government prefers to borrow at the most advantageous rate, so any borrowing from the fund would, from the point of view of the fund, be disadvantageous. If there were an incentive on the part of the managers of the fund to obtain maximum yield from investments, then the productive and rewarding sectors of the economy would benefit. It is my understanding that the managers of the Quebec Pension Plan fund have had a much better return on their investments than have the managers of the Canada Pension Plan fund, and this is to be commended. I think the managers of the CPP fund should look at what has been done with the investments made by the QPP fund.

The accumulation of savings capital in the Canada Pension Plan fund, in private pension funds, in mutual funds and insurance funds is to the disadvantage of certain segments of the country. The pooling of investment capital tends to be in the large financial centres of the country, where it is managed by a few people, the large financial conglomerates, to the detriment of rural areas. It has been suggested that Canada Pension Plan funds might contribute to the financing of business and other enterprises in the free market instead of this being the prerogative of the provinces, and I think more study should be done along these lines.

I think the important thing to discuss when we consider the Canada Pension Plan is what effect it is going to have on savings and how best pension funds can be invested in this country to bring in as much income as possible for contributors. Above all, this large pool of money should be used in the most constructive way in the financial and industrial sectors of the economy.

With those few words, Mr. Speaker, I will close. In committee I hope we will find some answers to the many actuarial problems that this bill presents.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

[*Translation*]

CANADIAN FOOTBALL ACT

PROTECTION AGAINST FOREIGN ENCROACHMENT

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-22, intituled Canadian Football Act, be read for the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, may I be allowed to say that I wish this bill had not been necessary. I had hoped that the policy adopted long ago by the government against the establishment of foreign leagues in Canada would have led the promoters of the World Football League to reconsider their plans for coming to Canada. I had hoped that they would listen to reason and understand that it would be neither in their own interest nor in anyone else's to force a confrontation with the government on this matter, and make it imperative for the government to take legislative steps.

Events in recent weeks have proved the pressing necessity of translating the policy of the government into an act on Canadian football, not only against the immediate threat which the franchise of the WFL constitutes but also against any future threat.

[*English*]

We all know that football in itself is not a life and death issue, or even a bread and butter issue.

An hon. Member: It is not even an issue.

Mr. Lalonde: I am sure that the country would survive a national football league, a world football league, even a universal football league for that matter.

An hon. Member: Then let's forget about it.

Mr. Lalonde: But at the same time we must recognize the incredible interest in this football question right across Canada.

Some hon. Members: Oh, oh!

Mr. Lalonde: It is an emotional issue, a gut issue, if you like, and it obviously stirs up deep feeling in a great many Canadians.

The Acting Speaker (Mr. Boulanger): Order, please. The minister has the floor and we are just beginning a new bill. Hon. members should let the minister complete his remarks.

Mr. Lalonde: In its own small way, this football controversy seems to epitomize the central dilemmas of our 100 years as a nation. The type of debate we have been witnessing seems to me symbolic of our history, too. It is the kind of debate we have had many times in the past. So many of the same old arguments keep popping up, arguments that we really should have settled and put to rest a long time ago.

● (2020)

We hear about the principles of free enterprise and free competition in the marketplace. We are told that the state

should not interfere with private business unless, of course, private business requests state help. We are bombarded with lectures about people's freedom of choice and freedom of movement and other fundamental rights. I am not denying the values of free enterprise and competition, and I am not making fun of the people who advance these arguments; but they are not absolutes and never have been, at least not in Canadian history. As Canadians, we have always had to acknowledge the consequences of living alongside a much richer and more powerful neighbour. We have always had to be aware of what could happen and, in some instances, what has happened by allowing our neighbour unrestrained access to what is ours. While we have received literally countless benefits from our close relationship with the United States, we must also recognize that we have paid a price: too often, in the past, the demise or disappearance of Canadian institutions in the face of much greater economic and demographic powers.

This, then, is one of our traditional dilemmas as Canadians: how to remain open to, but not dominated by, the influence of our great neighbour. Ever since confederation we have tried to resolve that dilemma by taking conscious decisions at the federal level, either to impose restraints on foreign influences or to create or maintain institutions of our own. Without such conscious decisions we would have no national railway system today; our railways would probably run north and south along what we are told are natural geographic lines. Without such a conscious decision by the parliament of Canada we would today have no national broadcasting system and our radio and television stations would likely be local affiliates of NBC or CBS.

In both instances, in respect of the railways and the CBC, a decision to simply tie in with the American continental system would have been cheaper and possibly even more politically popular at the time. But the decisions to create and maintain our own Canadian systems, even with the extra costs involved, were seen, correctly, as part of the price of national sovereignty at that time. I am not talking only about decisions made "away back when;" the Foreign Policy Review Act, passed by this parliament, is one more recent example of federal intervention to control or regulate foreign domination in some sectors of our economy.

So there is nothing unprecedented or arbitrary in the government's present action to protect Canadian football, as some have charged. The legislation now before the House is in fact no different in principle from legislation that already protects many other Canadian enterprises. We are not trying to exclude foreign influences in football, but simply to control them. And I think even the most staunch advocate of free enterprise would agree there are times when the government must be prepared to protect the legitimate interests of all Canadians.

In this regard, Canada has traditionally been much more liberal than most countries in the world in maintaining an open door, especially for professionals. American musicians and other performing artists still have a much easier time coming to Canada to work than, say, Canadian musicians have in going to the United States. The same is true in many other fields; consulting, for example.

[Mr. Lalonde.]

One group of Canadian professionals, hockey players, have for 50 years experienced little trouble in entering the United States, but that situation could very well change in the next few years as the Americans begin developing enough professional calibre players of their own. In fact, many Canadians were effectively barred from playing U.S. college hockey by a recent decision of the NCAA, the governing body of American collegiate sports. The NCAA made a ruling in August, 1971, concerning professionalism which really applied only to Canadian Junior "A" players, and the stated purpose of the ruling was to encourage more American players. So this is not a one-way street; it clearly works both ways.

The flow of skilled people across international borders is rarely a case of simple supply and demand as some would have us believe. It involves many other questions, among them, as in U.S. college hockey, a policy of developing home-grown talent and the effects of unlimited foreign players on that development. But even if we agree that there are legitimate areas for government or state intervention simply to keep us Canadian, we then find ourselves confronted by another dilemma. What kind of Canada do we want? One in which the rich just get richer and the poor stay poor, or one in which there is a conscious effort toward equalization and interdependence? Again, this dilemma seems to be epitomized in the last few weeks' debate about football.

I have received telegrams of support for the government's position from the mayors of many of our major cities, Calgary, Ottawa, Hamilton, Regina, Winnipeg and Edmonton, which are six cities in the Canadian Football League. I have not received similar telegrams from the mayors of our three largest cities, Toronto, Montreal and Vancouver. Is this just a coincidence? I do not think so. I am not pointing a finger at the mayors of our big cities or accusing them of anything. Like us in parliament, they are elected to look after the interests of their constituents as they see them. Again, this split seems to reflect the traditional stresses and perhaps the lack of common interests between our large urban areas and our smaller centres—the kind of alienation reporters like to write about.

Those of us who live in big Canadian cities tend to forget the real nature of the problem. We know that if we did not have the CFL we would have some other kind of professional football. We have the population, the money and the markets, and we like to think of ourselves as big league in every way. But, as Canadians, do we have the right to say that what happens elsewhere does not matter to us? As members of parliament, do we not have an obligation to care about what the CFL means to all those other Canadians? What does it mean? I was on a CBC radio phone-in show a few weeks ago and a young man in Halifax said something that impressed me as a statement of what it means. There are as yet, as hon. members know, no CFL teams in the maritimes. This young man told me he often remains up at night to watch the games on television, even games from Vancouver which do not start until midnight, his time. He said the reason is that watching Canadian football makes him "feel connected with the rest of the country".

● (2030)

Some hon. Members: Hear, hear!

Mr. Lalonde: What about Alberta and Saskatchewan? Somebody earlier mentioned Alberta. Over the last two months, as this House is aware, those two provinces felt they were entitled to the international price of $10.50 a barrel for their oil. The government's position was that it was all right for them to sell their own oil at that price abroad, but that selling it at that price domestically would have serious repercussions in respect of fuel costs to Canadians as a whole. As the House knows, they settled for $6.50 a barrel, a long way from the international price, in the interests of all Canadians—but especially, let us face it, the interests of consumers in the large eastern markets where the population is. This, of course, was not an isolated instance of Canadian provinces or regions agreeing to a reasonable compromise for the common good. As this House knows, it is precisely that kind of give-and-take that has made this country a viable entity. I am, therefore, disappointed when a member of Montreal's civic government is reported as saying, on the WFL question:

> What do we owe the west? Look how they held us up on the oil.

I am also disappointed when a Montreal sportswriter says:

> If Marc Lalonde has his way, the people of Toronto and Montreal will be compelled by law forever to accept an inferior brand of football simply because people living in smaller cities can't afford big league entertainment.

The basic assumption here seems to be that if it is Canadian, it is inferior—an assumption I for one am not prepared to accept.

Some hon. Members: Hear, hear!

Mr. Lalonde: Nor do I think any of us should accept that football teams are necessarily superior just because they play in a league which calls itself the World Football League and has yet to play a single game. Nor can any of us believe that football teams are somehow better or more big league only because they are located in cities bigger than some CFL cities. If that were the case, then Vancouver, Toronto and Montreal would dominate the CFL competitively—something we know they don't do. There is also some irony in the fact that the most vocal opposition to the government's policy of protecting Canadian football has been centred in that part of the country that throughout our history has benefited most from the protection of its own industries. That includes the sports equipment industry.

The protection of Canadian football is not a local issue. It is not a regional issue. It is not a partisan issue. In our view, it is an issue that effects all parts of Canada and all Canadians and it will be decided, not in the press or on radio or television but by the parliament of Canada.

The bill now before the House is designed to protect Canadian football. To that end it embodies the position adopted by the government of Canada in November, 1972, and the policy first stated publicly by the Minister of Labour (Mr. Munro), a policy that has remained unchanged since that time. The Canadian football bill is a short and straight-forward piece of legislation which embodies only those provisions necessary to achieve its purpose. The bill, as proposed, would limit professional football in Canada solely to teams from Canadian leagues. It provides that a minimum of 55 per cent of the players in Canadian professional football will be Canadians, and that no team will have on its roster more than 15 players who are not qualified Canadians, whichever results in the lesser number of players who are not qualified Canadians. That formula will apply for the 1974 playing season and until December 31 of this year.

After December 31, 1974, the minimum number of qualified Canadian players will rise to at least 60 per cent or 15 players who are not qualified Canadians, again whichever results in the lesser number of players who are not qualified Canadians. The bill contains no retroactive measures. It will not create a monopoly situation since it will allow for the establishment of other Canadian professional football leagues so long as all professional teams meet the criteria of the legislation. The bill will allow the CFL to expand to other Canadian cities and it will even allow the establishment of second CFL teams in major cities such as Toronto.

We believe these measures will not only protect Canadian football but will also allow it to grow and develop while maintaining its Canadian character. Like the Canadian content regulations in broadcasting and other portions of our cultural life, this legislation is aimed at strengthening the Canadian content of our football by giving more players a chance to play professionally in their own country.

As one who believes that Canadian football must grow if it is to survive and prosper, I have welcomed the CFL's decision to expand into any area which could support a franchise. The CFL's eastern conference is at this time seriously considering the application of a group in London, Ontario, and the Hamilton club has agreed to waive its rights in that territory, subject to acceptance of the London application. The CFL has also indicated its willingness to consider expansion into Halifax-Dartmouth and would like to review applications from interested parties in that area proposing teams either privately or community-owned.

As I announced last week after introducing the Canadian football bill, steps are being taken to allow more Toronto people to see their team's home games. This has not been possible for many because of sell-out crowds and local television blackouts. Plans are going ahead to expand the Toronto stadium, but that may take some time and still might not meet the demand for seats. Accordingly, the new owner of the Argonauts has undertaken to lift the local television blackout on an experimental basis, beginning this season, when it is established in advance that games are sold out. No individual CFL club can make such a decision on its own without the approval of the other clubs in the league, but the CFL commissioner has undertaken to put the proposition before the other CFL clubs and encourage them to accept it.

The CFL has also given assurances that it will look favourably on the possibility of all-star games between the CFL and other leagues, whether played in Canada or abroad. We should also note that the bill does not in any way restrict Canadian professional teams from playing exhibition games against teams from other leagues, either in Canada or outside the country.

It is the government's position to uphold and to strengthen the Canadian character of our football. We believe that the growing number of positions for Canadian

players assured by the present bill will greatly stimulate the development of high-calibre players across the country. To encourage the broadly based program that such development will require, my department has recently agreed with the philosophy of the Canadian Amateur Football Association stated in its proposed seven-year master plan for the development of Canadian football. The plan aims at greater participation and greater involvement in all areas—coaching, training, officiating and playing.

● (2040)

Through my department the government will be supporting the appointment of a technical director for amateur football. Through this measure, football becomes the first non-Olympic sport to receive such support. Through its seven-year master plan the CAFA hopes to increase the number of Canadians participating in football from the present estimated 250,000 to about 600,000, in this way both broadening the participation base and improving the quality of players through various technical programs.

Such efforts would be ineffective if we did not at the same time maximize opportunities for such players to play professional football in Canada. My department, through the fitness and amateur sport directorate, now funds the CAFA by means of normal annual grants for its ongoing programs, such as executive meetings, annual general meetings, Canadian eastern and western junior football playoffs and the Canadian junior finals—what we call the Junior Grey Cup.

My department has also agreed to fund a national officials' training clinic in which officials from all parts of Canada will participate. In the 1973-74 academic year, grants in aid to the student athletes program are providing scholarships for 27 outstanding football players to allow them to continue their academic studies at a number of Canadian universities. Those 27 football scholarships are the largest number awarded in any single sport. They represent a value of close to $50,000, which is in addition to the other football programs funded by the federal government.

I should also note that the Canadian Football League, even though it has no jurisdiction over amateur football in Canada, provides a direct national grant of $50,000 a year to the CAFA as well as another approximately $110,000 in cash and in kind through coaching clinics, try-out camps and other services by the CFL clubs to the amateur programs in their areas. I sincerely doubt that any American league would do the same for Canadians.

It is obvious from what I have said that the federal government's interest in Canadian football is not confined only to the CFL, its nine teams and 300 or so professional players. The CFL is merely the most highly visible part of the Canadian football pyramid which is made up of approximately 250,000 players. So when we talk about protecting football we are not discussing only the CFL, although any weakening of the CFL would have implications for the CAFA's amateur programs as well.

Saskatchewan's Premier Blakeney pointed out last month in a news release that if teams in United States leagues started to cut into general Canadian football revenues, the professional teams would not be the only ones to suffer. He noted:

[Mr. Lalonde.]

Teams such as the Saskatchewan Roughriders spend thousands of dollars a year encouraging high school and junior football in Saskatchewan. They give young Canadian football players a chance to play top quality football in their own country for the benefit of Canadians.

In short, whatever threatens the CFL threatens Canadian football in general. I will not dwell on the reasons why we believe the CFL is worth protecting and preserving. I will simply list them. The CFL is the only completely Canadian-controlled professional sports league in Canada. It consists solely of Canadian teams. Even under its present regulations, more than half its players are Canadians. The present number of more than 150 Canadian players will, of course, increase under the bill before the House. Its teams stretch across the country from Vancouver to Montreal. Thousands of other Canadians benefit indirectly from its activities. It provides a consistently high level of competition; seven different teams have played in the last four Grey Cup games.

In CFL cities, football is not merely another branch plant operation of the North American entertainment industry. It provides a focus for deep community involvement and civic and provincial pride. Finally, there is the Grey Cup—a Canadian tradition that dates back to 1909, and since 1921 has led to a great east-west rivalry. I think I need say no more except to underline the unique position the CFL holds in Canadian sports.

The National Hockey League has had a majority of American teams for more than 50 years; so has the World Hockey Association since its inception two years ago. In other words, hockey got away from us a long time ago, before many of us were born. No strictly Canadian hockey league has been jeopardized by the operations of the NHL and WHA in Canadian cities. Baseball is also a very different story from football. The Montreal Expos play in the U.S. National League as major league baseball's only Canadian entry. There is not, and there never has been, a national Canadian professional baseball league to protect.

Mr. Clark (Rocky Mountain): Same thing for lacrosse?

Mr. Lalonde: I heard the interjection by my friend, the hon. member for Rocky Mountain (Mr. Clark). I am sure he knows there is not now a national Canadian professional lacrosse league in this country, and there has not been for quite a few decades.

However, in spite of the obvious lack of parallels between the situation of the Montreal Expos and the Toronto Northmen, it has been said, or at least whispered, that the government would not have acted to stop the Northmen if their franchise had been located in Montreal. At the risk of dignifying such allegations by replying to them at all, I can only repeat that the government's policy on the protection of Canadian football has been clearly stated and has been consistent since it was first announced in November, 1972: no foreign-based football leagues would be allowed to operate in Canada and there would be no exceptions to that rule. At the time that policy was stated, possible expansion of the NFL into Canada was centred not in Toronto but in Montreal.

It has also been suggested that the government acted to block the WFL only out of some devious and partisan political motives. As far as I know, both the old and the new Toronto Argonaut owners are prominent Conserva-

tives, so I cannot imagine what our alleged partisan political motives might have been. I am sorry to disappoint anyone, but our reasons for the legislation are not devious at all: they are as simple and straightforward as is our policy—to keep foreign football leagues out of Canada.

Some hon. Members: Hear, hear!

Mr. Lalonde: The Toronto Northmen consistently maintained that they were unaware of any federal government policy that would inhibit their operation until they received news reports of my speech in Regina on February 21 of this year. In that speech I reiterated the government's policy of November, 1972, and stated our determination to do everything possible to prevent the WFL from operating in Canada. All of the Northmen's arguments against the Canadian football bill and for excluding the WFL from some or all of its provisions are based on the flimsy premise that they did not know they were contravening government policy when they set themselves up in business. In other words, they have tried to convince people that they were simply unaware of government policy until February 21 and that they are, therefore, in fairness, entitled to special consideration.

● (2050)

For the benefit of the House, I am now going to review some facts that show the Northmen are in error when they say they did not know what government policy was. At a CFL executive meeting on November 16, 1972, Mr. John Bassett, Sr., representing the Toronto Argonauts football club, served notice that at the executive committee meeting on December 1 he would move a resolution providing that the Canadian Football League would approve the principle of the expansion of the league through the granting of new franchises which would be organized for the purpose of operating professional football clubs in the United States of America at such times as applications for such franchises were received by the league. Mr. Bassett also advised the November 16 meeting that he would move at the December 1 meeting that the commissioner be empowered to meet with Mr. R. Schmertz to negotiate the terms of application for a Canadian Football League franchise in New York city, such application to be submitted to the league for approval to be operative in the football season of 1976.

Following reports of the CFL meeting, the Hon. John Munro, then minister of national health and welfare, stated the government's view that any CFL expansion into the United States would represent an erosion of the indentity of Canadian football and the government would do everything possible to prevent it from happening. On November 21, 1972, Mr. Munro held a meeting in Ottawa to discuss the matter with Mr. Bassett and the CFL commissioner, Mr. Jake Gaudaur, and to find out why the CFL was contemplating expansion into the United States. The CFL representatives indicated that some CFL clubs were concerned that if the CFL did not expand into the United States, a new U.S.-based league would be formed that would grant franchises in Canada.

The minister advised Mr. Bassett and Mr. Gaudaur that it was government policy to oppose the expansion of the CFL into the United States as well as the expansion of any U.S. league into Canada. Mr. Bassett advised Mr. Munro that he would formally withdraw his notice of motion for CFL expansion into the United States at the next CFL executive committee meeting on December 1.

Mr. Munro made the federal government's position abundantly clear in a public statement on November 22, 1972. The story was carried by Canadian Press and was widely covered in the media. As a matter of fact, it was the subject of a front page story in the Montreal *Gazette* and the Toronto *Star* on the following day. Mr. Munro said that the government could apply sanctions to prevent expansion of the CFL south of the border into the United States, or expansion of U.S. leagues into Canada, or even formation of a new league with Canadian entries.

At the CFL executive committee meeting on December 1, 1972, Mr. Bassett formally withdrew his notice of motion concerning expansion into the United States. According to the minutes of the meeting, he also informed the committee about his meeting with Mr. Munro and stated that he had told the minister he did not intend to take any course of action contrary to declared government policy. So we know that Mr. Bassett, Sr., was fully aware of federal policy in November, 1972, when it was initially announced.

Now, what about Mr. John Bassett, Jr., president of the Toronto Northmen? At that time, Mr. Bassett, Jr., was a director of the Toronto Argonauts. His father was the president. The Bassetts are not only father and son; they are also business associates in several enterprises. They have other associates who share their interest in promoting. In addition, they are active in communications. It is therefore difficult to believe that Mr. Bassett, Jr., was completely unaware of federal policy when he acquired the WFL franchise.

On December 5, 1972, at a press conference as the newly appointed Minister of National Health and Welfare, I publicly stated my concurrence with the government policy Mr. Munro had announced. On December 11, 1972, I met in Ottawa with CFL president Bill Clarke and CFL commissioner Gaudaur and reaffirmed the government's position to them. On December 13, 1972, Mr. Gaudaur sent to all the CFL executive committee delegates and alternates—among whom were Messrs. John Bassett, Sr., and John Bassett, Jr.—a summary of his meeting with Bill Clarke and myself. In that summary he reported specifically that I, personally, and speaking for the federal government, continued to be concerned over the prospect of expansion of the CFL to the United States as well as the expansion of the NFL into Canada, and that in so far as the latter was concerned I would discuss with my colleagues what action might be taken by the government to deter or preclude NFL expansion into Canada.

On January 17, 1973, at a CFL executive committee meeting in Winnipeg, commissioner Gaudaur reported again on his December 11, 1972, meeting in Ottawa with Bill Clarke and myself. The Toronto Argonauts representatives at the January 17, 1973, CFL meeting in Winnipeg were, according to the minutes, John Bassett, Sr., Lew Hayman and John Bassett, Jr.

In the light of all these facts, it is more than difficult to believe the Northmen's assertions that they were completely unaware of federal football policy until my speech on February 21, 1974.

An hon. Member: We still don't know what it is.

Mr. Lalonde: I have met twice with Northmen representatives—both times in Ottawa—on March 4 and March 12. After those meetings and a careful reading of their briefs, I still do not think they have offered a single coherent reason as to why an exception to federal policy should be made in their case. At the time of those meetings I was still hopeful that legislation would not be necessary, and it still seemed possible that the Northmen could be persuaded to respect the integrity of Canadian football and the government's stated policy. They chose to force the legislation that is now before the House. Their position seems to be that they will continue to operate in Toronto until federal policy becomes law and they are forced to stop.

I hope the House will strongly endorse the bill. I said at the beginning that football is not really a life and death issue.

Mr. Stanfield: It may be for you.

Mr. Lalonde: As a matter of fact, although we consider this a matter of significance we do not consider it a matter of confidence.

Some hon. Members: Hear, hear!

An hon. Member: There is hope for Jimmy Walker and Mitchell Sharp.

Mr. Lalonde: I suggest it has probably taken too much of our time and energy in recent weeks. But having said that, the only other recent government issue that has aroused as much public interest and heated debate was probably the Team Canada hockey series against the U.S.S.R. The Northmen may say that the preservation of Canadian football is a "bogus issue", and indeed it may look that way to them; but as we have seen, it is not a bogus issue for many Canadians—it is a very real and emotional issue that we as a people care about deeply.

This afternoon the hon. member for High Park-Humber Valley (Mr. Jelinek) suggested that we should go on to something else, that we should not spend much time on this particular issue as there were many others of importance facing this nation, certainly many of more importance than football. I agree with him, and we are ready to take up the offer of the official opposition in that respect. The bill is short and simple. There is no reason why we should not have a short debate and have this matter referred to committee for consideration, study and even the hearing of witnesses if the committee wishes.

● (2100)

I understand that discussions are being held with a view to concluding this debate tomorrow. I want to assure hon. members that we on this side of the House are more than willing to co-operate to that effect, either by limiting the number of speeches or by limiting the length of speeches. Our position is that we should make our decision and carry on with the business of the House. If there is any delay, it will not be blamed on this government.

Some hon. Members: Oh, oh!

[Mr. Lalonde.]

Mr. Lambert (Edmonton West): Will you drag the Expos in, too?

Mr. Lalonde: Mr. Speaker, I shall conclude by saying that some hon. members on the other side may make fun of the issue and try to treat the matter lightly. That is their opportunity and their right. As I said, we are ready to proceed speedily with this bill and have the House make its decision very quickly.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, as I strode purposefully through the lobby this evening, someone with a tone of surprise said, "Are you speaking on football?" I said, "Who else?"

Some hon. Members: Hear, hear!

Mr. Macquarrie: I have unique qualifications in the field. Two things I have not learned in my life are how to make money and how to play football. Those subjects are very much part of this discussion. So I have that negative qualification and certainly am removed from all prejudice in respect thereto. I was interested in the minister's invitation to shorten speeches, an invitation he extended one hour and five minutes after the House resumed its sitting this evening. I do appreciate, however, that this leaves me sufficient time to lay a sound basis for my remarks on this important subject.

I am sure that one or two of my colleagues know that I am not a football fan and not, indeed, a sports fan. Perhaps I speak tonight as the clergyman spoke one day to his congregation about the raising of a special fund: he said, "I speak to you this morning not as a Christian but as a businessman." I speak as a parliamentarian, not as a sportsman. I speak as a nationalist, not as a footballer.

An hon. Member: As a Canadian.

Mr. Macquarrie: I hope I always speak as a Canadian. I was interested in some of the remarks of the minister. He said this is not the kind of debate we have had in parliament before. Or did he say it is the kind of debate we have had before? Certainly, I do not remember one quite like it. For a while he was reaching great heights and had me thinking of Sir John A. Macdonald and saving the country from the Americans. Later he aspired to even more elevated heights when he talked about oil. He must have thought he was the minister of energy, mines and resources. That is a truly lofty height for him to seek. I was interested, too, when he said that the opposition to this measure has come from an area which has benefited from protection. I do not come from an area of Canada which has gained much from the protection of tariffs. We were sort of on the other side.

In common with many members here, I have over the years passed through many emotions on various debates. Sometimes one is amused, sometimes one is angry. Once in a while one is even informed. But tonight I am suffering from a sense of unreality. It almost passes my broadminded comprehension that, considering the state of this nation today, we in the House of Commons of Canada are dealing with a measure of this kind.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Inflation is soaring higher than the eagle—the American eagle, if I may be permitted to use that phrase because it is the highest flyer. Transportation, described by one of the chief authors of the transportation legislation as being in a mess one week ago, is still in a mess today. Many are here tonight listening to the minister's speech because of the curtailment of transportation. There is trouble on land, sea and in the air. We have gone beyond Paul Revere; he had only two media to contend with.

The country is rent with labour and industrial unrest. There is a housing crisis which is gripping and organizing the people of this country. We are not talking much about unemployment because it is becoming chronic and increasing and we are becoming used to it. We have a divided cabinet, with the Minister of Supply and Services (Mr. Goyer) saying one thing and the Minister of Energy, Mines and Resources (Mr. Macdonald) another. We have a Prime Minister (Mr. Trudeau) who comes back on the day the football bill is called.

Yet in the present state of the nation we are talking about what Mr. Bassett said to Mr. Schmertz, and whether there were two Bassetts at one meeting or one Bassett at two meetings. That is the kind of thing we are talking about here tonight. Some Herodotus could use this occasion to illustrate what Nero did. There are so many things that cry out for priority, cry out for attention, not only within the government but within the minister's own department.

I am, perhaps regrettably, not a sportsman but I respect those who find satisfaction in sport. Yet somehow I am somewhat concerned about the 25 per cent of Canadians who today are living on or below the poverty line. I am a little worried about what has happened to medical research funds in this country and the serious shrinkage of them. I am a little worried because no one on the government side seems to think that anything can be done about inflation. That is not too far removed from suggesting that nothing should be done about it. Yet in the midst of all this travail, in the midst of the anxiety of the Canadian people, we are counting football players. I say all this not to scorn the minister; I say it in all seriousness. While it is all very well to make fun of politicians, to make them the butt of the joke syndrome, things are serious when the institution itself is held up for public scorn and for resentment and questioning by the people whom it serves. That is why this is so serious. I do not feel happy, as a representative of the people of Canada, to think that this is the best thing we can find to do on this night.

Mr. Woolliams: Isn't it terrible?

Mr. Macquarrie: I think it is wrong. There are many indications in the country that the people of Canada are looking with great skepticism upon this performance. They are passing judgment on what this government is doing.

● (2110)

An hon. Member: They don't care.

Mr. Macquarrie: I hear a suggestion from across the way that the people of Canada do not care. I say to him, don't count on that.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I read the following in the *Globe and Mail* the other day:

> Health minister Marc Lalonde says they shall not pass—and he is mustering every weapon in the democratic arsenal to blast the intruders from Canadian soil. Though confederation last 1,000 years, people will say that this was when it became a country fit for the Canadian Football League to play in.
>
> It would be unsporting of us to go around quenching nationalist fires, and we understand perfectly that the federal government, having dealt adroitly and effectively with the problems of inflation, unemployment, poverty, the native peoples, immigration, energy, international relations, and health, must now accord priority to the fundamental issues of our day: which set of initials should be permitted to predominate on the football field.

As a greater man than I once said, "O tempora! O mores!"

> From Ottawa, Mr. Lalonde spotted a threatening manoeuvre developing in Toronto. A cheque book was seen to flutter in the breeze, and three Miami Dolphins football players were arrayed for the press as the latest acquisitions of the Toronto Northmen of the World Football League.

There were suggestions of a stiff diplomatic note, or sending for Henry Kissinger. This delightful editorial in the *Globe and Mail* ends:

> Yet Mr. Lalonde's quivering finger continues to indicate an approaching peril, and on Parliament Hill they are pacing the battlements and checking their muskets. On guard for whom?

I am not much of a partisan; I spend most of my time supporting measures which this minister puts forward. He has received my support and commendation on many endeavours, many proposals and many legislative pieces, but tonight on this measure I am amazed. I wonder if this is the same person who from time to time has shown such lucidity and perception. Indeed, he is sometimes so progressive that he could find a place in our party.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Since I quoted Cicero, I must be bilingual and refer to Shakespeare who wrote, "On what meat doth this our Caesar feed that he hath grown so great?"

Some hon. Members: Hear, hear!

Mr. Macquarrie: The pretensions and the parameters of this bill are, to say the least, startling. As I read the bill full of trembling, I read that people can go to jail for two years. My God, that is a non-sporting suggestion!

Some hon. Members: Hear, hear!

Mr. Macquarrie: The preamble would do well as the prelude to the lyrical ballads of Wordsworth. I have read a lot of dry statutes and a lot of dull bills, but I have never read such a hyperbolic expression as this preamble. Indeed, I wonder where the preamble ends and the propaganda begins. What lawyer ever heard a "whereas" followed by this:

> And whereas Canadian football developed for itself a unique national institution contributing to the strengthening of the bonds of nation-

hood and it is in the national and public interest that an effort be made to protect this institution from the encroachments of foreign sponsored enterprises extending into Canada;

Now, therefore, Her Majesty, by and with—

Mellow stuff that. We are today faced with this urgent and necessary matter, a matter of which we heard incidentally, or was it coincidentally, on April 10, 1974, the very day of the release of the March consumer price index which recorded the highest peacetime cost of living increase since the index was established. That was the day on which this measure was launched. What happy auspices! How it will delight the housewives of this nation to know that the two came together. The preamble of the bill is interesting. It reads:

Whereas football has an established tradition in Canada as witnessed by the cup symbolizing football supremacy in Canada, which was donated by His Excellency, the late Governor General Earl Grey in 1909 for that purpose—

In the definition section, the term "football" means:

—Canadian football and American football but does not include soccer or rugby—

There is something quite interesting here. It can be historically proven that the established tradition which sports football claims to hold with regard to the Grey Cup is basically untrue. When the Grey Cup was donated by Earl Grey in 1909, it was intended to symbolize Canadian supremacy in "rugby football".

Some hon. Members: Hear, hear!

Mr. Macquarrie: Even a layman like myself can see that is a sport emphatically different from football as it is known today. Rugby, as pointed out in the definition of "football" for the purposes of this bill, is not to be considered in conjuction with the term "football". Even dear old Lord Grey, who was invoked so greatly by the minister, did not intend this sort of thing at all. Grey, of course, was not an outstanding Canadian. Some do not think he was an outstanding Englishman. But a Canadian he was not. He was not one who would ever earn legitimately a place in any pantheon of Canadian national football heroes. Certainly he would not be happy—God rest his imperial soul!—to know that things were distorted in such a way that that which he claimed to be the goals and the focus of his cup award is excluded by a bill which names him as a sort of remote, historic godfather.

I hope the minister does not think I am being critical of him or his bill. I want him to know that with the basic intention of preserving Canadianism in professional football we join in our support and in our applause. It would be highly unlikely, and quite out of historic proportion, if a spokesman for the party of Macdonald, Borden, Bennett and Diefenbaker was not in the forefront of sensible, strong nationalism. When it comes to asserting our nationalism, we take second place to no group, political or otherwise, in this country.

Some hon. Members: Hear, hear!

Mr. Macquarrie: If hon. members do not believe me, they can ask some of the pals of Earl Grey who had to deal with Canadian nationals like Robert Borden. Or you might check with some of the American authorities who had to deal with the right hon. member for Prince Albert (Mr. Diefenbaker) when he was prime minister, who when it came to the Trading with the Enemy Act did not engage in the protracted, pusillanimous patty-caking which went on in reference to WML-Worthington, but acted assertively and successfully.

[Mr. Macquarrie.]

● (2120)

We, of course, believe in sensible, sensitive nationalism in the whole spectrum of Canadian society. What we have to ask, as any thoughtful parliamentarian must ask, is whether the goal to which the minister alluded is likely to be reached by the measure before us. We have to inquire as to the likely efficacy of the measure, and we certainly have to examine its exclusive nature.

The minister has obviously decided to bring down a gridiron curtain on the forty-ninth parallel. What other protective measures does he envisage? Not being a sports fan, I do not understand all the subtleties, but it seems to me as a greenhorn, a layman, that though one sees baseball and other sports played in Canada by Canadian teams, there are always a lot of American players around. We know that in America there are great hockey teams, but even a greenhorn like myself recognizes that most of the players are Canadians. Bobby Orr is a great player, but Bobby Orr is not a true Bostonian. He is a Canadian. Does the minister intend to extend his sports nationalism to other areas, or is it football alone which deserves this special and unique legislative treatment—right up to two years in jail?

Canada's national game is not football. It is not hockey. It is lacrosse. Even since the minister's fearless Regina speech there have been two major exercises in what I would call the Americanization of lacrosse. But no one has murmured. No one has legislated or even threatened to legislate. What is wrong with lacrosse, our national game? Does it not deserve protection? Is it necessary to be both a footballer and a professional to be protected? Is that which is good for football, bad for lacrosse? Is our nationalism selective to the extent that it must be confined to football alone? My witty colleague from Central Nova (Mr. MacKay) put a question to the minister not long ago. He asked: "Does the minister plan to bring in legislation which would ensure that the Stanley Cup never leaves Canada?"

Some hon. Members: Oh, Oh!

Mr. Macquarrie: Lord Stanley was a Governor General. We are invoking Governors General now. Why doesn't he get a look in on this? These are hard questions for the layman to answer. But in realms other than professional sport one is troubled. Is there greater danger to the Canadian way of life from foreign football than from foreign forces in other fields? What of the arts? What of our universities? Many Canadian professors are expressing grave concern about the widespread appointment of American professors by American deans or American heads of departments in Canadian universities. If it is more dangerous to have "X" number of American football players out in the field than to have so many American professors in Canadian universities—many of them, incidentally, teaching Canadian studies—how do we measure this danger to our national soul?

When one reflects upon this question one gets into a realm approaching the ridiculous. Where will all this end? Where does it begin? And why does it begin? Are we really heading for a Fortress Canada where the full force of legislative power will decree what a citizen shall see, who shall play, who shall watch, who shall own, who shall coach, who shall form leagues? It is a horrendous prospect of prohibition. And I have never liked prohibition very much.

Some hon. Members: Oh, oh!

Mr. Macquarrie: From the very beginning I was troubled by the negative and restrictive aspect of the bill. I share with other Canadians a real appreciation of the CFL. I know what the Grey Cup means to so many of our people. If I were not a maritimer, I think I would like to be a westerner. I spent nine years of my life on the prairies and I learned a lot there. Indeed, as my former leader said, I was toughened up there when I was exposed and I understand exactly the feelings of some of those people toward certain aspect of this question. I know the Grey Cup means a great deal to a great number of our people, though I must say that as a maritimer I demur in the face of the contention that it symbolizes a national competition. As my hon. friend from Dartmouth-Halifax East (Mr. Forrestall) has often said, Canada does not begin at Montreal; there is an important area eastward—an area, in fact, where confederation first began. And I am proud, Mr. Speaker, to represent the very place where it began, the cradle of confederation, the city of Charlottetown.

Some hon. Members: Hear, hear!

Mr. Macquarrie: And I say in passing, without any rancour—and we maritimers are never rancorous—that football, or any other activity which does not include the Atlantic provinces, is something less than national. A moot question, of course, is whether the action this bill is intended to forestall would destroy, diminish or undermine the CFL. Mr. Speaker, when one does not know a subject it is always well to consult an expert. A great football player and also, in my opinion, a great educator is Mr. Russ Jackson of Ottawa.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Mr. Jackson said, not long ago:

> I just think that if the CFL is too weak to face this kind of competition, we are going to lose it eventually anyway. If it can't compete without government legislation, then some other league, some other team such as the Northmen, or some other sport entirely, will knock it out. I think Toronto is a strong enough football town to support both the Argonauts and the WFL.

Even if Mr. Jackson is wrong and I am wrong—not likely, I would think, in either case—and if the dangers are as great as pessimists paint them to be, were there no positive measures which could have been taken to sustain the CFL? Was there nothing else but a measure which, in my judgment, comes very close to being a bill of attainder directed against one individual?

● (2130)

The minister talks of his meetings with Mr. Bassett and Mr. Bassett's father. I have never seen Mr. Bassett in my life. The only millionaires that I know are those in the House here—and most of them are across the way. I would be about as much at home in the board room of big business as I would on the football field; and I would be just as comfortable on the flight deck of Mariner IV in that regard. But was it necessary to be so restrictive? Was it necessary to have, as I say, something approaching a bill of attainder, which I think the British knocked out about four centuries ago—it was practised in the pre-Stuart era. This friend of the minister's whom he met so often may be rich, but he was a Canadian, not a foreigner, and so far as I can make out he was not at the time breaking an existing law, which should give him a half decent chance to express himself in these matters.

There have been some interesting discussions on the sports pages about the ramifications of this measure. I have made a careful study of all this, Mr. Speaker. When one starts from zero one has to study very hard. I have noticed that many friends of the CFL are expressing doubt as to the capacity of this bill to assist that very important Canadian institution. Indeed, there are many who fear that the results will be inimical to the CFL itself. They point out some very impressive and cogent arguments.

After all, if the WFL does not go into Toronto, it will not disappear, or evaporate, or leave the face of the earth. It will still be there, this bill passed notwithstanding. It will still be around with its attraction or its pressure, whichever expression one wants to use. Because no matter what success the minister has with this bill, no matter what station he will attain, his fiat will not run below the forty-ninth parallel. There will still be functioning football groups there from which we will not be able to separate potential Canadian players, any more than we will be able to separate potential Canadian viewers. So the gridiron curtain will be penetrable in very important ways.

I suggest the minister might well reflect upon the serious problems facing this country and the exacerbation of economic difficulties which for many portions of the Canadian population are approaching the unbearable. I suggest he pause, reflect, and say to his colleagues, "I started out well, but things have so developed in more important areas of our economic society that I hope you agree with me that we should wisely move on to something that would help the mass of Canadian people" who have suffered so long from 11 years of callous maladministration.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member for York North (Mr. Danson) rising for the purpose of asking a question?

Mr. Danson: Yes, Mr. Speaker. Would the hon. member for Hillsborough (Mr. Macquarrie) answer a question?

The Acting Speaker (Mr. Laniel): Order. This can only be done with the hon. member's consent. Is the hon. member for Hillsborough prepared to accept a question from the hon. member for York North?

Mr. Macquarrie: If it is in order, Mr. Speaker.

Mr. Danson: I just want to ask the hon. member whether he is going to support the bill.

The Acting Speaker (Mr. Laniel): The hon. member for Regina-Lake Centre (Mr. Benjamin).

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I am the member who is fortunate enough, I think—though you may feel otherwise—to lead off for our group on this bill. I want to say at the outset that my colleague, the hon. member for Fraser Valley West (Mr. Rose), is the quarterback and chairman of our caucus committee having to do with areas such as sport, and had he been here tonight he would probably be leading off; and doing so, I know, better than I. The members of our caucus will be free to vote as they choose on this matter, but I expect and hope that most, if not all, will support the legislation.

Some hon. Members: Hear, hear!

Mr. Benjamin: I want to say that, unlike the hon. member who has just taken his seat, I am a football fan and I personally endorse and will support this legislation. The hon. gentleman, who was kind enough to close off his remarks to allow me to make mine this evening, which I appreciate very much, said that he was not a fan. My only reaction to that is that this is no time to brag about it. In fact, I am still not sure whether he is going to vote for or against this bill. However, if he is not a fan or a quarterback, he is a good water-boy, running about all over the economic and political spectrum and Canadian history, trying frantically to put out the fire over the Tory dilemma on whether or not to keep professional football in Canada, Canadian. The hon. member mentioned lacrosse, and I agree with him: I wish the minister had put a provision in this bill with regard to lacrosse and a number of other sports as well. But even the fact that the minister went this far is something.

Some will say that this is an area of endeavour in which the government of Canada has no business intruding.

Some hon. Members: Hear, hear!

Mr. Benjamin: I note some Saskatchewan Tories applauding that one, Mr. Speaker. That professional football is a private business and is of sufficient insignificance in terms of culture, the economy and Canadian content, as not to warrant legislation is the argument put forward by these people. I submit that it is important enough to warrant parliament's stepping in.

Professional sport, in this instance professional football, is not only a business but a large industry. Professional football in the last five years has reached very large proportions in terms of dollars and volume of public interest, television coverage and television fees, and it is in fact an industry—and a significant one—even though it involves sports.

● (2140)

The parliament of Canada on a number of occasions in the last several decades has seen fit to intervene and intrude when an industry of any kind threatens to do injury, in order to prevent that injury to some Canadian endeavour. I submit that in this instance professional football is in the same category and I think it is proper for this parliament to intervene and intrude. When activities in professional football seem to be injurious or threaten the operation of our own professional sports industry, the government has an obligation to step in and prevent such a threat to at least that small part of our Canadian culture—and it is part of our Canadian culture.

In the past five years we have witnessed outstanding growth in professional sports both here and in the United States. Professional sport is no longer the preoccupation of a few sports-minded hobbyists. Coupled with our affluence, both gate and TV revenues from sport are extremely attractive to the diamond-studded aristocrats who can afford to buy sports franchises in major centres of the continent. There must be a number of these men in North America, because the expansion of league franchises, certainly in football and hockey, is enormous.

We are no longer dealing with a simple game, but a developing sports industry of major proportions. This major industry, I submit, should be subject to legislation and control just like any other business. It is a business. That is why I cannot accept the argument of those who say it is not the government's business whether the World Football League is allowed a Toronto franchise or whether the proposed $178 million stadium in Montreal, paid for by the people of Canada, will be used for an NFL franchise or for the Expos to play baseball in. A Montreal NFL franchise would be very attractive, of course, but not to the benefit of the people of Montreal and not to the benefit of Canadian football; it would be to the benefit of whichever mogul or covey of private entrepreneurs is successful in obtaining such a franchise.

In supporting the Minister of National Health and Welfare (Mr. Lalonde) in his attempts to arrive at some solution to American athletic imperialism, many members of my party are extremely concerned about the future of the Canadian Football League and especially about the community-owned teams in western Canada. We are conerned about the World Football League raiding the CFL for players, and that is why we back the minister in his stand against the WFL Toronto franchise application.

Anyone who would try to suggest that a World Football League franchise in Toronto will not harm the Canadian Football League is suffering delusions which must border on the delirium tremens that some people suffer. It is perfectly obvious that additional professional football teams in Montreal and Toronto could not help but reduce the gate receipts, television receipts and the receipts of the Argonauts in Toronto as well as the Canadian Football League, and anybody who suggests otherwise does not know what he is talking about. If Mr. Bassett wants to talk about a $48,000 gate equalization, I suggest he should make it $480,000 if he wants to talk sense. Such a franchise could not help but would hurt the Canadian Football League.

It is true that there are 15 Americans on each of the teams and most of the coaches and managers are American, but in spite of that there is a significant element of Canadian content, Canadian endeavour and Canadian effort and the majority of the players are Canadian. We also have Canadian rules, which in my personal opinion are a heck of a lot better than the rules of the National

Football League. The game is more exciting to watch, it is a better game, it is a faster game and it is our game.

I should also like to refer to community ownership of five of the Canadian Football League teams. Maybe there are some members of this chamber who are not concerned because they happen to come from Toronto, Montreal or Ottawa which do not have community-owned football teams; but in my province of Saskatchewan the Roughriders team is ours, and the same applies to Winnipeg and the rest of Manitoba as well as to Edmonton, Calgary and Vancouver. Even those well-to-do and well-heeled Tories and Liberals who actively work for and support these teams are deserving of full marks and full credit because nobody makes a buck out of them. I hope the day will come when the people of Montreal, Toronto and Ottawa will take over and operate on a community basis professional football teams and teams in other sports as well.

Another reason I personally support the bill is that I am not particularly interested in the welfare of the millions of dollars of one, John Bassett, Jr. Let us not kid ourselves. I have sided with the minister's position on this because I see professional football as an industry in North America. Perhaps only three cities in Canada are capable of supporting big league professional football, that is, Montreal, Toronto and Vancouver; but if these three go American, you can kiss the other Canadian teams goodbye. And that is what the Bassett-Toronto deal means in the long run. Let us have no doubt about that.

In addition, Mr. Speaker, Mr. Bassett has one very simple motive. He does not really care if he wrecks the Canadian Football League. He just wants to make himself a few more bucks.

Some hon. Members: Hear, hear!

Mr. Benjamin: My hon. friends to the right applaud that. I suggest that if Mr. Bassett wants to make a few more bucks out of football, he can damn well go to the United States and become an American citizen and make his bucks there, and leave our Canadian football alone. The Canadian Football League is not Canadian enough yet, and we all agree to that. The Canadian Football League must expand and must become even more Canadian. I would hope that within the next five or ten years the Canadian league is composed of even more, if not entirely, Canadian players.

We must also consider the efforts and the activities of our Canadian football teams in community and high school football leagues. The Saskatchewan Roughriders have provided equipment and professional assistance to a number of high school teams. For example, a great deal of such assistance was given to the high school football team in the little town of Maple Creek. We must consider the tens of thousands of dollars and the efforts that have been put into our high school, university and junior football teams. I do not hear Mr. Bassett offering any aid or comfort in that regard. He has put his money in his pocket and run. This is another good reason for having our own professional football league. It does something more than just try to make bucks for millionaires in Toronto, Buffalo, or somewhere else.

In addition to running the business of professional football, the CFL is also actively engaged in promoting amateur sports and in the development of Canadian talent on the part of players, coaches and managers. Surely that is another important part of the operation of the Canadian Football League and another reason for supporting the minister and the government on this bill.

I listened to the minister, followed by the hon. member for Hillsborough (Mr. Macquarrie), talking about the old days long before I came here. The hon. member for Winnipeg North Centre (Mr. Knowles) might well have been here in those days. It is funny that mention was made of Sir John A. Macdonald and the national dream to keep the foreigners, the damned Yankees, out. Then there was R. B. Bennett, who in the late 1930s brought in the CBC and the Canadian Wheat Board. I am beginning to feel sorry I have been so critical of these historic figures of Canadian political life because it now looks as if they were a hell of a lot more progressive than the present Progressive Conservatives. I am not suggesting they were perfect. Mr. Macdonald's endeavours to get the construction of a transcontinental railway to knit together Canada was an excellent idea, but subsequently it turned out to be for the benefit of the CPR instead of for Canada. However, that can be corrected also. The NDP have some ideas on that.

● (2150)

I should like to urge hon. members to consider not only the community-owned teams of western Canada but also the other places in Canada that should be able to, and I hope will very soon, enter the Canadian Football League, such as London, Ontario, Halifax-Dartmouth and then, why not, Quebec city? I think British Columbia should have another team. Vancouver Island has the population to support a team. There is no way this can come about if we sit back and do not do anything just because a millionaire from Toronto wants to make a buck with an American franchise at the expense of some element at least of Canadian professional football league operations in this country. If that is nationalism, good. I think it is a lot better kind of nationalism than the hon. member for Hillsborough has put forward. He spoke about sensitive and sensible nationalism. That is fine. He wondered what other method might have been found to protect the Canadian Football League. I wish he would quit wondering and tell us what his ideas are and what the Conservative Party would do, if anything.

I hope the hon. members for Regina East (Mr. Balfour), Battleford-Kindersley (Mr. Horner) and Swift Current-Maple Creek (Mr. Hamilton) will speak, because I should like to hear their views. I am sure the people in their constituencies who buy season tickets to support the Saskatchewan Roughriders would like to hear their views. In fact, I am sure the busload or two of people who make the 300 mile round trip to the home games in Regina from Swift Current would be very interested to hear what the hon. member from that constituency would say and how he would vote on this bill.

I hope the hon. member for Regina East lets us know where he stands on this. In case he or any other such members are unable to be present for the vote, I hope they will tell us where they stand on this question because I am sure the people from the steel plants, the packing houses and the railway yards in Regina, as well as the downtown storekeepers—the people who pool their money to buy

tickets to the $100 dinner, and season tickets—will be interested to hear what the hon. member has to say. But more importantly they will be interested to know where he stands.

I agree with the hon. member for Hillsborough that this legislation is not as important an issue as inflation, or the corporate tax rip-off, the railways or what is being done by the government in the wrecking of the Canadian Wheat Board with the support of the Conservative Party. However, this matter is important and I want to ask my friends in the Progressive Conservative Party or anyone in my party who does not support this bill, for God's sake can't we have something of our own, or must we lose it because some millionaire wants to buy a football franchise? Is it not time to say, "No, no further"?

Of course this is not as important as many other serious issues facing this country, but I submit it is important enough for this parliament to deal with and it is important enough for this parliament to do something about. We need not take a long time tomorrow dealing with this bill at the second reading stage. If the hon. member for Hillsborough wishes to get on with something more important, I hope he will persuade his colleagues to take two minutes each tomorrow, then sit down and we will have a vote next week. Next Monday we could start dealing with something more important than professional football: we would spend merely a minimum of time in the House on this measure.

In closing, Mr. Speaker, I want to urge upon members that it is important enough for them to even change their minds and support the legislation. It is important enough that the passage of this kind of legislation will serve notice and warning on people of the ilk of the Bassetts in other sports in other parts of the country. It is important enough that I think the government then might be encouraged to do more about other sports of a professional and semi-professional nature in this country. I wish to urge, certainly on my behalf, and I think on behalf of most if not all my colleagues, that this legislation is worth supporting and that if the Canadian Football League is worthy of extending and expanding I hope all of us will decide it is worth passing this bill, because we do not have too much time.

Some hon. Members: Question.

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

Mr. Fleming: Mr. Speaker, if the House is ready for the question I am quite prepared to pass and have the question put.

Mr. Speaker: The hon. member for Rocky Mountain (Mr. Clark).

Mr. Clark (Rocky Mountain): Thank you, Mr. Speaker.

Mr. Fleming: On a point of order, Mr. Speaker, I am sorry, but I thought I had the floor if the vote was not to be put.

An hon. Member: You said you passed.

[Mr. Benjamin.]

Mr. Fleming: It is the government's turn. I said I wanted to speak unless there was a general willingness on all sides of the House to go to a vote.

Mr. Speaker: Order, please. In fairness, if this is what the hon. member had in mind, I am sure the hon. member for Rocky Mountain would allow the hon. member for York West (Mr. Fleming) to have the floor at this point.

Mr. Fleming: Thank you, Mr. Speaker. May I call it ten o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, if the House leader would just nod his head to indicate that this is to be the business for tomorrow, I am sure *Hansard* would record his nod.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, could we know by a nod or by some other indication what we will do tomorrow after we finish this bill?

Mr. MacEachen: Mr. Speaker, tomorrow we will deal with this bill, and if we complete it we will begin the second reading of the bill to amend the Export and Import Permits Act.

Mr. Bell: Mr. Speaker, is it not too much for even the government House leader to expect that this bill will go through, with so many Toronto members on the government side wishing to speak?

Mr. MacEachen: Mr. Speaker, I should like to make clear that on this side we are ready to deal with the bill quickly and will not be putting up a speaker other than the hon. member who sought the floor this evening. The bill could pass easily tomorrow, from our point of view.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR CANADA—NEGOTIATIONS RESPECTING USE OF WINNIPEG AS OVERHAUL BASE FOR BOEING 727 AIRCRAFT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, over the past year I have risen many times to speak on subjects relating to Air Canada. As everyone who has ever flown on Air Canada knows, there is a great deal wrong with our national airline. Specifically, my interest in Air Canada centres around the transfer of the air maintenance base from Winnipeg to Dorval in 1969 and the concomitant problems which have ensued both in Winnipeg and Dorval. Hon. members are only too familiar with the history surrounding the move, so I will not

expand on it again except to say that the transfer effectively destroyed Manitoba's aerospace industry. It was thus heartening to hear that the government may finally be doing something to revive the industry. The Minister of Transport (Mr. Marchand) is to be congratulated for his stand to establish an Air Canada overhaul base in Winnipeg.

Since the departure of the base, the Manitoba aviation industry has floundered as successive Liberal governments have failed to honour their commitments to that industry. Air Canada's successor at the Winnipeg base, CAE Aircraft, has been beset with difficulties ever since it took over the operation. Government contracts or assistance have not been forthcoming as promised, and as a result the aerospace industry in Manitoba is slowly dying. But this is no real surprise. After all, CAE could never hope to replace Air Canada.

What is needed in Winnipeg is not government and Air Canada contracts to CAE but the return of portions of the Air Canada overhaul base from Dorval to Winnipeg. This would allow many of the 1,000 or so Manitobans who were drafted to Dorval to return home, and it would allow former Air Canada employees who are now with CAE to return to Air Canada at a higher rate of pay. It would also rebuild what was once a viable industry in the province and provide the government with an opportunity to live up to its avowed policy of industrial decentralization. To date this policy has been an outright sham, especially with regard to Air Canada. The government seems to forget that a confidential transportation study completed in 1971, the McKinley report, recommended that Air Canada's operations be decentralized.

Both the Prime Minister (Mr. Trudeau) and the Minister of National Defence (Mr. Richardson) have said that the government is firmly committed to a policy of industrial decentralization within Canada and have talked at great length of the need to develop secondary industry in the west on top of our great resource and energy base. Well, here is their chance to put their money where their mouths are. The McKinley report was correct in recommending that Air Canada decentralize its operations. After all, Air Canada operated two bases for several years and did so very efficiently. Just look at the 1957 Wallace Clark report. Furthermore, most American airlines operate their maintenance and overhaul of both aircraft and engines on the fleet base station concept. That respected periodical, the Journal of Air Law and Commerce, listed the following advantages of decentralization: shorter lines of authority, greater field economics, and increased stress on the profit centre concept and cost control.

The problems at Dorval to which I alluded earlier have been the subject of many of my previous remarks regarding Air Canada. Suffice it to say that these relate to safety, staffing and the violation of various regulations—all problems which the unions have brought to the attention of Air Canada management. While nothing has been done to alleviate these problems, Air Canada apparently has finally realized they exist: witness the recent replacement of the vice-president in charge of maintenance.

As well, Dorval is overcrowded and operating close to maximum efficiency. The result of such a situation is increased inefficiency. Currently, Wardair, Air Jamaica, Eastern Airlines, Quebec Air and CP Air all make use of the Dorval facilities along with Air Canada. Any union fears that a transfer of parts of the maintenance base to Winnipeg would result in a loss of jobs are unfounded. Air Canada operations are increasing at the rate of 10 per cent annually, and thus there would be no shortage of work. Also, the airlines I have mentioned no doubt will be adding to their fleet, which will continue to create a high level of work for the Dorval air base.

In view of this entire situation it was thus heartening, as I mentioned, to hear that there have been consultations over getting Air Canada to assign some of its jet overhaul activities from Montreal to the Winnipeg base, and over the defence department's related plans to have the repair and overhaul of their Boeing 707s done in Winnipeg as well. Because the overhaul of the 707s is related to the establishment of further repair and overhaul work in Winnipeg, it is to be hoped that the government and Air Canada will decide to send Air Canada's Boeing 727s to Winnipeg instead of Montreal. And this does not mean assigning the work to CAE. Rather, portions of the base must be moved from Dorval to Winnipeg.

Mr. Speaker: Order, please. I regret that I have to interrupt the hon. member to advise him that his time has expired.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, since Air Canada has ordered Boeing 727 aircraft, the first of which are due for delivery this fall, it had to make arrangements for their maintenance. At first, these aircraft will be providing an improved Rapidair service between Montreal and Toronto, and it therefore makes sense that such aircraft be maintained, initially, at Dorval. In due course, as more and more aircraft of this type are delivered and as the entire Air Canada fleet is increased in response to the growth in demand, Air Canada will no doubt assess the optimal way of arranging maintenance for its aircraft in an efficient manner.

As the hon. member knows, the corporation's management is responsible for the performance of the airline. Naturally, it is of interest to the government to know how the airline, as a Crown corporation, is harmonizing its corporate objectives in providing safe and efficient transportation to Canadians, with other government policies, without jeopardizing the viability of its main activity. As you are very well aware, the government is involved in a very comprehensive review of Canada's aerospace industry, and the contribution that Canadian airlines can make in this, especially Air Canada, is not overlooked. Air Canada's participation in the development of such strategies cannot be based on any one particular aircraft type but, rather, on its wider need for the maintenance of its fleet.

Mr. Knowles (Winnipeg North Centre): Explain.

HOUSING—ACTION BY GOVERNMENT TO REDUCE COST

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, the reason I am speaking tonight before this "packed" House is that on April 10 I asked the Minister of Finance (Mr. Turner) specifically what measures

the government had in mind to deal with the rising costs of housing and whether he was able to give an assurance to the Canadian people and to parliament that the cost of housing, which has risen at a staggering rate within the last year, could be slowed down. The minister, of course, did not answer my question. He replied by saying:

> Mr. Speaker, we cannot give the hon. member that guarantee, but we can assure him that we share his view of the seriousness of the problem he has stated.

That is some consolation for a person who cannot afford a house! In a previous answer the minister explained the reason why housing had jumped at such a remarkable rate when he said:

> Basically, one of the problems is the excessive demand for housing within the middle income group which is produced, first, by an attempt by Canadians to protect themselves against inflation and, second, because the profit from the disposal of a house is still the only thing free of capital gains tax.

In other words, because of this incompetent government, people are forced to invest in housing and that is part of the reason for the cost of housing going even higher. Figures were released just recently which show that the cost of the average house in Toronto jumped within the last year by 41.8 per cent. The average house in Toronto at the present time is selling for about $50,435. Throughout Ontario in 1973, the increase in housing costs was 26.2 per cent. In my community houses have virtually doubled in price since 1970.

● (2210)

A study recently done in Ottawa before the latest increase in the mortgage rate showed that the average family which wanted to buy the average house here needed an income of $17,000 a year to pay for the mortgage, roughly two-thirds more than the average family makes at present. The problem is not quite so bad if you own your own house and plan to move to another, because the price of your own house will have appreciated along with the market. What is particularly bad is the prospect that literally millions of young Canadians, like myself, may never in their lifetime afford adequate housing of their own.

What is particularly shocking is the most recent hike in interest rates which has taken place since the time I asked my question of the minister. Our party has asked the government to bring in a series of comprehensive controls. The government has refused. We asked them to remove the 11 per cent sales tax on building materials which in itself is inflationary and helps the government to profit from the cost of inflation the average consumer must bear. Again they refused. We asked the government to bring in an early budget. Again they refused. Obviously, part of the government's so-called anti-inflation program is the latest increase in the bank rate. The effect on housing will not be to repress prices but, rather, to drive them up more. The government's actions, ostensibly to curb inflation, only make it worse. Yesterday's Toronto *Star* says:

> "People are determined to buy houses now because they feel prices are going to keep on rising," one trust company official said.
>
> Another said dearer mortgages will scare off only a few potential buyers who previously could barely scrape up the financing.

[Mr. Beatty (Wellington-Grey-Dufferin Waterloo).]

It is worth reading into the record part of the lead editorial in tonight's Toronto *Star*. It is entitled "Interest rates feed inflation" and reads in part:

> In the case of businesses, interest payments are another cost item, just like labour and materials. When the price of any of these goes up, businesses pass the added cost along in the form of higher prices for their products.
>
> By way of illustration, a spokesman for Trans Canada PipeLines Ltd. was quoted this week as saying his company "is not directly concerned" with higher wellhead prices for natural gas as long as it can pass the increases along in full to the ultimate users.
>
> As for those ultimate users, many have no such quick and easy way of covering their higher costs. They have little economic muscle and can only watch helplessly as their pay cheques spread thinner month by month. So the burden of fighting inflation falls on their backs.
>
> That's why, with inflation running at an annual rate in excess of 10 per cent, a further cost increase in the form of higher interest rates is not only inappropriate, but intolerable.

The government claims that inflation is largely imported. Of course, statistics show that two-thirds of our inflation is generated domestically. I think the people of Canada are entitled to more than a government which refuses to act. They are entitled to the option of choosing a new government if they so wish—and the polls show they are prepared to do that. That is why the government has refused to call an opposition day, when a vote of non confidence could be moved, before the budget. They are afraid of facing the electorate. The government is in decay, leaderless. Before today, when the Prime Minister (Mr. Trudeau) was down south, it was literally leaderless. Further, it is visionless. It stumbles from crisis to crisis. I and my party think that the Canadian people deserve something better.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I would answer very briefly to the comments of the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) to remind him that there has been much activity in the residential building industry in recent years. Costs of residential houses and apartment rents have risen significantly during the same period, partly because of ever higher wages and costs of building materials and serviced lots, partly because of the continuing strong demand for housing resulting from the desire for better accommodation and from inflation obsession.

Several initiatives have been taken by the federal government. To reduce the cost of serviced lots, for example, the government allocated from the budget of the Central Mortgage and Housing Corporation, $100 million yearly for five years, to its land servicing program. This loan reserve is available to provinces and municipalities wishing to buy and service residential lots. The government provided also a significant amount, $135 million, for sewage treatment under the loan program. Under this program, municipalities may borrow an amount equal to two thirds of the cost of sewage disposal plants and main ducts construction. The municipalities can benefit from a subsidy equal to 25 per cent of the loan granted.

Further to these measures which have been passed to help provinces and municipalities turning lots into residential districts, hon. members will recall the changes to the National Housing Act which were passed last year and

especially the program to help low income homeowners to borrow from the Central Mortgage and Housing Corporation at preferred rates. Under the program to facilitate the purchase of a house for low income families, they can borrow at a very low interest rate, as low as 6 per cent.

To summarize, Mr. Speaker, in 1974 the Central Mortgage and Housing Corporation will allocate the major part of its budget to housing programs for low and middle income people and to programs to help provinces and municipalities in the development of residential lots. Furthermore, the hon. members will remember the passing of Bill C-135, a few months ago, which has allowed us to increase funds available for housing.

[*English*]

UNEMPLOYMENT INSURANCE—ELIGIBILITY FOR BENEFITS OF UNEMPLOYED RURAL WORKERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, earlier today I directed a question to the Minister of Manpower and Immigration (Mr. Andras) regarding the Unemployment Insurance Act which I feel discriminates against people in rural Canada. I base this on the interpretation that is made of the act by the officials, referees and umpires as to whether a person is actually available for work or whether he is restricting himself in terms of the distance from home he will go when trying to obtain a job. Because of the strict interpretation of these regulations, I also asked whether the Unemployment Insurance Commission expected a family to uproot itself in order to qualify for unemployment insurance benefits.

The minister replied that all I have to do is give him the information, he will look into the case and all will be well. The fact is, I have done that on numerous occasions. Almost every member from rural Canada has done the same. This is something that cuts across party lines. I have been told by members of the Conservative Party, the Liberal Party and my party from five or six provinces that they have run into the same problem where people in rural areas clearly qualify for unemployment insurance but because they live in a small town and cannot travel 40 or 50 miles—

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Many do not have cars.

Mr. Nystrom: As the hon. member has pointed out, many do not have cars. They do not have adequate transportation. They are not in the same position to look for a job as people in urban Canada. The act is very subjective. It leaves it open to interpretation when deciding whether someone is available for work. For example, there is no mileage qualification which indicates a person must look for employment within 10, 20 or 40 miles. As a result, many people in rural Canada are discriminated against. I say this for two reasons. First, as all members know, job opportunities in rural Canada are scarce. Second, many of these people do not have cars and public transportation is not available to them in order that they may travel 40 or 50 miles to find a job.

There are many cases of this in my constituency. There is a woman, a farm wife, in the town of Balcarres, 55 miles from Regina, who had worked for many years. She became unemployed for very legitimate reasons. She applied for unemployment insurance. She made it very plain to the commission that she would work in her own town or in another town adjacent to her own town, and that she was willing to work at jobs which were much lower in pay, status, and so on, than she was qualified for. But the Unemployment Insurance Commission said she had to look for a job in the city of Regina. That is 55 miles away. She has no car—her husband needs the family car for his business. Therefore she was disqualified. If she had uprooted her family and moved into Regina, she could have qualified. It seems to me that this is a rather ludicrous thing to happen.

● (2220)

The other thing which I often find, Mr. Speaker, is that if a person were actually to lie to the Unemployment Insurance Commission and say, "I'll look for a job anywhere at any salary", then they would qualify; but if they are honest with the Unemployment Insurance Commission, they are cut off. I have in my hand a file with maybe 10, 15 or 25 cases at least in the last few months where precisely this has happened. People who move from a rural area into an urban centre and look for a job but can't find a job right away are cut off because they are restricting themselves. I have here a ruling of an umpire. This is back in June of 1973. I quote the ruling regarding this particular point:

> The umpire, who is the final authority for interpreting the Unemployment Insurance Act, has established the following principles when considering questions of availability for work:
>
> 1. A person who leaves employment in an industrial area to take up residence in a small town or rural area fails to prove that she is available for work.
>
> 2. A person who restricts herself to employment in a small town where opportunities for employment are limited, fails to prove that she is available for work.

I know people who have been willing to go 40 or 50 miles, to pay babysitters, to drive their own cars 40 and 50 miles, but the UIC people say these persons are not available for work. For God's sake, if a person lived in one of the cities of urban Canada and took exactly the same attitude, that person would qualify for UIC. A person in my riding, or in a comparable rural riding is not abusing the act; he is just desirous of getting the same benefits from the Unemployment Insurance Act as someone who happens to live in urban Canada.

What I am saying tonight to the parliamentary secretary and to the government is that they should do one of two things. They should either change the directive so as to enable the officials to interpret the act in a different way, or they should amend the act so that rural people would not be discriminated against by reason of the facts of geography; so that rural people do not have to connive or try to deceive the Unemployment Insurance Commission officials. I telephoned the Unemployment Insurance office in Regina today to find out how many claimants have been disqualified for the reason I have mentioned. Apparently this statistic is not kept. I suggest that it should be kept. In rural southern Saskatchewan, the area from which I come, several people were disqualified after having first qualified for UIC, and I suspect that most of them were disqualified for this reason.

My last point is this. I believe women are discriminated against more than men under this particular provision. This is for various reasons. The husband may be employed in a rural area and the wife is looking for a job. The officials seem to interpret the act very religiously and very tightly. I could go on at great length and recite many cases. The minister knows all about this situation. I have been in touch with him several times. Members of all parties have been in touch with him. All I am saying is that some action should be taken to clarify this situation because at present there is discrimination against people who live in rural Canada whether they come from one province or another.

Mr. Mark MacGuigan (Parliamentary Secretary to the Minister of Manpower and Immigration): Mr. Speaker, it is not the policy of the UIC to disqualify rural workers from benefit on the pretext that they are restricting their area of employment search. On the contrary, the commission simply requires, in accordance with the act, that claimants, whether urban or rural, prove that they are unable to obtain suitable employment in order to be eligible for regular benefits. The manner in which this proof is requested by the commission is through the job search statement which the claimant completes as he looks for re-employment. This listing of potential employers contacted provides the basis for continuing eligibility for benefits.

The one difference between the magnitude and the area of search required between urban and rural claimants is the distance from their residence that they should search for work. Rural claimants characteristically work within a range of some 25 to 30 miles from their residence. In fact, it is likely that they obtained their insurable employment with employers that far from home. It is therefore reasonable to require that they should search for work within that same reasonable distance. Urban claimants, on the other hand, do not normally work at such distances from their residence and in fact can usually make sufficient contacts with prospective employers within much shorter distances.

It is important to note that any denial of benefits, whether to urban or rural claimants, can be appealed by the claimant to a board of referees. This board of referees is generally composed of independent people selected from the claimant's community who have a knowledge of the work patterns of the claimants appealing. In point of fact, the insurance agent who makes the initial decision on a claim is also knowledgeable about a claimant's area and the distances which people in his district would normally travel to and from work.

Once a claimant has proved that he or she is unable to obtain suitable employment, the commission is obliged to continue to pay benefits. There is no requirement for claimants to move from their residence in order to obtain unemployment insurance benefits. If the claimant obtains his insurable employment in the area of his residence, then he or she is entitled to receive benefits while residing in that area provided be on she adequately show that they are unable to obtain employment.

The question that the hon. member has raised tonight is difficult to discuss because essentially it is a question of fact. But what strikes me very much about it is that the decision on this question of fact is made by officials who live in the area and it is reviewed by a board of referees who live in the area. It is hard to imagine people who could more adequately decide the facts in cases of this kind. We would be most happy to review any cases the hon. member cares to submit to the minister for review.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, April 19, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

EXPO '74, SPOKANE—BORDER CROSSING HOURS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I ask for the unanimous consent of the House under Standing Order 43 to present a motion of urgent and pressing necessity. In view of the opening of Expo '74 in Spokane, Washington, in less than two weeks time and the urgent need to extend border crossing hours at several ports of entry in the Kootenay and Okanagan area, and since this extension of time has been promised and planned for by the department concerned, I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House unanimously endorse the need for adequate extensions of time at these border crossing-points and requests the Minister of National Revenue to announce these time extensions at the earliest possible date so that individuals, groups and organizations can make plans for widely advertising the border crossing hours and for arranging their own visits to Expo '74.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Kootenay West. Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

HOLIDAYS ACT

AMENDMENT TO CHANGE "DOMINION DAY" TO "CANADA DAY"

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-280, to amend the Holidays Act.

Some hon. Members: Explain.

Mr. Reynolds: Mr. Speaker, the purpose of this bill is to change the name of one of our main holidays to Canada Day, a name that is already being used in the majority of the cities of Canada.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INQUIRY AS TO INTRODUCTION OF LEGISLATION TO ALLEVIATE DIFFICULTIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Prime Minister who eight days ago, according to a transcript released by his office, said:

We've had very very little legislative time as you know. We think we should be using the days before the budget to bring in legislation to alleviate the various difficulties in the economy to help the people in various ways—

● (1110)

Would the right hon. gentleman tell the House what this legislation is and why parliament is not dealing with it today?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is because of that, because of my statement, that the leader of the House made the suggestion to parliament last night that we should deal most expeditiously with the football bill which is of importance to some people.

Some hon. Members: Oh, oh!

Mr. Trudeau: We are prepared to put up only two speakers and if the opposition will co-operate we shall certainly be very pleased to move on to other business.

Some hon. Members: Hear, hear!

Mr. Stanfield: The government is responsible for the business before the House and, Lord knows, it exercises that control in a rather tyrannical way. I want to ask the Prime Minister where this important legislation is, why it is not before the House and why, in view of the rapid inflation in the country and the spreading chaos with regard to the provision of essential services, the Prime Minister is not telling the people what the government proposes to do to restore some sense of confidence and stability?

Mr. Trudeau: The House can deal with only one bill at a time. The judgment of the government was to bring forward the bill which is before the House today. I repeat, we are seeking co-operation from all parties to deal with it in

a businesslike fashion, and then we shall bring on other legislation.

Mr. Stanfield: We should like to know what the business of the government is. I should like to ask the Prime Minister whether he is prepared to test the confidence of the House on the basis of the replies he is making today?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: I find it rather typical of the Tory opposition that they are never prepared to deal with matters before them because they never have any answers for them.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Prime Minister. In view of the fact parliament has passed only seven or eight bills, none of them dealing with inflation on either a long-term or short-term basis, and in view of the fact parliament will today be occupied in considering a bill dealing with football at a time when the country is being paralysed by strikes, when the regional price index will come out today showing the highest inflation rate in the country, will the Prime Minister change his priorities and bring on legislation to deal with these problems?

Mr. Trudeau: I do not agree with the premise of the question. Only this week very important matters of great concern to the fishermen and farmers of this country were dealt with, and the Canada Pension Plan bill is also of great concern to all Canadians. I repeat, we shall bring forward other business but I think it is very important that the opposition should not make this kind of speech merely to hide the fact they do not know what position to take on the football bill.

Mr. Stanfield: If you had been here last night, you would have known we have taken a position—against the bill.

REQUEST FOR TWO-PRICE SYSTEM FOR LUMBER IN LIGHT OF PROSPECTIVE FURTHER INCREASE IN WHOLESALE PRICE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Prime Minister. In view of the statement made yesterday by the Ontario Lumber Manufacturers Association that the wholesale price of lumber will increase by a further 25 per cent by next fall, does the Prime Minister think the time has now come to introduce a two-price system for lumber in this country, as in the case of oil when an export tax was imposed?

Right Hon. P. E. Trudeau (Prime Minister): My view has not changed from that expressed by the Minister of Finance on a two-price system a few days ago.

Mr. Nystrom: In view of the announcement that another increase of 25 per cent can be expected by the fall and the fact that the cost of lumber is already very high, can the Prime Minister tell the House what he intends to do about the high price of housing in this country?

[Mr. Trudeau.]

Mr. Trudeau: This has been the subject of many statements by the government, particularly by the Minister of State for Urban Affairs.

[*Translation*]

MEASURES TO CURB INCREASES IN COST OF LIVING

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Since the cost of living is steadily increasing and since there is no forseeable end to this trend, I would like the Prime Minister to tell the House which steps he is taking right now to prevent a further increase in the cost of living next Monday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member must have been away from the House for months to ask such a question. As to Monday morning, I suggest that he should read this morning's *Financial Times.*

[*English*]

Looking at the Canadian economy, it talks about the remarkably strong performance of our economy in the first two months at a time when industrial production fell back in other major industrial countries, including the United States, Britain and France.

[*Translation*]

Mr. Boisvert: Mr. Speaker, I want to say to the right hon. Prime Minister that I was here and that if the rate of economic output is exceptional, so is the rate of inflation. What I want to know is what the Prime Minister is doing to prevent a further deterioration.

Mr. Trudeau: Mr. Speaker, the hon. member would like the government to reiterate large portions of the Speech from the Throne. We said that inflation was being fought in several ways, we never promised that inflation would be reduced to zero before Monday morning, and we indicated that the best way to control inflation was to increase commodities supply in the country. The hon. member knows that the throne speech contained a series of legislative programs that the House should allow us to implement, so as to get those results.

[*English*]

DATE OF BUDGET AND INTRODUCTION OF EMERGENCY LEGISLATION TO DEAL WITH LABOUR DISPUTES

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my question is for the Prime Minister. Will the right hon. gentleman assure the House that the Minister of Finance will have named the date upon which the budget will be brought down before the Prime Minister takes off on his political trip around Ontario next week?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I can give that assurance. I am not afraid to show myself in Ontario as the hon. member is.

Mr. Reilly: Mr. Speaker, I am not afraid to show myself in the House of Commons in any case. I have a supplementary question for the right hon. gentleman. Will he assure the House that any emergency legislation necessary to

deal with the plethora of labour disputes and strikes that abound in Canada will also be introduced before the beginning of his political trip next week?

Mr. Trudeau: Mr. Speaker, I have already indicated that, so has the Minister of Transport and indeed even the House leader. I cannot recall whether the hon. member was brave and showed himself in the House yesterday. If he was in the House yesterday he is certainly different from the hon. member for Prince Edward-Hastings who is not here today and was not here yesterday.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Ottawa West and then the hon. member for Brandon-Souris.

Mr. Reilly: Mr. Speaker, I am sorry I did not hear a good deal of what the right hon. gentleman muttered toward the end of his speech; maybe he was simply moving his lips again. Will the Prime Minister assure the members of this House and the people of Canada that it will be the Liberal party that will pick up the tab for the many government aircraft needed to transport him around the province of Ontario and not the taxpayers?

Mr. Trudeau: Mr. Speaker, I can say that it is the government of Canada and the taxpayers who are picking up the tab for the many Tories who are flying out on DND planes both last night and today.

Mr. Bell: Mr. Speaker, I rise on a point of order respecting the Prime Minister's charge about members of the opposition. If any members are on government planes, they are returning to their constituencies to look after constituency business. It is because of a national strike that this government cannot handle that they are using DND planes.

Some hon. Members: Hear, hear!

● (1120)

Mr. Bell: I might say they are not using government or military helicopters.

Mr. Trudeau: Mr. Speaker, I do agree that it is customary to use government planes—I do not see the relevancy of whether they are helicopters or fixed wing aircraft—to bring members back to their constituencies. I just find it strange that the opposition wants to play with the rules only for its side and not for both sides.

Some hon. Members: Hear, hear!

* * *

POST OFFICE

DISPUTE WITH POSTAL WORKERS—ACTION TO ENSURE MOVEMENT OF MAIL—CODERS' PAY RATE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, obviously my question is for the Postmaster General.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Brandon-Souris has the floor.

Mr. Dinsdale: Mr. Speaker, I am sure everybody has heard of sunny Manitoba. In view of the fact the Canadian Union of Postal Workers national executive has now called a national strike, can the Postmaster General indicate to the House what action he is taking to get the mail moving again?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I am happy to see the sun has done some good to my hon. colleague. I should like to remind him that we held a meeting yesterday with the national executive and that another is to be held this afternoon. As far as I know, the national executive did not call the national strike. I wonder where the hon. member got his information. Be that as it may, if it did, and I repeat what I have already said, the strike is illegal and infinitely regrettable because the permanent employees of the postal department are guaranteed jobs and salaries under their collective agreement.

I am terribly sorry such excessives steps should now be resorted to in order to solve a problem which, basically, concerns only a very small number of our employees and could be solved within the framework of the collective agreement. Provisions stipulate specifically that a manpower committee must sit to solve those problems.

I have often expressed the wish that the manpower committee should work out. I have expressed my willingness to take part in its work. I hope our employees will understand that it is in their interest and also their duty to go back to work. Then, we can solve the problems that trouble them.

[*English*]

Mr. Dinsdale: Mr. Speaker, in view of the fact that morale in the Post Office Department, as well as in other branches of the Public Service, has been sagging disastrously during the past few months, and as the key issue with reference to the Post Office is the wide differential between the pay rates of sorters and coders, is this particular item a part of the current negotiations?

Mr. Marchand (Langelier): It is part of the agreement.

[*Translation*]

Mr. Ouellet: Mr. Speaker, if the morale has been so low these last few months, it is certainly not because of the Post Office administration. We have said again and again that all our employees had a guaranteed employment and salary.

The hon. member spoke about the coders, but I must emphasize that there are only 95 such employees and that the difference in wages is 54 cents an hour. The Post Office employees have approved the last collective agreement providing for that wage scale. I think they have no excuse to stop work like that, just because of 95 employees.

Mr. Dinsdale: In view of the answer given by the President of the Treasury Board last Thursday, when I asked a similar question, indicating that this item is a problem,

would the President of the Treasury Board speak to the Postmaster General and apprise him of this situation please?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am glad to say that the Postmaster General and I are in almost continuous consultation.

SETTLEMENT OF PAY RATE FOR POSTAL CODERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, yesterday in answer to a question the Postmaster General said that he would not negotiate with the postal employees while they were engaged in this work stoppage. However, he has been meeting with them. I should like to ask him whether he and his department have now moved away from the position they have taken until the last couple of days at least of insisting that the pay rate for the coders is a matter which will be settled by the department and will not be discussed with the employees even though this is the question about which the employees have in fact left their work?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I said yesterday and I repeat that we are ready to discuss with the representatives of employees any issue which concerns them. However, I have already assured the House that the problem of coders can quite well be discussed with the manpower committee whose creation is provided in the collective agreement.

Our employees are not entitled to leave their work at the present time since they benefit from a mechanism provided in their collective agreement to discuss and settle the matter. I repeat that I am ready to sit on the manpower committee to find a solution. It is not by an illegal work stoppage that the employees will obtain what they are asking.

[*English*]

Mr. Speaker: The Chair will recognize the hon. member for Winnipeg North for a supplementary, followed by the hon. member for Kingston and the Islands also on a supplementary.

Mr. Orlikow: Mr. Speaker, the minister says he is prepared to have the matter discussed by the manpower committee. This issue has not arisen just in the last couple of days. The employees have indicated for more than a year that they are not satisfied with the much lower rate of pay set by the department for the coders. If the manpower committee has been ready to discuss this question, has it in fact been discussed and has any progress been made, or is not the case that, while the minister and his department are ready to listen to the objections, they are not prepared to take the objections into consideration and move on this question at all?

[*Translation*]

Mr. Ouellet: We are ready to discuss the matter, but I remind the hon. member that only 95 employees are involved. Now this illegal work stoppage is due to the classification of 95 individuals in a department of 50,000 employees. In my opinion, it is entirely irresponsible to deprive the Canadian people of such an important service to settle the case of 95 individuals, especially in Montreal where there is not a single coder and there will not be any for two years.

[*English*]

Mr. Speaker: The hon. member for Kingston and the Islands.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, my question—

Mr. Speaker: Order, please. I must interrupt the hon. member. I believe the hon. member for Winnipeg North is rising on a point of order.

Mr. Orlikow: Mr. Speaker, the minister has repeated several times that there are only 95 people involved. Is it not true that the report on which this whole mechanism or automation is based—

Mr. Speaker: Order, please. This is hardly a point of order. The hon. member might be recognized for a further supplementary later, but in view of the fact that we are still on supplementaries the Chair has recognized the hon. member for Kingston and the Islands.

● (1130)

MEASURES TO ENSURE DELIVERY OF FAMILY ALLOWANCE CHEQUES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Prime Minister and is prompted by the fact there has been so little information forthcoming from the Minister of National Health and Welfare. Now that the deadline date has arrived for the normal mailing of family allowance cheques, will the Prime Minister tell the House and the country what contingency plans the government has for the distributing of these cheques beginning today?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I am happy to answer this question and advise the House that 95 per cent of all social allowance cheques have already been delivered or should be delivered today. We have taken exceptional steps to give preference to these cheques in the sorting of the mail, and I can assure the hon. member that, with a few exceptions, all these family allowance cheques have already been delivered or will be delivered shortly.

Arrangements have been made with the various provincial governments for the delivery of their respective welfare allowance cheques.

Moreover, I must advise the hon. member that old age security pension cheques are not due for mailing until April.

[*English*]

Miss MacDonald (Kingston and the Islands): Mr. Speaker, will the Postmaster General be good enough to name the exceptions, including Kingston and the Islands?

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Ouellet: Unfortunately, I have been unable to obtain a final answer concerning this, but I think that the mail in the Kingston area is being delivered today.

* * *

[*English*]

FINANCE

MORTGAGE INTEREST RATES—REQUEST FOR STATEMENT ON GOVERNMENT'S PLANS

Mr. Don Blenkarn (Mississauga): Mr. Speaker, in the absence of the Minister of State for Urban Affairs and the Minister of Finance I should like to direct my question to the Prime Minister. Is the Prime Minister aware that the general mortgage market in Toronto in particular has broken down as a result of the inordinate increase in interest rates and the uncertainty in the market, and will the Prime Minister direct the Minister of Finance or himself to make a statement to the House on motions as to the government's long-term mortgage interest plans so that mortgage companies, at this critical time of the year when housing starts must commence, will know where they are going and will be able to make commitments?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the question is no.

Mr. Blenkarn: Does the Prime Minister realize that housing starts cannot commence unless mortgage companies are able to make long-term commitments, and will he actually inform the mortgage industry as to the government's plans so that something can be done to make sure there will be some housing built this year?

Mr. Speaker: The hon. member for Skeena.

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CONSUMER AFFAIRS

INQUIRY AS TO STUDY OF FOOD PROCESSING INDUSTRY

Mr. Frank Howard (Skeena): Mr. Speaker, inasmuch as the hon. member from Barbados has indicated that football is more important than food prices, may I direct my question to the Minister of Consumer and Corporate Affairs. When will the study, either by his department or the Food Prices Review Board, of the extent to which the food processing industry has pocketed the corporation tax cut to 40 per cent be completed and a report made?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think the hon. member must be referring to studies carried on under the auspices of the Department of Finance with respect to the effect of the tax cuts in question.

Mr. Howard: Mr. Speaker, I based my question on the response that the Minister of Finance gave me on April 10, about which the Minister of Consumer and Corporate Affairs would know nothing. In response to a question of mine he said that if in the report of the Food Prices Review Board the facts alleged are proven, the government will do something. I am merely taking the advice given me by the Minister of Finance who obviously knows more about it than the Minister of Consumer and Corporate Affairs.

* * *

FINANCE

INCREASE IN INTEREST RATES—RESPONSIBILITY OF GOVERNMENT FOR ACTION BY BANK OF CANADA

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, my question is supplementary to the one put by my friend, the hon. member for Mississauga, and it is for the Prime Minister. Do the Prime Minister and the government accept responsibility for the recent action taken by the governor of the Bank of Canada in increasing the interest rate, which has resulted in chartered banks and other lending institutions across Canada increasing their interest rates across the board?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance has answered similar questions many times.

Mr. Higson: No.

Mr. Trudeau: Yes, he has and, if I am given time, I could probably read his answers.

Mr. Stanfield: You have lots of time.

Mr. Trudeau: The long and short of it is that the governor of the Bank of Canada decides what the interest rate will be but in consultation with the government, and there is an over-all responsibility by the government for the general monetary policy of the country. This is the way the law stands and this is the way we operate.

Some hon. Members: Oh, oh!

Mr. Higson: Can the Prime Minister assure the House that the next adjustment of the bank rate will only be downward, or is it the policy of the government that increasing inflationary pressures will be met by simply increasing bank rates?

Mr. Trudeau: Mr. Speaker, I have the general reference for which I was looking in my first answer. It appears at page 1413 of *Hansard* where the Minister of Finance was giving a series of answers. One of them reads as follows:

The governor of the bank indicated to me over the weekend that monetary policy will continue to accommodate the rapid expansion in the economy—

Mr. Woolliams: You're reading.

Mr. Trudeau: Of course I am reading. I am reading from *Hansard*. Did you not realize that?

Some hon. Members: Hear, hear!

Mr. Trudeau: It continues:

—but that he is concerned about the increase in the monetary aggregates—in other words, the money supply.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some hon. Members: Answer the question.

Mr. Speaker: Order, please. The hon. member for Rimouski.

* * *

[*Translation*]

CRIMINAL CODE

ABORTION—PROTECTION OF NURSES AGAINST LOSS OF JOBS FOR REFUSAL TO PARTICIPATE

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to ask a question of the Minister of Justice.

Could he advise the House whether or not he intends to amend the Criminal Code section dealing with abortion so as to assure nurses, who are refusing to participate in abortions because they consider them immoral, that their employment will not be jeopardized?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I will be pleased to take the hon. member's question as notice and relay it to the Minister of Justice. I am sure he will let the hon. member know.

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TRANSPORT

PROVISION OF RAILWAY BOXCARS TO MOVE GRAIN

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Transport. Following the transportation conference of over a week ago and the chaotic situation described by the chief commissioner of the Canadian Wheat Board, can the minister assure the House and the country that his department has looked into the problem of boxcars in western Canada for the movement of grain and that the situation is improving?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we are following this problem on a daily basis. I think the situation is improving.

Some hon. Members: Oh, oh!

Mr. Korchinski: Daily basis?

Mr. Marchand (Langelier): However, what can complicate the situation is the strike on the St. Lawrence. As hon. members know, ocean-going ships cannot go up to Thunder Bay, and this might have some implications.

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EXTERNAL AFFAIRS

EXPO '74, SPOKANE—REQUEST FOR EXTENSION OF BORDER CROSSING HOURS—PARTICIPATION BY GOVERNMENT IN FAIR

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of National Revenue or his parliamentary assistant. In view of the fact that Expo '74 in Spokane, Washington, opens in about two weeks time, does the department plan to extend the border crossing hours at several ports of entry and, if so, when will this announcement be made?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be happy to draw this question to the attention of the minister.

Mr. Harding: I think this supplementary should be directed to the Secretary of State for External Affairs or to his parliamentary secretary. As Canada is participating in Expo '74, what plans, if any, have been made for the federal government's participation on either the opening day or some other appropriate occasion?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall submit this question to the Secretary of State for External Affairs.

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[*English*]

FINANCE

MORTGAGE INTEREST RATES—INTENTION OF GOVERNMENT RESPECTING STABILIZATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance I should like to direct my question to the Prime Minister who I notice has acknowledged ultimate responsibility for interest rates in Canada. Because the increase in mortgage interest rates has been triggered by the government, with the result that a person now needs a $17,000 income to buy a below average price home in Toronto, and in view of the continuing instability of mortgage rates in Canada, would the Prime Minister indicate if he has any plan to stabilize mortgage rates in this country, or is it his government's policy that mortgage rates should find their own level?

● (1140)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, any announcement in this respect will be made in due course.

Mr. Stevens: Mr. Speaker, I would point out to the Prime Minister that this is the two hundred and ninth sitting day since the last budget and—

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

Mr. Stevens: As mortgage rates in Canada are now 25 per cent higher than in the United States, and in view of the continuation of the unfilled demand for housing, at what level does the government think mortgage rates should be over the coming months so that a person desiring to purchase a home in Canada may do so?

Mr. Speaker: It seems to me that the hon. member is asking for an expression of opinion. I do not think a question in those terms is quite in order.

AIR TRANSPORT

AIRPORT FIREFIGHTERS' STRIKE—GOVERNMENT ACTION TO SETTLE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the fact the airport firefighters' strike is spreading like a prairie fire in the west and is now affecting Winnipeg, Calgary, Edmonton and Vancouver, and as it appears there may be another strike, what is the government going to do? What plan does the government have, and how long does it expect the country to tolerate this kind of performance?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, with regard to the last part of the question, I think the country will have to answer that for the time being.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Mr. Speaker, I think it would be a good idea if some members of the opposition would read the law relating to the labour negotiation system that has been established in Canada. We are negotiating with the Public Service Alliance. A proposal has been made and has been submitted to the firefighters. We are supposed to receive an answer. Of course, if the situation does not improve we have other means that we can use.

Mr. Woolliams: Mr. Speaker, I respect the Minister of Transport. He knows that, but I wish he would not hide behind the law. We know what kind of strike the firefighters' strike is. I want to know how long the government is going to allow this thing to drift without making a decision and doing something about it. The whole of western Canada is now paralysed by the inactivity of the government.

Mr. Marchand (Langelier): Mr. Speaker, there is something even worse than that. I heard this morning that even Quebec City airport is closed.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): The alliance is trying to have the understanding that was reached ratified, and we have to accept this procedure which is normal in such cases.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, with all the strikes and study sessions, actual and pending, in the Public Service I should like to address my question to the minister who in the final analysis is responsible for negotiating with the designated bargaining agents on labour contracts covering government employees. Has the President of the Treasury Board, since his return from Victoria where he talked with the firefighters, managed to get negotiations under way between the Treasury Board and the Public Service Alliance with a view to getting the firefighters back to work under the terms of the equitable settlement which was mentioned during the question period yesterday by the Prime Minister?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am sure the hon. gentleman is aware that the Treasury Board has a settlement agreed with the Public Service Alliance. The procedure of ratification and acceptance by the membership of the settlement reached between the Treasury Board and the Public Service Alliance is now in process. We have agreed with the Public Service Alliance that this process of consultation with the membership will be carried out with the utmost speed.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to direct a supplementary question to the President of the Treasury Board. Is it the position of the government that because you have an internecine dispute going on inside a union there is nothing the government can do until it is resolved by the parties within the union itself? Is that the position you are trying to put to us seriously?

Mr. Speaker: Order, please. I am wondering whether that question was addressed to the Chair.

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PUBLIC SERVICE

POSITION OF TREASURY BOARD IN NEGOTIATING CONTRACTS WITH EMPLOYEES—SUGGESTED INCLUSION OF PROVISION FOR ESCALATION BASED ON COST OF LIVING INCREASES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. In view of the fact that what we are talking about this morning, namely, the curtailment of essential services, is really symptomatic of a lack of speed and responsiveness to inflation in terms of the collective bargaining process in the Public Service, would the minister please inform the House whether any new departure, new policy or new direction is being taken by the Treasury Board in presenting itself to bargaining unions for the purpose of settling contracts in the Public Service of Canada?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, as I indicated yesterday, there are no easy panaceas. I hope there will be an intelligent and at the same time forceful approach to the different problems with which we are faced in seeking different solutions.

Mr. Baker: In view of the fact that one of the problems facing the Public Service is that it is being met with bargaining offers from the Treasury Board which are completely unrealistic in view of the rate of inflation in the country, will the minister undertake to make an immediate study and a statement on motions with respect to the principle including in contracts with public servants cost of living increases on an escalating scale as has already been done for retired public servants?

Mr. Drury: Mr. Speaker, this is an interesting suggestion which has already received serious consideration and will continue to do so.

Oral Questions

GRAIN

POSITION OF CANADIAN WHEAT BOARD IN LIGHT OF FEED GRAINS POLICY

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I should like to address a question to the right hon. Prime Minister regarding his feed grains policy and his new alliance with the Conservative party on that policy. In view of the fact the Conservatives conceived the Wheat Board in 1935 and the Liberal party has managed to get along with it for 30 or 35 years, is the government now proposing to abort the Canadian Wheat Board?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. But I am very happy that the hon. member has realized that the Tories are coming along in agreement with our policy in regard to feed grains.

* * *

PUBLIC SERVICE

REQUEST THAT PRIME MINISTER INTERVENE TO SETTLE DISPUTES WITH EMPLOYEES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. With the Prime Minister saying that he will take certain things under advisement and the President of the Treasury Board saying that certain other things are interesting, while all the time chaos continues to spread throughout the country—

An hon. Member: What would you do?

Mr. Stanfield: I have several recommendations I could make if the government would only adopt them. The simplest one is that the government resign.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hopkins: It isn't going to be that easy.

Mr. Bell: Make them suffer it out.

Mr. Speaker: Order, please. May we have order, please. We are coming to the end of the question period. There is just about one minute left.

Mr. Stanfield: In light of the fact that those of us who stayed here have listened to the Postmaster General give the same explanation for a week, when the difficulty seems to deepen every day, and with other ministers, including the President of the Treasury Board, passing things off with generalities, I would like to ask the Prime Minister whether in view of the spreading chaos he is prepared to interest himself personally in these problems and really put something before the House that will restore some hope of order in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Leader of the Opposition seems to recognize chaos everywhere except where it really exists.

[Mr. Drury.]

Some hon. Members: Hear, hear!

● (1150)

Mr. Trudeau: If the solution to chaos were, as he suggests, resignation, he would have long ceased to be the leader of his own party.

Mr. Stanfield: Mr. Speaker, I would ask the right hon. gentleman whether he is trying to get an Oscar award for playing Nero.

Mr. Speaker: The Chair will recognize the hon. member for Frontenac-Lennox and Addington and then call orders of the day.

* * *

AGRICULTURE

SUGGESTED USE OF EXPORT AND IMPORT PERMITS ACT REGULATIONS TO CONTROL IMPORTS OF UNITED STATES EGGS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is an agricultural one but in the urgency of the moment I direct it to the Prime Minister. During the term of the former minister of agriculture the government promised Canadian egg producers that if they would govern their industry by setting up marketing agencies the government would protect the industry against foreign competition. This is not happening at the present time. United States eggs are now coming into Canada—

Mr. Speaker: Order, please. I am sure the hon. member will appreciate that he is making a speech. He should come to the question.

Mr. Alkenbrack: Mr. Speaker, I simply wanted to state to the Prime Minister the conditions that exist. United States eggs are now coming into Canada based on a New York price of 47 cents a dozen for Grade A large. The Canadian price to producers is 66 cents. Why does the government not make use of the anti-dumping Export and Import Permits Act regulations, as tabled on March 26 last, to help the egg producing industry in these difficult times?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, an hon. member asked a question along similar lines yesterday. It is already being processed by the Department of Agriculture and an answer will be forthcoming soon.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADIAN FOOTBALL ACT

PROTECTION AGAINST FOREIGN ENCROACHMENT

The House resumed, from Thursday, April 18, consideration of the motion of Mr. Lalonde that Bill C-22, intituled Canadian Football Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jim Fleming (York West): Mr. Speaker, in the last seven or eight weeks the uproar over Bill C-22, the football bill, has both been positive and negative. Certainly, the members of the Toronto sports media would have people believe that a terrible thing is happening and is being permitted by the government of Canada. Certainly, members of the opposition party would like us to believe that as well, and the Canadian public to believe it. I noted, when the hon. member for Hillsborough (Mr. Macquarrie) led off for the official opposition last night, that at no time during his amusing and sometimes interesting comments did he put weight on either of his feet when coming down on both sides of the fence. The hon. member for Hillsborough stressed that he spoke for the opposition, and that there are important and critical matters to be dealt with by the government and the House. That is quite true. The Liberal party recognizes that, as does the government, and I will be the final speaker on the government side. Yet this bill must progress, not only in fairness to the Canadian Football League, but also in fairness to the Northmen and John Bassett. It must be dealt with, surely, before the football season approaches. If this is not done real harm could be caused to fans in Toronto as well as to the Canadian Football League.

I remind my hon. friends opposite that the government was forced to legislate, after having made its policy eminently clear through the former minister of national health and welfare some 17 months ago, and reaffirmed by the present Minister of National Health and Welfare (Mr. Lalonde) when he took over that portfolio. The government was forced into legislating, and now this bill is before the House.

You know, filibuster can be a very effective technique for the opposition in times of majority government. It can be used to keep the majority from legislating something that the opposition feels is not in the public interest. However, the majority rests with the opposition parties at this time. There is no reason to prolong this debate. If members want to act responsibly, surely they will deal with the bill in fairness to the CFL and the Northmen before the football season begins. I hope there will be co-operation by all parties in the House so that we can get on with this matter. Many members on my side would like to participate. I think the hon. members for Sarnia-Lambton (Mr. Cullen), Vaudreuil (Mr. Herbert), Spadina (Mr. Stollery), Labelle (Mr. Dupras) and others want to participate. They are satisfied, I believe, however, to work in committee, and have us get on with second reading.

The hon. member for Hillsborough said that the government and the House have more important things to do.

Some hon. Members: Hear, hear!

Mr. Fleming: He said we are taking up important time. Well, I am pleased to see that I have the rapt attention of hon. members opposite because, so far, this debate has taken less than two hours of the time of the House. The bill could be dealt with in five or six hours, if the opposition wants to be co-operative. We want debate to be short. As I said, I am the final speaker.

An hon. Member: You hope.

Mr. Fleming: Well, we have not spent two hours so far debating this bill. All of us on both sides, especially those representing constituencies in Metropolitan Toronto, have received a great deal of mail. Answering it is very time consuming. Many of these letters say, why is the government spending so much time on this subject? I write back and say that the government is not; we have said what we want to do, and we want to get on with it. It takes me and my colleagues a great deal of time to reply to these letters. I note, having checked my files, that I have not received letters from these people covering such other matters as labour strife, inflation, justice, pensions and what have you, subjects which the opposition says must be dealt with. I agree. But sports are extremely important to Canadians, as you will agree if you look at the pages of coverage given sports in our newspapers and the attention our broadcasting media gives to the subject. It is of great interest to Canadians and that is why this bill is before us today.

The hon. member for Hillsborough made several other points to which I should like to reply. At one point he mentioned the domination of our colleges by foreign professors. That is the kind of red herring that party brings forward when it has no united policy of its own. It is clearly a matter of provincial jurisdiction. I wish the hon. member could talk to the government of Ontario, in which my constituency is, so that he could convince the government of Ontario to act on policies which my party has put forward provincially for several years to correct that situation. The hon. member for Hillsborough said, as the official lead-off speaker for his party, that it was "beyond his comprehension" that we were dealing with this subject at this time. He said that we should debate other matters. I say, let's finish this one, and have done. The strength of the majority is not on the government side; it is with the opposition parties. It will be "beyond the comprehension" of other parties in this House and the Canadian public if the opposition says that debate on the subject is beyond its comprehension but then delays.

The hon. member for Hillsborough's speech was perhaps the most entertaining I have heard since coming to the House. It was 40 minutes of witticisms, rhetoric and, at times, buffoonery. But I have found that when the Progressive Conservative Party have trouble facing an issue together, when they are seriously split, as they usually are, up goes this smokescreen. The Canadian public is well aware of their talent to cover division in their party and, so, their credibility goes up in smoke as well.

Just after I had been recognized to speak last evening, the hon. member for York-Simcoe (Mr. Stevens) made the comment, "Let him dig his own grave." I am confident

that the overwhelming majority of Torontonians, given a chance to understand this issue, are going to support the government and Canadian football. Toronto has always been prepared to shed parochial, selfish advantage, if it is in the national interest to do so. The hon. member for York-Simcoe seriously underestimates the electorate of the greater Toronto area if he thinks that anyone will be elected or defeated because we did not follow our own self interest but rather what is good for Canada.

Before touching on the essentials of this legislation, I wish to make one final point of rebuttal to the comments made last evening by the hon. member for Hillsborough. He said that, lacking expertise, he was quoting Russ Jackson, who, he said, doubts the efficacy of the measure before the House. The Canadian Football League teams, the western cities directly affected, the Canadian Amateur Football Association and the players' association do not doubt the efficacy of this particular measure. They are all on record as supporting it strongly. They are not one football player but the entire football industry.

Ninety five per cent of the Toronto sports press has been strident in opposition to this move by the government. I suggest that there are some honest conflicts of interest, in that they want the benefit of this football club to Toronto. It might provide very good football, indeed. They also have some real conflicts of interest in who would be travelling with that team around the United States to cover its games and which of them now who are so stridently against the government are receiving moneys from the World Hockey League for play by play and colour comments on television and radio in Toronto?

● (1200)

Despite the organized lobby that I believe has been developing in support of the Northmen, including a letter writing campaign, in two months in a constituency of 160,000 people, I have received less than 40 letters. About one quarter of those letters are in support and they were not prompted by a strident campaign of the Northmen managers.

It has been suggested on several occasions that polls in Toronto suggest overwhelming support for the Northmen coming into Canada. I suggest that if we wrote polls with questions worded in the same way, we would be saying "Are you in favour of free ice cream?" If those polls had said "Are you in favour of it if the CFL is jeopardized", I suggest they would be very different. If they had said is Canadian football important, they would have been very different. If they would have asked whether the CFL and the Grey Cup game plays an important role in developing Canadianism, those polls would have been very different. The Northmen suggested along the way that the government has not offered a compromise and has not been willing to sit down. I suggest you cannot compromise on a situation where once they are here, and I will carry that argument further in a few minutes, the CFL team is lost.

Let me take up a couple of the arguments they have put forward as areas where they would compromise. One is on equalized payments. They say they would pay the largest amount they have ever paid, the amount that the Argonauts paid last year of equalization of $48,000. There is no mention of pre-season equalization which manages to be a cost of $25,000 to $30,000. There is no mention of play-off equalization of $40,000 to $60,000. There is no mention of $150,000, but in fact $48,000, a very limited amount which would make very little difference to the survival of the CFL. They argue they would be the only franchise and they, the Northmen, control the rights in Canada. They say it would only be in Toronto. I think one team in Canada in the World Football League is as dangerous as two or three teams simply because of the great pride of Canadians and their great sense of competition.

You suddenly have the one Canadian David taking on the American Goliath. The three quarters of Canadians who can see American television will turn toward that because of their very pride and sense of Canadianism, but in time where will we be? If the one team is allowed, then where do we find the top of the pyramid where now our young people can develop in football, become the best, become professional and find nine teams in which to place themselves? Perhaps in an expanded CFL with London and perhaps Dartmouth-Halifax there would be an even larger top of the pyramid, but where when there is only one team? When they are looking for American super heroes, will those American teams, which can draw from 10 times the population, really start looking at Canadian talent? I doubt it very much.

If Toronto were allowed that WFL franchise, how could a government whose responsibility is the national interest possibly give a special deal to one Canadian city? Would we not then have to go ahead and allow what I believe will come about if this bill is not passed, namely an application from the National Football League for entry into Canada as well? Then, what will we have because with those two teams, there can be no doubt but that the CFL will die.

We will have two little brother football clubs in Canada playing all the big brothers in the United States. Then, where is Canadian football? Where is the incentive to develop Canadian football? Where is the east-west rivalry in Canadian football? Where are the five publicly owned western clubs? Where is the huge Canadian audience watching Canadian Grey Cup over Canadian television each year?

There are also the apples and bananas arguments that have been put forward. What about the Montreal Expos? The Montreal Expos came here and got assistance from the government in some tax forgiveness clauses simply because there was no major league baseball in Canada and because the government thought it would be good. For our largest city, Montreal, it is good. It attracts many fans, it is popular, provides entertainment and this government has no argument with it. On that same point, may I say that the same incentive and help is available for the development of a major league baseball club in Toronto. One of the people bound up in that and probably the person who will succeed in developing it is John Bassett Jr..

What about the NHL? Surely, that battle was lost some decades ago, not because of the most recent expansion, but away back when Canadian hockey began to involve itself with American cities. However, I cannot believe that yesterday's mistakes justify inaction today. We can protect a Canadian institution and, as a parliament, we should do that.

In Toronto there is concern about making the expanded stadium pay its own way if there is not a second football team. Well, I understand that the additional revenues from a second major league football club in Toronto would be about $200,000 a year. Much more than that would be provided if major league baseball came into that stadium simply because many more games would be played in that sport in that stadium each season. Three out of four American cities which tried two major football leagues failed, Dallas, Chicago and Los Angeles. The only one that succeeded was New York City which could draw on a population of almost 14 million.

What good relying on revenues from a second major league football club to support that stadium if within a year or two, as experience has shown, one of those teams would fail? If that happened, I suggest the team would be the Argonauts and goodbye Canadian Football League. I do not deny that the Northmen would bring new and exciting sports to Toronto but do we need it so much in Toronto? Is it so essential to us in addition to what we now have? Are we so short of good competitive sports and entertainment that we will ignore our western Canadian cities and fellow Canadian football fans?

I think it is very important to put on the record a line or two of what is being said in those cities. Mayor Rod Sykes of Calgary said:

> Strongly support your stand re keeping professional football Canadian Congratulations

Pierre Benoit, mayor of the city of Ottawa, stated:

> —please allow me to express my whole-hearted support for the position, I understand, you have taken.

Mayor Copps of Hamilton stated:

> Everybody here right behind you in urging the government to act immediately to preserve Canadian football.

Mayor Baker of Regina said:

> I commend and support your stand regarding the World Football League.

Mayor Stephen Juba of Winnipeg stated:

> I wish to advise that I wholeheartedly support your recent announcement respecting the intrusion of the World Football League into Canada.

Mayor Ivor Dent of Edmonton:

> I appreciate your attitude and back your statement made in Regina.

There it is, Mr. Speaker. They all line up with the government.

Some hon. Members: Hear, hear!

Mr. Fleming: I think it should be made clear that Bill C-22 is not an act against one single Canadian enterprise. It is for Canadian enterprise and for Canadian sports development. The CFL expansion has been brought about as part of the action of the Minister of National Health and Welfare. London can now have a franchise. Halifax-Dartmouth is open for expansion so it is truly national from coast to coast. I do agree with the comments in that part of the speech of the hon. member for Hillsborough last evening.

Over seven years, the training of young Canadians will be doubled to 500,000 or 600,000 in football. For Torontonians, the blackout will be lifted on an experimental basis when the expanded stadium is sold out. Exhibition games are encouraged. We can have the David and Goliath battle with the Americans. We can fill our great sense of competition and pride in competition with the American leagues but meanwhile protecting our own Canadian Football League.

The legislation is not negative. It is positive and it is for Canadians. The government of Canada has been making efforts to protect Canadian industry as long as this country has existed. Most recently the government acted against the DISC program in the United States with a measure that allowed corporate tax cuts. We have had tariffs, special grants to business, loans and all sorts of other incentives to help Canadian business in competition with foreign interests.

In the development of artistic talent, literature and sports, CRTC regulations have encouraged more Canadian development. John Bassett Sr. and John Bassett Jr., through Glen Warren Productions in Toronto as well as through CFTO, have developed with their own business expertise, which is recognized and respected, and with the rules set down by the CRTC one of the most successful television production and television operations in North America because the Canadian government provided special incentives and Canadian content rules. The Canadian Film Development Corporation has spent millions of dollars to develop the Canadian film industry because we in this country are in such tough competition with the United States. Hundreds of thousands of those millions have gone to Agincourt Productions and John Bassett Jr. for films like "Face Off", "Flick" and "Paperback Hero". It was his excellent entrepreneurship and this government's assistance that made it happen.

In 1972, John Bassett Sr. sought government financial assistance for the publicly owned western clubs in the CFL. Yet today many members opposite would like to argue, as the press reports, that though the government may wish to act against the Northmen it has no right to intrude in Canadian football. How does that gibe?

● (1210)

I see no financial hardship for the Northmen owners, Mr. Speaker. They will prosper if they run their team in the United States. I would not be unhappy to see a Canadian enterprise move into the United States for a change and if they sell it to an American city they also will profit. Meanwhile, the people involved in this operation can go on and develop baseball in Toronto on a major league level. They can go on with their Canadian films with government assistance, they can go on with their Canadian T.V. supported by government control of Canadian television. If the Northmen are allowed, the NFL in Montreal cannot be denied. That is the next step.

Is there a real possibility such a development would kill the CFL, Mr. Speaker? Well, the CFL teams think so, the Players Association thinks so, the Canadian Amateur Football Association thinks so, the Prairie Cities think so. All those important groups say that the CFL will be jeopardized, and if parliament respects those fears and believes Canadian football is of real importance to Canadians as a part of our lifestyle, then parliament will support this bill.

As I said when I began, Mr. Speaker, we want to have brief but meaningful debate. The government and the backbenches, certainly on this side, are not suggesting closure or the muffling of contrary views. We are prepared to complete our participation at this point, however, in the hope that this House can soon move on to other matters.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, let me begin by drawing the attention of the House of Commons and the country once again to the wide range of problems which beset us in Canada today. Inflation is running at a rate of approximately 10 per cent, the government is obviously disorganized—

Some hon. Members: Order!

Mr. Clark (Rocky Mountain): —but instead of coming to grips with the situation which exists in the country we are here today discussing football. Earlier today, during question period, the point was made that, with all its articulated concern, with all its phoney interest in the country, the government has not brought down a single piece of legislation to deal with the economic and other ills which so badly affect us. The Prime Minister (Mr. Trudeau) excused himself by saying parliament had come to the aid of fishermen, farmers and small businessmen by passing legislation last week. I would point out that the only reason this bill was passed was that the party to which I belong preferred to stay here this week and work, and not run away to Barbados—

Mr. Haidasz: A cheap argument.

Mr. Clark (Rocky Mountain): I want to deal with some of the remarks which were made by the hon. member for York West (Mr. Fleming) when, echoing his master's voice, he said his party had no interest in a filibuster and no interest in closure. The hon. member put forward on behalf of the government he supports a proposition which strains the credulity even of those who are accustomed to watching the way the government works. The government has placed before the House a bill which is clear evidence of its distorted priorities at a time of national emergency. It is the government which controls the business which is to be brought before the House, but having brought this bill forward, what does it do? It asks us not to talk about it. It tries to curtail the right of individual members to deal with the bill.

An hon. Member: What's stopping you. Deal with it.

Mr. Clark (Rocky Mountain): If the government is concerned about inflation, as the hon. member suggested it is, let them change their priorities and bring in legislation dealing with inflation. Let them not seek to mislead the House of Commons.

Mr. Haidasz: You are running scared!

Mr. Clark (Rocky Mountain): That kind of approach indicates a double contempt for parliament; first, contempt by introducing legislation which ignores the obvious priorities, and, second, contempt by seeking, with all the means at its disposal—

[Mr. Fleming.]

Mr. Haidasz: Are you for or against Canadian football? That is the issue.

Mr. Clark (Rocky Mountain): Let me suggest to you, Mr. Speaker—

Mr. Haidasz: Are you against a Canadian identity? Yes, or no?

Mr. Clark (Rocky Mountain): I find it strange that a question about the Canadian identity should come from a minister who has responsibilities in this field but no staff at all, which indicates the kind of identity—

Mr. Haidasz: Come and see us some time.

Mr. Clark (Rocky Mountain): One other matter before I come to the substance of the bill. I wish to refer to the suggestion by the minister yesterday, supported by that very great ability of his to count noses, that the bill did not involve a question of confidence. I want to ask the minister what right he had to state, in his place, out of the shadow of the grey eminence he used to occupy, that this is, or is not, a matter of confidence. Such a question is surely one for the House itself to consider.

Mr. Lalonde: Read Beauchesne!

Mr. Clark (Rocky Mountain): He makes such statements simply because he is having trouble getting the member who sits in front of him to support his legislation. The minister made the suggestion on television, which has now become the principal method used by ministers when they wish to make announcements, that this bill was a trade-off designed to help western Canada in exchange for concessions western Canada made in connection with the petroleum question. I shall not deal with this aspect at length, but I would make the point, as an Albertan, that if there is to be some kind of balance in confederation we in western Canada would much prefer that attention be given to our legitimate concerns for equality in freight rates, a better balance in industrial development and so on, rather than an unprecedented and direct interference in the business which is professional sport.

There is an old adage in the country that Toronto is a great unifier because Toronto gives everyone in the rest of the country something in common to hate. I think the minister was probably banking on this attitude when he introduced his legislation. I will concede that there is some resentment in my riding of the idea that Toronto is the centre of the world—an idea which was in the mind of the hon. member for York West when, talking about east versus west, he told us this really meant Toronto versus the west; apparently eastern Canada stops at Toronto, excluding every large part of the country. Anyway, I know this opinion of Toronto exists in my part of the country. I regret it. I think the resentment of Toronto is not sufficient reason for embracing legislation which fails to do what it attempts to do, and which sets a very dangerous precedent for direct intervention by government in the field of professional sport.

● (1220)

The single, primary point about this legislation is that it is not going to do what it tries to do. It is not going to be

effective. The WFL, whatever the House does, is not suddenly going to dissolve and go away. It is not suddenly going to stop being competitive for Canadian football players on member teams in the CFL. Indeed, it could be argued that the best protection that the CFL has against competition from the WFL is having the Northmen in Toronto, where the guarantees that were given by the sponsors of the Northmen would ensure that there will be an honouring of CFL contracts, that there will not be raiding. John Bassett Jr. has given certain guarantees to the government which would take effect if the Northmen were allowed to continue to function in that city. One was that there would be no raiding, and that would be a great protection to the CFL, a greater protection than is now envisaged in the legislation that has been brought before this House. Then, there has been a guarantee of certain equalization payments to the CFL. There has been a guarantee that no other WFL club would be established within Canadian boundaries, that the franchise rights would be turned over. They are concrete guarantees to the future of the Canadian Football League and will do something, whereas this bill only pretends to do something.

The hon. member for York West (Mr. Fleming), who has now left the chamber, quoted some statements from various officials in western Canada and elsewhere in support of the idea that the minister had articulated in Regina. I think it would be important to add to the record the dates on which that correspondence took place. Because it is my very deep suspicion that that correspondence was sent before the bill was seen; it was sent in support of an idea which would win support in western Canada and elsewhere, but not in support of a piece of legislation which all of us who can read know is not going to be effective in doing what the government says it is trying to do.

It is very clear, and a matter of very great concern to any member of this House who has an interest in professional and amateur football, that the CFL is threatened anyway by the very existence of the World Football League. So long as the WFL exists and is competing, one of two things is going to happen to the CFL, and maybe both. First of all, there is going to be competition for players, which might mean that some of the U.S. imports, who at least add to box office appeal and strengthen CFL teams, will be drawn away; and there is the danger that the quality of football in the CFL will go down, regardless what we do with this bill, unless we can accept and implement the guarantees associated with the establishment of the Northmen in Toronto.

The second thing that could happen is that in this competition for players the CFL would have to bid higher, and consequently it would become more and more difficult for those clubs operating near the profit margin—clubs in western Canada particularly and perhaps the club at Hamilton—to continue to compete. It would be particularly difficult for them to continue to make whatever contribution they are making now to the development and encouragement of amateur football.

I suggest to the House that if there is an aspect of this question that is of legitimate and real concern to those of us here, that aspect is the future of amateur football in this country. It is clear that amateur football receives a certain benefit now from CFL teams who make money available on a voluntary basis and who also make coaching, films and other assistance available. But it is also obvious that the first people to suffer when there is a decline in the revenue of CFL teams, such as will come from competition with the WFL, will be the amateur teams.

I say again that the one possible protection against that—unless there is to be some new legislation brought in—resides in the guarantees that are associated with the location of the Northmen in Toronto. I hold the view that if there is genuine Canadian football of the kind the minister, in his preamble to the bill, talked about, it is the amateur Canadian football teams. That is where support is needed in this country. If the government is serious about that, and if it does succeed with this bill, maybe—just maybe—it should increase the percentage of Canadian players to 80 per cent, 90 per cent or even 99 per cent. This would be one way of ensuring that there would be effective encouragement of the amateur football associations of this country, whatever happens to the CFL.

Last night the minister indicated there are some other programs that the government intends to follow to encourage amateur football. He indicated that the government had accepted the seven year plan of the Canadian Amateur Football Association and intends to do some other things. I simply want to make it absolutely clear that that undertaking is a separate item from the bill concerning the Northmen. We can presume, unless the minister is involved in some kind of subtle encouragement of support for this bill, that we are going to have support for amateur football anyway, whatever happens to this bill.

Many of us who over the years, in one party or another, have developed an admiration for the Minister of National Health and Welfare (Mr. Lalonde) were struck last night by the very defensive nature of his speech. It was the speech of a man who knows he has made a mistake. He made a long apology for singling out the Northmen, for not acting on those other occasions in professional sport in Canada which have caused harm either directly or by foreclosing possible options for the development of Canadian leagues. He did that by concocting the argument that these other activities, such as baseball, lacrosse, etc., are not Canadian entities anyway. So he is doing nothing about the Expos; he is doing nothing about the fact that foreign owners have to buy the Vancouver Canucks; he is doing nothing to protect lacrosse which suffered a serious blow even during the months that this issue has been before us.

Because this issue has great emotional content the minister also talked about the Grey Cup and how important it is as a national institution. And of course it is. But it is simply false to argue that the Grey Cup will lose its status as a national symbol and event because the Northmen play in Toronto. The Grey Cup has withstood the erosion of broadcasts every Sunday from the National Football League, broadcasts, I might remind the minister, on the Canadian public television network. It has withstood the conversion of the game of football into one that is dependent for its stars and box office appeal primarily upon imports. I say the CFL and the Grey Cup will withstand the Northmen.

The hon. member for York West, if I can return to him for a moment, was eloquent in his early obituary to the CFL, suggesting that this bill before us is the thing, and the only thing, which will keep the CFL in existence. I do not believe, as Russ Jackson, who is a far better authority than I, does not believe, that the CFL is such a fragile plant that it will suddenly wither and die if this piece of ill-considered and ineffective legislation fails to carry in this House.

The minister in his defensive speech last night also spoke at length about the Bassetts, father and son, about what they knew or what they should have known. I suggest the minister's intention was to indicate that the Bassetts knew that the government was going to bring in this kind of legislation, that they knew that the strong arm of the state was going to be brought to bear against them well before they acted. With all respect to the minister, I think that is simply a red herring. Even if the Bassetts did know what the minister and his predecessors had said, and we can only speculate that they did, things ministers say are not law until this parliament makes them law.

I recall, Sir, and I think other members do, that not very long ago the Prime Minister of this country announced a certain skepticism about the work ethic. Is that policy? Will that be law? Will all of us who work be subject to retroactive legislation and two years in jail? I think that indicates the absurdity of the minister's suggestion that because he or his predecessors might have said something that did not then have the force of law, or did not then carry with it the intention of acquiring the force of law, the Bassetts acted in some way that justifies this retroactive legislation against them.

● (1230)

The minister has taken this bad legislation, bad because of the precedents it sets and bad because it does not do what it sets out to do, and he has tried to cloak it in the attractive garb of Canadian nationalism. I mean no offence to the Canadian Football League, but I think that since the minister has made this argument, and since so much of his case depends upon it, and since it has excited the interest and put in jeopardy the seat of his colleague the Minister of State who sometimes is responsible for multiculturalism, I think it might be legitimate to ask how national is the CFL when all of its coaches and nine of its general managers are American born? Most of its stars and most of the people who draw Canadians to the box offices are American born.

The history of the sport and the history of the game that is played in the CFL is a history of change. It started, as my colleague the hon. member for Hillsborough (Mr. Macquarrie) pointed out the other night, as a game that is now explicitly excluded from the effects of this legislation by the minister and which has gradually evolved into the game it is today generally along the lines of the U.S. game. It is obvious that the CFL is important to Canada, an important institution as are other of our institutions of national origin, but it is simply misleading to suggest that the Canadian Football League possesses a Canadian identity so distinctive as to be in a place of priority when protecting Canadian culture.

[Mr. Clark (Rocky Mountain).]

I want to come for a moment to this question of priorities of nationalism and priorities of protecting Canadian identity. Even if this government had turned around and suddenly been seized with the need to protect Canadian identity, why should it start here? Why start with a game dominated by Americans? Why start with football? My colleague, the hon. member for Hillsborough, pointed out the other night that a better place to start would have been by changing the federal immigration laws. If the hon. member for York West were in the House, I would draw to his attention the fact that the federal immigration laws are the responsibility of this government, and this in one thing he cannot fob off on Queen's Park.

The federal immigration laws are the prime reason there is a very serious problem about non-Canadian nationalism in teaching, controlling and hiring in our Canadian universities. Why should football have priority over universities? Why should professional football which does not even directly affect the physical wellbeing and the physical development of Canadian youngsters have a priority over a question which very clearly affects the mentality and attitudinal development of Canadians in universities in this country?

Again on this question of priorities, why do we start with football, with a club owned by Canadians when we continue to allow concessions to *Time* magazine? Why does football have priority or precedence over *Time*? Why does football have priority and precedence over book publishing in respect of which the Secretary of State (Mr. Faulkner) has been dithering and dallying, making brave but empty speeches about what he is going to do, yet has done nothing at all? Why is football more important than books?

If football is of such almighty importance, why is there not a policy that will do something about the televising on the Canadian national television network of NFL games every Sunday? If the influence of American football is so rending to our national identity and being, why do we subsidize the CBC to carry NFL football games into Canadian homes for far more Canadians to watch than get into the stadiums, particularly since you cannot get into them in most of the cities in the country? As was pointed out to the minister the other day, if the CBC is carrying these things and we are really concerned about these questions, why do we go to the length of providing French-language translation to carry the NFL into the province of Quebec? Surely, if there were some sense of priority or some sense of context to this action these would be the steps the government would be taking.

I have asked already why, if the minister is worried about developing football as part of Canadian identity, the government is not taking steps now to encourage amateur football in Canada and, indeed, to encourage amateur athletics of all kinds? As an aside, Sir, one of the very great concerns many of us have about this bill that is brought in is a concern which was apparent when the Department of National Health and Welfare began to get involved in fitness and amateur athletic sports. We believe there is a very real role on the side of encouraging Canadian fitness, but the action this government has taken and the priority it has given to professional football has given the caste of nationalism to its activities in sports as being

one of preoccupation with professional sports and one of caring not at all or caring enough about amateur athletics. If the Department of National Health and Welfare is to be involved in sports and athletics, then it should be involved on the side of fitness and amateur sports and it should not be long in its acquiring of these priorities and concerns with the professional game.

What is most remarkable of all, Sir, about this legislation and this so-called act to protect and advance Canadian identity, is that it occurs absolutely without any context of national policy. It is not part of a policy at all, it is simply a random strike by the strong arm of the organized state against one venture.

Speaking personally, I believe there are occasions when the state must move in the national interest into fields where it had not been before. I am proud to be part of a party, as was indicated earlier today, which took the initiative to establish the Canadian Wheat Board, and proud to be part of a party which took the initiative to establish the CBC. I believe there is very real room for argument to be made for the state moving from time to time into areas where it had not been before. Once you accept that view you have to go on to say that the state should do that only when it is necessary, as it is not necessary here, and only when the action will be effective, as it will not be effective here, and only when the state knows what it is doing, and I think it is pretty clear that the government of Canada does not know what it is doing with this legislation.

One of the aspects of this bill that worries me most of all as a Canadian who believes there is a legitimate role for state activities and careful watching is that the minister's action today jeopardizes the legitimate principle that the state has some right in activities where the right did not always exist. That right and that principle is jeopardized when the state moves into everything without consistency and without the context of a general policy. It is a very dangerous mentality in a free country that favours governments rushing into every phase of life.

Even if this bill were to be effective, and it is not, there is a legitimate question as to whether the state should suddenly swoop into sports, and particularly into professional sports, because professional sports, as we all know if we are honest, are much more entertainment than athletics. This is another kind of business, and that is a question to be considered if this bill is to be effective.

● (1240)

This bill will not be effective. It will not do what it is supposed to do. It is even more dangerous as a precedent of the random intrusion of the strong arm of the state in professional sport. The minister made the point in his remarks that there are no absolutes about whether the state should be in or out of these activities. I happen to believe there are no absolutes about that, but I think the question we must consider all the time is, when does the state become too active. That question is particularly important for those of us who believe that the state does have some legitimate role and who do not want to see that legitimacy destroyed by a random raw exercise of state power without a context of general policy and without a purpose which can be achieved. If we argue that football is distinctive Canadian culture then this bill is reversing the way we encourage Canadian culture. It is turning it around because the Canadian way is to encourage our own culture positively and not to contort ourselves to keep others out.

That was the principle involved in the establishment of the Canadian Broadcasting Corporation, in the establishment of the National Film Board and in the establishment of the Canadian Film Development Corporation, which is that we act positively to encourage Canadians. However, if the Lalonde principle is applied to other cultural areas what we would do instead would be to ban circulation of United States movies in Canada, prohibit the circulation of foreign books in Canada and tear up foreign magazines at the border because we are turning around in this legislation the whole long-established Canadian principle of the way in which we encourage identity and self-expression in this country. What we should be doing here, if anything, is encouraging amateur Canadian football and this bill not help that at all. In a free society there are some things the state cannot do.

In Alberta we had experience with that not too long ago in respect of cable television when it was proposed by a former roommate of the Minister of National Health and Welfare that access to cable be prohibited to Calgary and Edmonton. That was designed to protect us against the televised influence of the United States while residents of cities closer to the border in Vancouver and in central Canada were bathed in that influence. This was discriminatory against Alberta. It did not work because it was ineffective as a protection of the Canadian identity. The same kind of inconsistency is evident in a proposal which would allow Torontonians to sit at home and watch United States football on the Canadian National television network or on the United States channels and yet not allow them to go downtown to watch it live. Not only will they not be able to watch the Northmen if this bill passes, but they will not be able to watch the Argos either because they will not be able to get in.

In conclusion, I want to draw attention again to some of the central criticisms with regard to this bill. First, it will not protect the Canadian Football League. The World Football League is an inevitable competitor and its very existence either in Toronto or in some city across the border will create very serious problems of player quality and revenue for teams in the CFL. I repeat this point because I think it is highly important. It may very well prove to be the case that the guarantees associated with the Northmen in Toronto may be the best protection to the CFL as against the inevitable competition from the world Football League. That is point one. This bill will not protect the CFL.

The second point is highly important to all of us concerned about amateur athletics, particularly in the smaller communities. This bill will not protect or encourage amateur football. Indeed it may endanger amateur football and other sports as well because it may give the impression that the government is preoccupied with professional sport rather than with amateur athletics in this country. The third point is that this bill entails an attempt to reverse, to turn right around, the whole approach of developing Canadian culture to an approach of prohibition.

The approach of encouragement is being discarded. The fourth point is that this action is being taken outside the context of national policy. No national policy is involved here. It is simply a random strike by the state against a particular entrepreneur and activity.

Finally, the principles involved in this bill will be a dangerous intrusion by the state, reflecting a dangerous mentality whereby the government might pass retroactive legislation to prohibit anything that it does not much like, an intrusion which threatens to change the entire nature of sport in Canada. The best possible result of this bill would be if the minister would stand in his place and have the courage to say he had made a mistake, that he wanted to do something which perhaps many individuals in Canada wanted to do but that he was not able to devise a bill to achieve what he wanted. The minister should have the humility to say he made a mistake and that he is backing off.

Mr. Lalonde: You are an expert at it.

Mr. Clark (Rocky Mountain): I perhaps am an expert at humility. I am not sure the minister could make the same claim. He should be prepared to reassess this bill. He should do the right thing which is stand up now and withdraw this bill which will be harmful to professional and amateur football in this country. There is no question that the best way to proceed would be to withdraw this legislation, but if it is not withdrawn then I want it to be clear to the Minister of State and to everybody else that I am against this bill and intend to vote against it.

My party intends to vote against this bill because we think it is dangerous, ineffective legislation and involves principles which will not only reverse the principles and practices in Canada but which will give more force to the idea that the state should intrude at will whether or not it knows what it is trying to do, whether or not the intrusion has any effect and whether or not it is operating in the context of policy.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I intend to oppose this bill and I intend to vote against it.

Some hon. Members: Hear, hear!

Mr. Brewin: I will summarize the reasons for my view. I think I have about six points on which I will want to expand later. First of all, I say we should not be discussing the issue of football at all at this time when we are faced with the problem of inflation, housing, energy, taxation and a host of other urgent economic and social problems. The hon. member for Hillsborough (Mr. Macquarrie) reached back into antiquity in his speech. I would say that this is an example of Nero fiddling while Rome burns. My second point is that the parliament of Canada should not be in the business of regulating professional sport at all, and least of all should it be an arbiter between two competing private enterprises.

● (1250)

My third point, and I will expand on it later, is that, in my view at least, the legislation is clearly unconstitutional and beyond the powers of this parliament. My fourth point is that the pretence that this legislation is essential to defend Canadian culture and unity, to my mind at least, is completely phoney. Canadian culture and unity do not depend upon which of two types of football are played or watched in Canada, and least of all do they depend in the degree of American content in these two particular brands of football. If this is Canadian nationalism, and I say it is not, I want to have none of it.

My fifth point is that a basic right is involved here, that is the right of people to choose for themselves, unless there is some very good reason why they should not be allowed to and such reasons do not exist in the present case, what they want to watch on television or hear on radio. There is no reason why the consumer, that is the viewer who wants to view football directly or through any other means, should not have the widest possible choice, and if that choice involves some degree of American importation—and it does now and will continue to do so—so what? No nationalist rule compels us to say that we are going to shut our doors to seeing things, hearing them and enjoying them because they come from some other part of the world.

Last, and not least, perhaps my reason for opposing this legislation has been said already and I heartily agree with it. This legislation will be completely futile; it will accomplish none of the purposes for which it is designed. I do not regard this matter as being in any sense a party matter. In my party, and no doubt in others, we discuss policy at conventions, at meetings of our council, and in our caucus. We have not done any such thing with regard to this subject. Our caucus has taken the view, and quite rightly in my opinion, that we should be completely free to exercise our own judgment in this matter. I realize that there are strong regional feelings pressuring certain people into the acceptance of this particular type of legislation. I respect their point of view, but I cannot agree with it.

I want to expand on the points I have made. My first point dealt with a proper sense of priorities. I know that the people in my riding in particular, and I have been talking to a good many of them lately, are deeply concerned about the economic crisis that is facing this country. They want action from this parliament in various fields, above all in the field of the high and increasing cost of living. In my own judgment, and that of many people, parliament is demeaned when it departs from these crucial bread and butter issues and spends its time discussing the type of legislation that is presented to us today.

Some hon. Members: Hear, hear!

Mr. Brewin: The next point I made was that the parliament of Canada should not be in the business of regulating professional sport. I, myself, think that there is an aspect of sport in which the federal government and the federal parliament should be involved, that is the promotion of amateur sport to assist the health, welfare and fitness of the people of this country. I do not believe this legislation adds one iota to the health, welfare and fitness of the people of Canada. If we are going to spend time and money dealing with sport, let us deal with it on that basis and not on the basis that this legislation purports to do.

I say that the legislation is unconstitutional. I know very well, as one who has had some experience in constitu-

tional law, that it is very hazardous to predict what the result of constitutional decisions in the courts may be. I know that these matters are complex. It is possible to take different points of view. But from the basis of any knowledge I have I say there are at least grave and serious doubts as to whether this parliament has any right to legislate in this field at all. I would have thought that the regulation of sport generally was a matter for the provinces under property and civil rights and a matter of local and private nature.

I do not quite know how this is justified. We have not heard any justification. I heard the Minister of National Health and Welfare (Mr. Lalonde) make some frivolous replies to questions from the right hon. member for Prince Albert (Mr. Diefenbaker), but I have not seen, nor have we been vouchsafed any serious analysis as to whether we have the right to deal with it. Does it depend on peace, order or good government, the opening words of section 91? To me that is a nonsensical suggestion. That particular power relates to times of emergency. What emergency requires us to decide whether the Northmen play football in Toronto or do not play football in Toronto?

It might be thought to be justified under the heading of trade and commerce. I know that is a complex subject and there are numerous cases, none of them clear. From my reading I have not been able to discover any case that justifies the suggestion that to allow someone to come across the border to play football, to play a musical instrument, albeit they are playing for money, is a matter of trade and commerce of such dimensions that it would justify legislation here on issues of trade and commerce.

Is it criminal law? Some clauses appear in the bill as if criminal law were included in this bill on purpose. This is an indication of the completely unconstitutional nature of the bill because criminal law certainly is a power that the federal government has but it cannot be used to justify interference in a field where the government has no right to be.

The Acting Speaker (Mr. Boulanger): Order. It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Brewin: Mr. Speaker,—

Some hon. Members: Hear, hear!

Mr. Brewin: My colleagues assure me that their applause is for me, and not for my speech.

Mr. Knowles (Winnipeg North Centre): Hear, hear! You are a fine man.

Mr. Brewin: Mr. Speaker, I was giving an outline of the various reasons why I think this bill should be opposed. One of the reasons was that I thought it was beyond the constitutional power of this parliament to pass, and I touched on some of the headings under which it might be sought to be justified. I mentioned the subject of criminal law which, of course, is within the power of parliament. But, Mr. Speaker, I find the references to penalties in this bill clearly colourable. One just cannot attach a penalty to a bill which is dealing with something that is basically provincial and, as a result, call it criminal law.

I do not think criminal law has any part in dealing with the question of who plays what sort of football, or who watches what sort of football. I cannot imagine that that subject has anything whatsoever to do with the field of criminal law. I find the suggestion that perhaps it is justified under this heading is clear evidence of the lack of any proper basis of constitutional support, and indeed is a clear indication that this legislation is colourable legislation.

Some people may ask why bother about the constitution these days? Some people do not seem to be very interested in or to bother much with constitutional matters. I particularly ask the government members, some of whom have been stout defenders of provincial rights, why are they so silent with respect to this intrusion in the field of provincial rights? I myself have never been a strong defender of provincial rights because I felt that, as a federal member of parliament, my main interest was concerned with defending the federal rights of this parliament. But I think we need balance.

To me it is a most extraordinary thing that a whole political party—so far as I know not a single one has got up here to protest against this bill—has been silent on this invasion of the provincial sphere. Could it possibly be because the bill in the first instance is aimed at the area of Toronto, at the province of Ontario? Do they think provincial rights are important when they concern some other province, but not worth defending if they concern this particular area of the country?

I want to warn people who think like this that if they can invade the field of provincial rights using the flimsy pretext of this bill, then they can invade those rights tomorrow in a different sphere affecting different areas of the country. As I say, the silence of the government party on this issue is astounding and astonishing to me.

● (1410)

My next point is this: I do not believe that the pretence that this bill is a defence of Canadian culture and Canadian unity has any substance. I have described it as phony, and I cannot think of a better word. We are all Canadian nationalists and we all recognize the importance of maintaining the identity and self confidence of Canada. There are many fields in which we need more Canadian nationalism. We need it in the defence of our resources, in the development of our resources, and we need it particularly in international affairs. All too often we have borrowed our ideas from other countries, first from Great Britain and, currently, the United States. I believe in the strength and independence of Canada and, although nationalism is not the ultimate loyalty, I still think it is very important.

But how is it that a game which is at least semi-American, professional football, has suddenly become the symbol of Canadian nationalism. If that is the symbol of Canadian nationalism, I say Canadian nationalism is pretty sick. If we have to borrow, as our symbol, a game

which everybody who knows anything about it will admit is thoroughly Americanized, if we have to borrow that and defend that as the symbol of our nationalism, our nationalism is in a pretty poor state.

If one concedes that somehow or other Parliament must insist on Canadian sports remaining Canadianized, what were we doing when a genuine Canadian sport, lacrosse, was taken over by the Americans. No one can deny that lacrosse was a basic Canadian institution. Is the football that is played part of our culture, when a large proportion of our players are American and rules are the same as American rules? When the forward pass was introduced in the United States, it was introduced in Canada as well only a few weeks or months afterwards. Our so-called Canadian football is a derivation of American football. Even if it was not so originally, it has become so over the course of years.

There are forms of nationalism which are just. It is perfectly reasonable to require a certain Canadian content in what goes over our air waves. I do not object to that, for what goes over our air waves is closely related to our culture and nationality. But I deny that this particular form of football, this professional football which we are discussing, is such a national symbol.

I read the recital to this bill. It spoke of national unity. All the noble words were used in it. I have never before seen such a ridiculous recital to a bill. If I were to bring a bill forward with that sort of recital in it, I would be ashamed of myself.

Another point I made is this: people have the right to choose what they shall see and view, and what sort of entertainment they want to watch. This right belongs to everybody, not just to people in the Toronto area. It will be a sorry day when Parliament gets into the business of trying to regulate what we can see.

Some hon. Members: Hear, hear!

Mr. Brewin: True, the right to choose is not absolute. At times it must be interfered with for the benefit of the public generally. As I say, it is not an absolute right. But I fail to see what circumstances has suddenly come about which gives the government the right to tell people, in effect, that they cannot watch a football player who happens to be affiliated with some foreign league. I would deny the government this right. Although it is not covered in the Bill of Rights, this involves a basic human right, and you should not interfere with it unless you have a very good reason. I do not see any such reason in this particular case.

Another point I made is that the present legislation is doomed to futility. It just will not work. This point has already been expounded in the House and I will not spend long on it. I see no reason for believing that this legislation will achieve the purpose at which it is aimed, the protection of the Canadian Football League. They would be far better protected if they accepted the proposals made by the proponents of the WFL, that there be no raiding. If they insist on throwing the other league out of the country altogether, they cannot appeal to them. They cannot ask them to desist from raiding, from using their superior financial resources to diminish the quality of Canadian football. If they are thrown out, how is that going to help Canadian football? This bill is a weapon. It is a weapon which should not be used at all, for the end that it purports to achieve it obviously will not achieve. Therefore, it is futile.

I have had and have a great deal of respect for the Minister of National Health and Welfare. His is an extremely important portfolio. So far as I know, he is carrying out his duties well. I say to him, this bill is an aberration. It is tragic that a man with his reputation has come forward and associated his name with this sort of aberration. I have no desire to prolong this debate. Let me summarize the reasons why I say we should vote against this bill. First, it is an unwarranted interference with freedom of choice. It is an invasion of the provincial field of property and civil rights. It is outside the constitutional power of the federal government. Its pretended defence of Canadian nationalism, unity and culture is without substance. It is not a matter of high priority in the present day of crisis. Lastly, it will be futile for carrying out the purpose for which it appears to be aimed. For these reasons I appeal to all members of the House, irrespective of party, to repudiate this particularly bad legislation.

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, it is with pleasure that I follow the hon. member for Greenwood (Mr. Brewin) who showed great concern for the rights of individuals. I agree with him, even though such concern has not normally been expressed by those who sit to the left of me in the House.

Mr. Brewin: Nonsense.

Mr. Horner (Battleford-Kindersley): The hon. member for Regina-Lake Centre (Mr. Benjamin) wondered what my position would be, as I come from Saskatchewan. Before the barbs come from the other side of the House, let me say that I am for Canadian football and for Canadian sports of any kind. Also, I am for excellence in sports. I shall deal with this later. At present, I wonder how relevant this debate is.

The Treasury Board has just received word that the air traffic controllers will go on strike at midnight, on Sunday, and here we are, arguing whether we should protect the monopoly of the Toronto Argonauts, the team the people watch in the Toronto area. What is all this nonsense? The country is saddled with strikes. The railways are 56 million bushels behind in grain deliveries. People in the world are starving because we cannot deliver wheat to export position, and we talk about football. If inflation goes above 10 per cent and if half the traffic in the country is stalled, will we talk about tennis? Taking the argument to ridiculous lengths, when inflation reaches 15 per cent, will the government bring in a bill to regulate ping pong?

● (1420)

One wonders about this government. When I go to my constituency, people ask why we cannot have legislation which deals with the Criminal Code and abortion. I tell them there are 30 departments of government and everyone is either trying to update their legislation or bring in new legislation to meet the ever-increasing demands of the public. How will I ever be able to explain to my constituents why we had to spend several days debating

football? When the minister introduced the bill, he spoke for an hour, and closed by saying that he hoped no one would want to talk about this measure, that there would be co-operation from other members and the debate would be closed. I would like to take this opportunity to discuss some of the issues in his department.

Over the years I have sent requests to the department asking for financial support for people honestly engaged in the promotion of amateur sports. The answers have always been the same, we get nothing. However, the minister is going to spend $18 million this year and $25 million by 1975-76. Where is it going to go? I can well remember living in Saskatchewan and wanting to see some Canadian football. All we ever got over CBC television was American football. I did not like it at first, but after seeing nothing else, it kind of grew on me. The CBC could not carry Canadian games so we had to watch American ball. Now, the government is getting kind of fussy about what kind of ball there may be in Toronto.

It seems the department of fitness and health can give grants to Lethbridge and Montreal. The people in my constituency contributed to support Expo '67 and the great monuments and facilities that remain there. Olympics '76 will also cost the Canadian taxpayer. However, we do not get anything in the rural and sparsely populated areas. North Battleford in my constituency was going to host the Canadian senior baseball championships this year. When we hosted the Saskatchewan winter games, we requested some television coverage by the state-owned CBC. They said they could not go there and do that, yet they spent $25 million sending progress reports on sports events in Mexico. Why do they not have money to project happenings that are taking place in remote areas, as I suppose the government considers them to be, like North Battleford? Facilities will be required to host these games in Kindersley and Unity. It will not be possible to get any financial assistance from the minister's department.

There is talk about football being part of the Canadian culture. I have not received one single letter on this issue. I did receive a booklet from the Canadian Football League which is not looking very far down the road when supporting this legislation. I quote from that paper:

—Canadian Clubs would lose just as much or more money but more importantly they will have lost 100 years of Canadian sporting tradition.

They say it will not only wipe out the Canadian Football League, but all sporting tradition in Canada. What nonsense. They further state:

The Grey Cup Game, as one of Canada's greatest annual events, will disappear with it—

No one is talking about the disappearance of the CFL. This bill does not guarantee the Saskatchewan Rough Riders will survive in Regina. I do not see anything in this bill that assures a football team in Saskatchewan. Whether or not Saskatchewan continues to have a football team will depend on the ability of those managing the team to sell their product. It will also depend on the willingness of the people with the entertainment dollar to purchase tickets and see football. They have to compete with hockey, other sports and activities of all sorts. That is as it should be.

This bill to keep a football team out of Toronto and support the monopoly of the Argonauts in that city will not do anything for Regina, Calgary or Edmonton. You do not get excellence in sport by eliminating the better players. Look at what the Americans have done to promote hockey in their country. They could simply say they will not allow any Canadian hockey players into the United States. We know what the result would be. There would not be a team in St. Louis or Cleveland. There would not be two hockey teams in New York or Boston. Without excellence in sports, you just do not get spectators. A person will pay $100 to see two excellent boxers but will not walk across the street to see two mediocre ones. This socialistic minister is trying to promote mediocracy in sports as well as everything else.

The minister's speech made it quite clear why we are debating this issue today. The government is hanging by a thread not knowing what to do. What do you do in a case like that? You find some filler legislation. The minister said, as recorded at page 1566 of *Hansard*, and I quote:

As a matter of fact, although we consider this a matter of significance we do not consider it a matter of confidence.

Why is it here? Why are we debating it? They sense an election in the near future. As the minister said at page 1561, it is an emotional issue, a gut issue. That is why we are debating it. The government cannot be defeated on it. It is an emotional issue, but they are trying to gain the support of Canadians for it.

I live in a town of about 3,000 people. We have local hockey teams. They have done something to promote unity. In the last three years, they travelled to Powell River, B.C. and Bathurst, New Brunswick. They went to the Canadian finals intermediate A hockey, real amateur hockey. These fellows do not get paid fancy salaries. They play for pleasure and to entertain the local people. They live in sparsely populated areas and are hard pressed for money. We produce a lot for the economy of this country in terms of grain and cattle, but we are denied any support from this minister's department. I requested some support when the Rosetown Red Wings had to travel to St. John, New Brunswick, to play in the intermediate A finals. There was no support in terms of travel expenses or help to have these games broadcast in Rosetown and surrounding area.

If football is a traditional part of Canadian culture, certainly hockey is much more so. I would not hesitate to guess that for every child with a football, there are a thousand children with a hockey stick. The minister made a speech at the University of Lethbridge on awards night. He said that Canada was not winning gold medals at the olympics and countries with populations smaller than ours were winning more medals. He said we want to help the best Canadian athletes in their pursuit of excellence.

Let us look at those two objectives, achieving more medals for Canada and helping our athletes in their pursuit of excellence and look at the bill this minister has brought forward. How does the bill achieve either of these objectives? I do not see how keeping the Northmen out of Toronto is likely to help us win more gold olympic medals. I do not see that it will help our athletes achieve any greater excellence. It is difficult for socialists to understand excellence, to understand that mankind has always

sought excellence and tried to achieve the best. The socialists formula is to say: you cannot run as fast as the next fellow, but never mind, we will legislate a stone around his neck. There will always be followers of that philosophy because there will always be people who cannot run as fast as the leader. So it always goes over well.

● (1430)

The minister says he intends to appoint an executive director for amateur football. That is a fine sounding idea. Perhaps the man selected will be a defeated Liberal candidate, or, perhaps, a football player. In any case, he will need a secretary. If he is a football player his spelling will probably be no better than mine. Whoever is appointed will probably need a few assistant directors, one for the west, I suppose and another for the east, with a commissioner to represent the maritimes. Half of the staff will be French, and the rest will be English. Having done this with football, what about hockey? Will the minister appoint a director to look after hockey? What about lacrosse, Canada's national sport? This is how bureaucracy grows. This is the reason I am opposed to the legislation, and I think it is the reason most of my constituents are opposed to it. If the CFL had any opinion, they would be opposed to it as well. We just cannot achieve excellence in Canadian football by protecting players.

It would not be gratifying for any Canadian player to find himself part of a team simply because someone in his family had influence or owned a share of the team. Just now, the Americans are achieving greater excellence in hockey, not by banning our players but by welcoming Canadians who have achieved eminence in that sport. I think we could learn from them. If it is the intention to improve football in Canada, the federal government might try to find ways of improving the standard of coaching in our high schools, colleges and universities. If the government is so anxious to spend money it could make grants available for hiring American coaches, or the best coaches wherever they can be found, rather than protecting footballers who in time, nobody might care to go and watch.

Some hon. Members: Hear, hear!

Some hon. Members: Question!

Mr. Stanfield: Not yet!

Mr. Peter Reilly (Ottawa West): Before I begin, Mr. Speaker, let me suggest to old leather lungs over there that he and the rest of his accomplices in the government party, to judge from their demeanour during the consideration of this bill are analogous to the young man who, having murdered his mother and father goes into court pleading for mercy on the grounds that he is an orphan—I have used that comparison before, but only once; the lawyers will know it.

An hon. Member: Very funny!

Mr. Stanfield: Not bad.

Mr. Reilly: It is they who brought this bill before the House. It is they who urge the rest of us to pass it without debate. Yet it is bad law. It has dubious constitutional backing. They want us to get rid of it so that there can be a

[Mr. Horner (Battleford-Kindersley).]

vote. Well, they are not going to get it. In case there should be any doubt in the mind of the aforesaid leather lungs, I intend to speak against this bill as will most, if not all, of my hon. friends in this party.

An hon. Member: And so would they, if they could!

Mr. Reilly: Yes. As my hon. friend says, if the truth ever came out there is hardly a member within that tatty caucus who, if he had the courage, would not stand up and say exactly what I am saying about this affair.

Some hon. Members: Hear, hear!

Mr. Reilly: Mr. Speaker, I am in some difficulty, I must confess, in finding within the lexicon of the English language words to describe the emotion I feel as I stand up here to debate this over-poweringly important measure. My thoughts stray to my riding, not 2,000 yards west of here. I think of the young housewife whose husband, by whom she has had three children, earns less than $10,000 a year, and of the tiny, tiny tender smile that must flit over her lips as she delves deeply into her handbag in an effort to make a down payment on the weekend groceries, and remembers that the Minister of National Health and Welfare (Mr. Lalonde) has made Toronto safe for the Argonauts. I think of the many hundreds of thousands of people—507,000 by the government's own count last Monday—who are out of work in this country and who, as they line up to receive their unemployment cheques, may be taking real comfort from the fact that the WFL shall not pass.

Mr. Muir: A thousand laid off last week in my city.

Mr. Reilly: Last Monday, the increases in the cost of living were announced. As we all know, the average increase in the consumer price index for the year was 10.1 per cent. In some cities it was as high as 12.5 per cent for the year with St. John's leading the pack. In Ottawa, where the minister sits five days a week, it was 11.4 per cent, the monthly increase being .9 per cent. This is in addition to the multiplicity of other disasters which have been brought on the heads of the unsuspecting and undeserving people of this country as a result of the really creative incompetence of the government.

As I say, I find myself at a loss for words to describe my feelings. Certainly, "honoured" is not the word. "Happy" does not describe the way I feel, either. What I really feel is demeaned and deceived and put upon at having to sit here and watch this kind of spectacle. I think of all the people in the Public Service who are trying through their collective bargaining agents to get a decent collective agreement out of the Treasury Board, and not succeeding. I think of all the travellers who find themselves waiting at airports, unable to reach their destinations. I think of the many people waiting for mail, including a bunch of postal employees in Kentville, Nova Scotia who went on strike because they could not get their pay cheques because the post office employees are on strike elsewhere, as a result of which their cheques could not get to Kentville.

● (1440)

The firemen at the airports across the country want to vote on their contract, but once again they cannot because

the post office is on strike and they cannot receive their ballots. Even if they did succeed in getting their ballots on the plane, they had better vote fast because the air traffic controllers are going to be on the street by midnight Sunday. In the midst of all this the government brings on this extraordinary measure to regulate in what fashion, in what numbers, and by whom, a leather spheroid shall be propelled up and down a 100 yard field.

At this point I should like to read a charming editorial that appeared in this morning's *Globe and Mail* entitled "Canada crowds in again". I think it is particularly poignant in the context of this moment. It goes like this:

It is said that Barbados can bestow a special sense of tranquility on all who visit it; a calming, benign influence that can waft troubles away on zephyr breezes. We trust it worked its therapeutic wonders on Prime Minister Pierre Trudeau during the five or six days he spent there, because he returns to an in-tray that threatens to break the legs of his desk.

If I can interpolate a personal observation here, those of us who have been unfortunate enough to have to witness the ill temper of the aforesaid member from Barbados know full well that there is no discernible evidence that the tranquility or zephyr breezes had any ameliorating effect on his temper at all. To continue:

Some of us can go on holiday and return to find that our week has been invisibly mended. Hardly anyone noticed we were gone, and events just lumbered easily along. It doesn't work that way for prime ministers.

Then, it poses this rhetorical question:

From calypso to collapso? Well, we can't be sure what lurks behind the enigmatic smile of New Democratic Party Leader David Lewis or behind the doors of the Conservative caucus room, but staying afloat in Ottawa can be more fun than skindiving in the Caribbean.

The first thing Mr. Trudeau should understand is that if his in-tray is overburdened, it is not the fault of the Post Office. That operation has done all that could be expected of it to ease the flow of communication by letter.

Let him be thankful also that the possibility of intrusion on his working day by delegations from all parts of the country has been thoughtfully reduced through a gift by airport firefighters, with air traffic controllers standing by. In keeping with the fiesta spirit that goes with labour's rites of spring, the St. Lawrence River pilots have made their own unique contribution.

Canada is wonderful in the springtime. It's nature's time of renewal and all around us things are pushing merrily upward—wages, prices—you name it. Yes, inflation is another of those little things that tells you you have been away. Even in six days you can see the index move.

Lay a budget on us. Give us something to sing and dance about. The good old countervailing force, remember? We have it on the highest authority that this will be a good budget, and those of us who didn't make it to Barbados this winter need a glimpse of sunshine.

Well, Mr. Speaker, if we have not got sunshine, at least we have football. In an earlier reincarnation the Minister of National Health and Welfare (Mr. Lalonde) once functioned as principal secretary to the Prime Minister. In that lofty capacity he had occasion to speak to a seminar of Liberal party workers on the west coast. This particular seminar had to do with the participation of party workers in the formation of Liberal party policy. He said at this seminar: "Of course, you have to realize that none of these policy resolutions are binding; after all you are only a few per cent". So they said to him: "What if you have more than a few per cent? What if you have 51 per cent, or even 100 per cent of all the workers in the Liberal party deciding we should do something that you did not want to do?" "Well," he replied, "we would send our P.R. men out to do a better selling job because we would realize that we had made a mistake".

If I ever saw concrete evidence that that curious attitude toward the democratic process has not changed one bit, it is the almost inch think folder of profession "bumph" that came our way in trying to sell this dubious proposition to members of parliament. We have received telegrams from mayors, and following a rhetorical question posed this morning by the hon. member for Rocky Mountain (Mr. Clark), I should like to tell the minister that of all the telegrams and letters received from mayors of various cities in this country, only three were written after March 1, out of about 15, by the look of it. One has to assume, since the bill was recently introduced in this House, that they knew not what it contained, unless the minister was sliding around showing it to them in advance, and I can scarcely credit that. So I think we can take these letters, telegrams and all the rest with a grain of salt.

As far as the letters are concerned, I should like to read a couple of them to the minister. One from a constituent of mine says this:

I would like to list a few of the reasons why I think Mr. Lalonde is being ridiculous in his stand.

—The Northmen have guaranteed that the equalization from the Argonauts would not decrease from last season's level for the next three years.

Actually, it is the next ten years.

They also hold refusal rights to another WFL team in Canada and have guaranteed the government they will not allow another team to play in Canada.

Mr. Lalonde's worry about Canadian sport comes much too late for anybody to seriously believe that is his only motive and not a vote-getter from the western provinces . . .

If the government is really worried about the CFL going belly-up why don't they set up a grant system for the leagues teams that are not drawing large enough crowds to support them. The manner in which the government is spending money and giving grants to the most idiotic causes would suggest this would be a worthy cause.

This is a letter to the minister from a constituent of mine who was kind enough to send me a copy:

Canadians have more faith in their institutions and themselves than you give them credit for. Normal competition leads to strength and vitality—government interference leads to complacency and decay.

Finally, Mr. Speaker, a letter that appeared a couple of days ago in the Ottawa *Journal* from an admirable person who signs himself or herself "K. C. Shindler":

Sirs:

Our federal government has strange priorities. The cost of living has gone up 10.4 per cent in one year, vegetable prices will go up between 20 and 30 per cent by next autumn, Agriculture Minister Eugene Whelan wants higher beef prices in Canada, and now Health Minister Marc Lalonde has introduced a bill to protect the CFL from the WFL.

How about a bill to protect me from the federal government?

Mr. Lachance: Why don't you table the letter?

Mr. Reilly: Here it is, any time you want it. I should just like to comment on some of the remarks made during the minister's lengthy and paranoid apologia for this curious position of his last night. He said, as reported at page 1561 of *Hansard*:

We hear about the principles of free enterprise and free competition in the marketplace.

Fancy that.

We are told that the state should not interfere with private business unless, of course, private business requests state help. We are bombarded with lectures about people's freedom of choice and freedom of movement and other fundamental rights.

I suggest that must be an imposition on the government. Imagine being bombarded with speeches about people's rights! This entitles them to take a long, long second look at this bill. Just imagine—freedom of choice and freedom of rights are being urged upon the government. How uncomfortable it must make them feel. The minister goes on to say that there is nothing unprecedented or arbitrary in the government's position.

I ask hon. members to consider precisely what it is that this bill does. It makes it a criminal offence, punishable by up to two years behind bars and/or a fine which is set at whatever a court deems advisable, if a person decides to set up a particular business in Canada, to employ American nationals and to carry on part of that business in the United States. That is exactly what the bill does, no less.

Is there another industry to which this applies? Is there another area of entrepreneurship in which a person risks going to jail and/or a fine of undetermined size because he decides to hire as his employees people who come from countries other than Canada, and because he decides to carry on business at least part of the time in another country? I do not believe so. As for being arbitrary, Mr. Speaker, I do not think there is a fashion in which you could behave more arbitrarily than by threatening someone with two years behind bars, unless it is to threaten him with a sentence of death. I think on this basis the minister's defence of this position fails to stand up at all.

● (1450)

Then, he goes on to appeal to the basest kind of prejudice when he says that those whose manufacturing industries have been protected in the past by tariff legislation should not complain about this. He finds that terribly ironic and he tried to suggest to us that this is a quid pro quo on the part of the whole of eastern Canada because of a reasonable position taken in bargaining over the price of oil by western provinces. I suggest to you that this is just about as strained a comparison as the bit of gibberish that came out of the minister of state for multiculturalism this morning when he was insisting on bellowing across whether the hon. member for Rocky Mountain (Mr. Clark) was in favour of Canadian unity. I agree with the hon. member for Greenwood (Mr. Brewin) that if the issue of whether John Bassett or Fred Schmertz, or whoever, is going to be allowed to operate a football team in Toronto in competition with the Toronto Argonauts bears heavily on the issue of national unity, then this country is in worse shape than I had imagined it to be.

This issue of national unity has been a stalking horse of this particular brand of Grits for far too long now. In the first session of this House after the election of 1972 we heard them get on the national unity hobby horse and, in the person of their Prime Minister (Mr. Trudeau) and national leader, accuse even the leader of this party of racism during the election campaign of October 1972, and accuse this entire political party of damaging the concept of national unity. They were rebuffed at that time quite properly and they will be turned back and rebuffed on this issue if they try to make out that this is important to national unity, any more important than mom's apple pie. Perhaps they will come back in here with another imagined threat to national unity in the near future, but they certainly have not made any point here at all.

As to whether this team, the Toronto Northmen, would be a threat to the Canadian Football League, and this is the unifying premise of the bill, I want to examine this with you. I would be very, very grateful if the minister or anybody else over there could tell me precisely how this team located in Toronto is going to damage anybody. The existence of the WFL itself is going to threaten not only the Canadian Football League but the National Football League in the United States because there will be unrestrained raiding and bidding for services. Indeed, this very day in the newspaper John Bassett claims to have signed Larry Uteck, the Toronto Argonauts' first pick of the Canadian college draft. That kind of thing is going to go on apace. The very existence of that league, with its need for players, is going to put the pressure on every other professional football league in North America, and it is not going to matter a hoot in hell whether that team is located in Toronto, Nashville, North Carolina or wherever it is they propose to locate if they are turned out of Toronto. It is the existence of the league that is a threat, and, despite what the minister would like to do, we cannot legislate the league out of existence; we can only knock out one of its teams, and even then we can only push that across the border. It will not make one iota of difference to the Saskatchewan Roughriders, the Edmonton Eskimos, the Vancouver Lions or any other team if that team is allowed to operate out of Toronto.

It is the league itself that threatens, if indeed there is much of a threat, and I do not think there is because it has been the experience with professional sport of any kind, particularly professional football, that the more people who are exposed to the sport the higher the number will be at the box office. Today, in fact, the United Press International has reported out of Washington:

The Federal Communications Commission reported yesterday the lifting of the home game television blackout by Congress last season had little if any impact on the mounting prosperity of professional football, which enjoyed its best year in 1973.

"The anti-blackout law appears to have had minimal impact on the 26 member teams of the National Football League in its first season of operation," a report issued by the FCC read. "It is unlikely that season-ticket sales will be adversely affected by the law because there seems to be an excess demand for tickets.

"In fact, 1973 was the best season ever for the NFL—"

That simply means that a great many more people are turning out to NFL games despite the fact that they can see them in their own homes on television in some cities because they are being exposed to the game, a great many converts are being made and they want to see them in person. The same thing is true of Canadian football and of Canadian hockey. Whenever you expose more people to a sport everybody benefits.

I suggest the very same will be true of Toronto where there is a market of up to four million people. You can not buy a season-ticket in that stadium and you have not been able to in the last 10 years. You are lucky if you can get standing room even when they are losing, and that is most

of the time. I should know having been an Argonaut fan until I moved down to Ottawa, and I cannot even get tickets to the games here.

Let us consider what the Toronto Northmen have offered to pay. They have offered to pay the difference between the equalization grants, paid principally by the Argonauts to western teams, if they need it; the difference between what was paid under that heading in 1973 and any loss experienced by the Toronto Argonauts in earnings at the box office for the next 10 years. They have offered to restrict their television broadcasting to local TV; they have offered a no-raiding clause of teams in the CFL and have stressed that they will urge upon their colleagues in the WFL the same no-raiding agreement.

I ask you to consider what is going to happen if the Northmen are barred from Toronto. There will, of course, be the absence of a no-raiding agreement. They will be free to raid, and they have already started to do this. There will be absolutely no prohibition on all of the teams in the WFL from raiding the sources from which the CFL customarily gets its American imports, and we must bear in mind that all the CFL teams have a very high proportion of Americans on their payrolls. They are getting these players from the U.S. college draft and from American teams in the NFL, and now they are going to have a powerful and well financed component to bid in all in the same fields in the same places.

Unfortunately salaries are going to rise for a couple of years and everybody is going to feel the pressure. Unfortunately, the quality of play will decline because talent is going to be diluted. That happened in the NHL which is just starting to get a little better. Football leagues in both countries are going to feel the effects of the WFL and there is no mistake about that. The World Football League will continue to exist and will continue to be in opposition to the Canadian Football League regardless of what this parliament does.

I would suggest to you that what we are being asked to do here is accept a law which is pure, political protectionism, which is legislation in restraint of trade, which has as I said earlier dubious legality and constitutionality and which is a very thinly disguised attempt on the part of the federal government to do under the guise of criminal law what it could never do in civil law because of provincial jurisdiction.

We are being asked to do this at a time when more than half a million people are out of work, at a time when inflation is at an all-time high, at a time when the country is very close to being paralyzed by strikes in the public sector due to this government's incompetency, and at a time when this government has been discredited from coast to coast in the public view and would not continue to exist were it not refusing daily to submit to a test of confidence in this House.

● (1500)

Despite all the sophistry that floats across the floor to any member unfortunate enough to differ with the spurious arguments of the Liberal Party, despite all the sophistry about "Let us pass it now," I will say once again to the government that until the happy day when the voters of this country have a chance to express their views at the ballot box you—as disgusting a prospect as it may be for most—are the government, and if you bring in bad legislation in this House you need not expect the opposition parties to lie down before you and let you roll over them and enact bad law. And that is all this bill is.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my remarks this afternoon will be very short because I would be pleased to allow this matter to go to a vote as soon as possible. Indeed, the only reason I rise to speak is to express my shock and the shock of my constituents at the decision of the government to introduce this legislation affecting football as a means of disguising its abject failure to deal with the pressing social and economic problems facing this country.

Last night I indicated my concern about the failure of the government to take any action to deal with the explosion of housing costs in Canada today. I was shocked, and remain shocked, that the only recent action by the government was to further drive up interest rates and to put the cost of housing even further beyond the reach of the average Canadian. The government is not presenting any more speakers to defend its flimsy case for second reading of this bill. They have obviously received the same response from their constituents as members of parliament on this side of the House have received, namely, that the parliament of Canada should be dealing not with frivolous legislation about football but with measures to come to grips with the host of crises facing this country.

I am intrigued that hon. members opposite claim we should hurry this legislation through to committee. All of us on this side would be delighted to do so if the government had any legislation to present dealing with the problems facing Canadians. In Canada today we have more than a 10 per cent rate of inflation. Where is the government's budget that we have been demanding? The government cannot even give us a date for the budget. The cost of housing increased by 41.8 per cent in Toronto in the last year. Torontonians are demanding legislation, not to tell them what football teams they can watch but how they can own a home.

The Unemployment Insurance Commission is in disarray. Where is the legislation to deal with that problem? Half a million Canadians are without work at the present time. What does the government plan to do to deal with that situation? There are strikes at our airports, in our mail system and on our lakes. What action is the government taking to deal with these problems?

Mr. Stanfield: They are probably getting ready to stop the railways.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, the Leader of the Opposition (Mr. Stanfield) says the government is probably getting ready to stop the railways now, too. If the government were prepared to introduce legislation that would deal with these matters, all of us on this side would gladly sit down. But we know, the government knows and the people of Canada know that the government has no program to present to parliament and that any legislation we will see after this bill goes to committee will be strictly housekeeping legisla-

tion. It will not deserve, and it will not obtain, the attention of the press or of the Canadian people.

Instead, the government is carefully preparing a well orchestrated, three-ring circus of witnesses for the committee, thinking at the same time that no one will be able to say the time of the House of Commons is being taken up by this silly bill because it will be in committee. In other words, the effect of this legislation is only that of a red herring the object of which is to distract public attention from the failure of the government to deal with the real problems facing Canadians today. I repeat, if the government has any legislation to present to cope with the high cost of housing or with the chaos caused by strikes, or if it has a budget to present, I will sit down now and my colleagues also will be silent.

What has been the record of this government? It was the intention of the government that we should not be here this week, that the problems of Canadians should not be discussed in parliament at this time. When we demanded that, as a condition of parliament's recessing, members of parliament should at least have a day this month or early next month to deal with the government's handling of the economy, the government refused because it knows it has lost the confidence of the parliament of Canada and the people of Canada and it is determined to cling to power with all its force.

When we refused to allow government members their holiday, what did the Prime Minister (Mr. Trudeau) do? He flew off to Barbados. I was interested on Tuesday to read the article which appeared on page 9 of the *Globe and Mail* dealing with the Prime Minister's reaction to this particular problem. The final paragraph of the article reads as follows:

> A spokesman for Mr. Trudeau said the Prime Minister, who left for Barbados on Friday with his family, would probably return to Ottawa either today or Wednesday—in time for health minister Lalonde's controversial football bill.

In other words, in the opinion of the Prime Minister and of his discredited government, the government's handling of the economy is not important enough to bother with, but this fraudulent football bill justifies the Prime Minister's return to Canada.

What is the attitude of the cabinet, the people who are supposed to be running this country? During the question period today, 60 per cent of them were missing, including the Minister of Finance (Mr. Turner), the Secretary of State for External Affairs (Mr. Sharp), the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the Minister of Justice (Mr. Lang). I am delighted that today the President of the Treasury Board (Mr. Drury) is gracing us with his presence. As we look at the treasury benches now we find that of the 29 members of the cabinet who should be here, two are present. And these do not include the Minister of National Health and Welfare (Mr. Lalonde) or his parliamentary secretary.

Some hon. Members: Shame.

An hon. Member: They are out blowing up the football.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): This is a government that is leaderless and directionless, a government that was repudiated by the people of nine of the ten provinces, and of both territories; a government that has the sight and the smell of decay about it. Nothing more graphically demonstrates its distorted sense of priorities in its last days than this legislation.

[Mr. Beatty (Wellington-Grey-Dufferin Waterloo).]

Mr. Speaker, the government says it wants to protect Canadian culture and Canadian athletics, although only yesterday the Minister of National Health and Welfare admitted on television that this bill will not save the CFL, that it is no panacea. In fact, there is even evidence to suggest that it will damage the CFL by encouraging American WFL teams to raid their lower-paying Canadian counterparts. I think it is worth remembering, when the government wraps itself in the robes of Canadian nationalism and takes measures to protect football, that our national sport in Canada is not football and it is not hockey; it is lacrosse which was first played here by our Canadian Indians.

I come from a town in which lacrosse has been played for generations. I invite the Minister of National Health and Welfare, who has now returned to the House, to talk to the people who play lacrosse and learn from them what assistance they have been receiving from the government and from his department. There has been precious little help, if any, for our national sport. As my colleague from Hillsborough (Mr. Macquarrie) pointed out last night, there is the prospect of our losing the game of lacrosse to the Americans as teams are created in the United States and there is virtually no assistance available for the sport from our federal government.

Last summer I wrote the Secretary of State (Mr. Faulkner) and the minister responsible for Information Canada, pointing out the importance of promoting this part of our national heritage. I was informed that the government's promotional efforts amounted to one 14-minute film produced in 1964, another produced in 1965, and a booklet on lacrosse in Canada. What a bold initiative!

Mr. Speaker, last year I had an opportunity to watch the Grey Cup game in Toronto. I could not help but have the feeling, watching these two corporations play against each other, that it is very similar to watching the struggle between General Motors and Ford. Unlike the minister, however, I do not begrudge people watching football if they wish, whether it is played by the Toronto Northmen or by the Toronto Argonauts. As individuals, they should have this opportunity. But I cannot help getting the feeling that the ultimate good of the country will be decided, not by professional athletics but by amateur athletics which have been neglected by the government. I see the minister nods his head; he is in agreement.

● (1510)

Mr. Lalonde: With the first part, yes. With the last part, no.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): I repeat that this is not the time for smokescreen legislation from a dying government. This is not the time for inaction on national issues. It is the time for an honest attempt to deal with our real problems. I am afraid that such an

honest attack on our problems is more than we can expect from this government.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I note that some members are eager to refer this bill to the committee, but I think there is much to be said about it. As for myself, I am particularly interested in Bill C-22 now under consideration.

My interest is quite natural since I spent some years practising various sports, namely hockey, baseball and football. The latter is not unfamiliar to me, on the contrary, because I had the opportunity to follow closely and particularly the sports practised in Canada. The motivation which can be instilled into young people in connection with sports generally deserves special attention.

I find it strange, though, that members of the party sponsoring this bill be absent or remain silent because I know, especially since I come from the province of Quebec, that thousands of sports fans, especially football fans, are following the debates on this bill. From the outset, we were asked to limit the number of speeches, so that the bill might be referred to the committee and that the House might deal with more important problems.

Mr. Speaker, it is quite unbecoming on the part of the government party to tell us that we are delaying the debates and wasting the time of this House because we have been saying for two months to the government that we do not want this legislation.

Mr. Ethier: The hon. member himself is now delaying the debate, not us.

Mr. La Salle: Exactly, Mr. Speaker; the hon. member who has just interrupted me should then rise and speak right now.

We are being blamed for delaying the debates whereas we have been warning for two months the responsible minister and the government not to bring forward such a meaningless legislation. Mr. Speaker, the government has no business interfering in such an area.

And they will try to make the public believe that the Official Opposition party is wasting the time of this House, when we are calling upon the government to introduce specific measures dealing with today's problems.

I wonder, for instance, whether it is not government strategy to put forward a bill about football, in order to hide basic problems our society is faced with, such as the strike that is presently under way throughout the country. Members of Parliament are invited to speak about football in order to prevent the public from realizing the failure of the government to find solutions for several months, Mr. Speaker.

As I said earlier, Mr. Speaker, I really wanted to speak about this legislation because I am interested in sports in general. I think I can say that I have some knowledge in the whole field of sports. I think it is not exaggerated to add that putting forward a bill about football under the pretence that this is the only way of saving Canadian football and getting thousands of young Canadians to be interested in it, is a phoney assertion. The provisions of this bill certainly do not deserve the support of most hon. members. What is the reason for such a bill? They claim that it will foster national unity. I wonder what is the relation between that concept and football. God knows how many times we failed in respect of a great many problems a lot more important than this one.

Now they are talking about economic nationalism. A number of speakers have already urged the Minister to take more concrete steps, in the industrial area, for example, so that Canadians may own a majority of shares. In my opinion, the government should introduce measures to encourage Canadians to invest in Canadian industries, so that they may feel they are the real owners of this country's resources.

Mr. Béchard: When we introduced such a bill, you voted against it.

An hon. Member: The hon. member should keep his ears open and his mouth shut!

Mr. La Salle: I do not think there is enough legislation fostering economic nationalism, but the government should not make us laugh. While a number of hon. members have cracked jokes which were apparently aimed at reviling members of the government but which only succeeded in making us laugh, surely the Canadian public must wonder why the government introduced such legislation which affects one particular sport only.

Mr. Béchard: You are saying this, not the Canadian public.

● (1520)

Mr. La Salle: Mr. Speaker, I will later make some revealing comments to the minister.

If he wants us to promote Canadian football, there is not one member in this House who is against giving direct support to Canadian football. I am the first one to promote this sport and I wish a law were passed to ensure that most if not all owners of these teams were Canadians. I also wish to see any possibility of competition banned in football. But I will not accept to see young Canadians deprived of motivation to achieve excellence, to better themselves in a professional sport, whether football or hockey.

The minister has stated that football is in danger. But I have here a paper that sheds light on this, which has precisely been issued by his department. And I quote: "Football is in danger". In fact, Mr. Speaker, all sports are in danger.

We talk about the importance of participation, about the quality of football players. Why don't we talk about participation in all sports, about the quality of hockey or baseball players as well as players in any other sport. That is just as important as the opportunities offered to young people by Canadian football. And why should it not be so for all other sports?

The problem in the area of football in particular will not be solved through this legislation, which is totally inade-

quate and even unfair. I fail to see how the government could justify itself by saying that Canadian football can be promoted through such legislation.

I have here a document signed by Mr. Jean-Paul Chartrand of Montreal which says: The Minister of National Health and Welfare is not helping the Montreal Alouettes. In Ontario, football is a great deal better organized than in Quebec where it is almost nonexistent at the serious amateur level. One look at the Alouettes line up is enough to find out that our best Canadian players are not home grown, unless they attended an American college.

There is talk of actually encouraging our young people to play Canadian football. But I regret that all sports in Canada have not been included and it is certainly not necessary to pass a legislation to keep a foreign league or team from settling in this country, when this would be the only opportunity for our young people of being offered sound competition with all the advantages that this carries.

Until now funds allotted to amateur sport have been entirely restricted to a few super stars, some of whom have benefited from scholarships. What has been done for kids in grade school or high school? It is at this level that an amateur sport policy must truly be initiated. The present policy is altogether inadequate. It is not by passing legislation on football that we would remedy these anomalies. What is keeping the minister from allotting funds to our universities in order that our football players may develop in a normal way as they have the right to?

So the government's problem lies not in the need to pass a piece of legislation but in the inadequacy of the funds allotted to amateur sport while the Canadian policy in that respect is altogether inadequate and even absurd. What is required, as I have already mentioned, is the establishment, in consultation with the provinces, of a department of sports and recreation which would be responsible for physical conditioning in Canada. This will help solve many problems, besides encouraging young people to play not only football but all the other sports in which they are interested provided they are qualified to participate in them. So, this participation and the quality of the players to which reference is made in this bill make it totally unacceptable if other sports are not included. Therefore, this bill should surely not, I think, constitute a government priority.

Mr. Speaker, I would like to quote some comments I read recently, in particular one by Jean Barette, an experienced Montreal columnist. I think that he is right to ask himself several questions, and he would have desired to put some questions to the minister if the latter had been able to answer a recent invitation to come to Montreal. His absence was undoubtedly warranted.

This bill which is now before the House requires a minimum of Canadian players and sets the number of import players. Mr. Barette says, and I quote:

For example, The United States Congress could require that U.S. hockey clubs have a 60 per cent American roster. This would have tragic consequences for many Canadians who earn a very good living in the United States and who pay their taxes in our country, which provide some nice dollars to Mr. Lalonde and several politicians like him.

[Mr. La Salle.]

First of all, the following question could have been put to Mr. Lalonde:—

—and we wish we could have asked it.

. . . "Will you meet the deficit of the Montreal Olympic stadium following the 1976 Olympic Games?

We are quite aware of the fact that for the Olympic Games Montreal will have a most adequate stadium. I am happy to see that Toronto has a chance of getting a professional team and I wish them good luck. We know that cities like Montreal and Vancouver can have their professional football teams but this bill will not allow it. I know that the Island of Montreal at present does not have any Conservative member and I wonder if a plot is not being weaved against Montreal and the interests of the football fans of this city on account of the members remaining silent in this House. I believe it is important that the hon. members should express their views on this subject, because I have met Montreal members and they are against the passing of this bill. Of course the party line will be respected and they will vote for the bill. I know that three Montreal members are absolutely against it. I will not name them because I am discreet. Other members, also from Quebec, are not in favour of the bill. But we know the influence of the minister in the cabinet. I will not blame him for it but I know that as usual the orders given will be followed and they will deprive Montreal of any chance of having a professional football team.

People are concerned about professional teams. The Montreal Expos seem to be a good business proposition. We have witnessed a new motivation on the part of the young in baseball immediately after the coming of the Expos. Thousands of young Canadians are interested in baseball because Montrealers are proud of their professional team. The City of Montreal has become famous because of them. Every hon. member enjoys watching the Expos and seeing them win most of the time.

I am of the opinion that a professional football team would stir up the same motivation and I doubt that it would cause the death of the Canadian Football League. This is a false assumption. We know full well that businessmen would not invest huge amounts of money in cities where the endeavour would not be profitable. Cities should have been chosen which are able to encourage professional clubs. But no. The easy way out is preferred, by removing the possibility of competition, of rivalry between teams and sportsmen.

It is therefore not a waste of the time of the House to oppose such a bill that is moved by a minister who is certainly ill-advised. I have suffered too much from this type of thing when I was young. I too dreamed of going into professional sport, at the early age of 20. But there were only six professional hockey teams: many were called but few chosen. Today, the teams having multiplied, young talented Canadians have had the opportunity of bettering themselves and representing Canada admirably well throughout the world.

● (1530)

Therefore, these opportunities must be real for those young Canadians who play football, and this bill will eliminate those opportunities. The unwavering answer will be that the Canadian Football League will be able to

expand in Canada. We know full well that youth want perfection and that a player with a legitimate ambition cannot be satisfied with playing in a minor league. This league can be the best in the country but there can be a better one, and the sportsman who has plenty of guts will not be satisfied with playing in the first one. Personally, I am happy as a Canadian to see those superstars play all over Canada and abroad.

I believe that passage of the bill we are discussing now would be unnacceptable.

I would like to add a few words to Mr. Barrette's remarks which I just mentioned.

As for the second question that Mr. Barrette would have liked to ask the minister, I will ask it in his place:

Will you make up the deficit of the olympic stadium?

I mean the stadium which would or could be used by such a team.

Will you take action against all sports such as golf, which comes under the control of the Royal Canadian Golf Association, which bows before the American PGA for the Canadian Open and submits to ridiculous restrictions on the number of Canadian golfers entitled to take part in the National Open of their own country? . . . we doubt that he could reply in the affirmative since the federal government, like Pontius Pilate, has washed its hands of everything that concerns the 1976 olympic games organization. However, if Mr. Lalonde's bill eventually becomes law, it will deprive Montreal of a good source of revenue since the National Football League or the World Football League already have their eyes on the spacious stadium which will be completed in time for the olympic games. It would have been very profitable to have an American football franchise. And this would not have prevented Mr. Berger from making his Alouettes play in the same stadium, even if the caliber of the Canadian league is clearly inferior. Some fans prefer the Canadian game to the American, whatever the quality of the players.

If the federal government does not help Montreal in the form of subsidies, the financial charge will naturally fall on the shoulders of Montrealers many of whom are supporters of our dear national "boy scout".

As for the second question, Mr. Lalonde could not have replied because, first of all, he must not even be aware of the existence of golf, even less of that of the Royal Canadian Golf Association, whose pundits have just announced that the Canadian Open will always be held in Toronto the Pure starting in 1980.

If Mr. Lalonde deigns to look into this problem of the takeover of the organization of our national Omnium by the American PGA, he will have to legislate in order to put an end to this infamous practice.

Mr. Speaker, this proves that when we discuss a bill relating only to football, arguing that it will allow thousands of Canadians to develop, we are making a mistake. At no time can the government introduce measures on recreation, physical fitness, the assessment of basic tools that we now have, or on the appropriations for our recreational organizations, in order to enable young people to develop properly.

I remember that not long ago, the hon. member for Sherbrooke (Mr. Pelletier) had called for an assessment of our recreational organizations. He talked about the addition of some buildings, if necessary, but unfortunately he will probably do the same as other members; he will not say a word because our time must be saved for other great current problems.

However, I think it is the right time to ask the responsible minister not to introduce such a bill, but rather to apply himself more, to increase appropriations and grant them to the department responsible for physical fitness. I think that this affects all citizens, whatever their age, not only children but also older citizens. It is very important that we agree to establish such a policy. It will be argued that we spend millions of dollars on OFY and LIP programs, but nobody ever says that half of this money is wasted because of poor submissions and selections.

I think it would be more profitable to affect those millions of dollars to a department for physical fitness, but not under the terms of a bill such as this one, because we know very well that the government has no business telling competent people how to organize a football or hockey league.

There are knowledgeable people who can take care of that. Our responsibility, of course, is to provide the thousands of Canadians who practice this sport each and every opportunity to give a first-rate performance. It is not up to us to tell them what to do.

That is why this is a ridiculous bill. We would have hoped that the minister would allocate additional funds. We are accused of wasting the time of the House; if the minister is willing to withdraw the bill, we would be quite happy to proceed to the consideration of much more important problems. But let not the minister believe that I will support his bill which goes against the liberties of all sportsmen. I think the minister will have the opportunity to read many reports from knowledgeable sport commentators which will enable him to think twice about it and to withdraw his bill. Even if it takes two weeks or two months, I will do everything to prevent the passage of this bill, which is not the right answer to the young people who are expecting new forms of assistance as well as justified and justifiable measures. We hear about encouraging young people to engage in recreative activities; that is surely not a way of accomplishing that, Mr. Speaker.

Mr. Béchard: Mr. Speaker, would the hon. member allow me to ask a very serious question?

Mr. La Salle: Yes, I would like him to ask his question. I have doubts about its seriousness, Mr. Speaker, but I allow him to ask it.

Mr. Béchard: You will see later on.

Mr. Speaker, a while ago the hon. member for Joliette (Mr. La Salle) seemed to ridicule the relationship between Canadian football—

Some hon. Members: Question, question!

Mr. Béchard: That question is similar to that of the Leader of the Official Opposition (Mr. Stanfield)!

—and national unity. Could he tell me if he agrees with the statement from the right hon. member for Prince Albert (Mr. Diefenbaker) who said in 1961, and I will repeat it in Shakespeare's language, which is the language of the former Prime Minister of Canada—

The annual Grey Cup game is a great national event for all Canadians. It stimulates an interest in sports, for it has become symbolic of athletic competition. It brings east and west together and contributes to the unity of the nation.

Does he agree with that?

Mr. La Salle: The answer is quite clear, Mr. Speaker. The former Prime Minister of Canada was quite right but why ask such a question? Why does this bill mention only national unity about football, while east-west competition has national overtones? In my opinion, a simple legislation

cannot help Canadian football, but we should make additional monies available to help young Canadians interested in football. This has no connection with the statement of the right hon. member for Prince Albert (Mr. Diefenbaker).

An hon. Member: You have another question?

Mr. Béchard: Mr. Speaker, I have a supplementary. Should we understand that he disagrees and, by the way, this would not be the first disagreement within the Progressive Conservative Party—

The Acting Speaker (Mr. Laniel): Order.

[*English*]

Mr. J. R. Ellis (Hastings): Mr. Speaker, it is too bad we could not have more speakers from the opposite side of the House.

Some hon. Members: Hear, hear!

Mr. Ellis: As my colleagues have pointed out, it is too bad that some of those who believe very strongly that this legislation, Bill C-22, is a mockery of parliament are not allowed to speak. If the minister would like to call the debate to a close, all he has to do is ask for the floor, which I will gladly relinquish, and withdraw the legislation.

In the first place, we should not be here at all this week. It was planned that we would have a recess, and I think there was need for a recess. During such recess we could have met with our constituents, discussed the problems of the day and tried to find out what is going on in those parts of the country which do not revolve around Ottawa. Sometimes I think we are here too much. It is necessary to get away from Ottawa to find out what is going on. We had planned to do this. Many of us had not planned to go to Barbados or anywhere as exotic as that. Unfortunately, the government was afraid to meet a simple test of confidence, a test they have boastfully been able to accept until now—a test they now feel they may lose.

I want to make it clear for the record, although the few of us in the House this afternoon are aware of it, that the government sets the schedule and places the bills before the House. The government sets the priorities. The Easter recess could have been called. One opposition day prior to a budget would not have made a great difference if the government is as confident as it seems to be. We are now faced with the ridiculous situation whereby after the budget is presented there will be more opposition days than government legislation days, yet the government is worried because it does not have enough time now. We need legislation to deal with the problems of this country.

● (1540)

Let us take a minute to look at the legislation we have dealt with so far this session and see how important some of it is. Look at Bill C-2, the Fisheries Development Act. This provides funds for conversion of fishing vessels. It is very important for fishermen, but it does not do a thing for those with inadequate housing, those who every day fight inflationary food costs. Let us look at Bill C-5, the CN financing bill. It is a very necessary housekeeping type of bill. It was not passed in 1971, 1972 or 1973 and it does not do a great deal toward providing the extra freight cars which are needed in the west. It certainly does not do anything to clear up the transportation mess the Minister of Transport (Mr. Marchand) spoke of a few weeks ago.

Take Bill C-6, the national parks legislation. A lot of time was spent on this subject last session. But the bill does not do a thing to create land banks which would provide lots at lower cost for those wishing to own houses in Canada. Bill C-7 was designed to amend the Combines Investigation Act. A lot of time was spent on it. It should have been brought in last session because it was badly in need of revision, as are most of the bills brought forward by the government. It is restrictive and it does nothing to roll back major price increases which are likely to face us. Bill C-9, the Yukon and Northwest Territories legislation, increases the numbers of councillors in the north from 7 to 12 and from 14 to 15 respectively. It is probably very important for those who live in the north, but it does not do a thing to increase the number of officials employed by the Department of Consumer and Corporate Affairs who inspect delivery equipment used in the supply of fuel oil to homes. Meters in my riding have not been tested for three years and are bound to be inaccurate by now.

Bill C-14, the one we discussed a week ago, raised the ceilings on loans to farmers, fishermen and small businessmen. I spoke at some length on that bill last week and I do not intend to go into the subject again. The legislation falls short in many respects. For example, it fails to allow a person to qualify if he works away from the farm and also operates a farm. The ceilings are still not high enough to be of much practical value to business. The banks are not obliged to lend money to people who need it. As usual, it is too little and too late.

Then there was Bill C-17, the VLA measure. This was extended at the eleventh hour. Finally, it was extended under pressure from my hon. friends and myself. It was necessary, but the bill could have been brought in last session and it should have been if the government had any sympathy whatsoever for the veterans of the country. Bill C-18 was a very important bill dealing with the export tax on oil. It was necessary following the decisions reached at the meeting of first ministers. But there was nothing new in the bill, no provision which would result in a supply of energy from new sources, nothing which would encourage the development of our nuclear potential, nothing for the northern part of Hastings county where uranium which could be used to provide an alternate source of energy for the country is lying untapped.

As for Bill C-19 to amend the Canada Pension Plan which we were discussing yesterday, it does improve things for people between age 65 and 69, and certain other improvements are to be brought about, and though it is necessary legislation which I expect we shall support, it needs review in committee. It does nothing to bring down the price of food for senior citizens. It does nothing to reduce the cost of other necessities of life for senior citizens.

So with these priorities we come to Bill C-22, the football bill, and we are asked by the minister to say absolutely nothing on it. Take a look at the bill. It is supposed to protect the Canadian Football League. I personally support the Canadian Football League, unlike some of my

colleagues and, indeed, unlike some of my constituents. I prefer Canadian football; I am not a follower of the National Football League. I deplore the fact that Canadian funds are going into the Olympics field in Montreal and that the field is only being built to NFL size.

One of my constituents telephoned me some time ago. He was worried about the CFL, quite naturally, because he is an ardent football fan. This bill does not protect the CFL. It merely attempts to keep out one team of the World Football League from the city of Toronto. The constituent who called me has suddenly turned about, because the government has absolutely no business getting into professional football, baseball, hockey, basketball or lacrosse. As has been said here many times, the government might do better if it took a greater interest in minor sports, the interest of many Canadians who spend hours of their time on Saturdays and weekends coaching young players with little or no help from the federal government.

In my home city of Belleville, in the heart of Hastings county, there is a group of citizens known as the Belleville Yardmen who, with other concerned people in the area, have raised over $1 million to build a major sports complex which will enable all manner of athletes to train to a level which would allow them to compete in the Olympics. If the federal government wants to get involved in the business of sport, this is the place where it might start.

The minister said in the course of his speech that this was an emotional issue, one which stirred up deep feelings. I have news for him. The majority of people in my riding could not care less whether the Northmen play in Toronto or not. I think that on a Friday afternoon they are much more concerned about the fact that it takes more money to buy less when they go to the grocery store. Perhaps the minister might suggest that since they cannot buy as many groceries, they get a smaller car to carry them in. That is the type of thinking we have been given recently.

The minister said there was incredible interest in this subject. The hon. member for York West (Mr. Fleming) said he had received only 40 letters on it and none on inflation. I do not know whether the hon. member for York West is particularly unpopular or whether his constituents know that he will do nothing to deal with the inflationary situation. As far as I am concerned, only six people have talked to me about this football question; five of them were opposed to it and the other one changed his mind. But I have had all kinds of letters, telephone calls and personal representations on the subject of inflation because people are genuinely concerned about it.

The minister went on to say that this football issue "epitomizes the central dilemmas of our 100 years as a nation". Then he added that it was "symbolic of our history". I shall not be as polite, perhaps, as some of my hon. friends. I have been trying to think of a term which would be parliamentary and which I could use. The only word I can come up with is "balderdash". I can think, of course, of many that are stronger, but I cannot use them within the confines of this august chamber.

I find it extraordinary that we should be asked to approve legislation which proposes, among other things, a two-year jail sentence, plus a fine, for those who set up an enterprise employing persons other than Canadians in order to provide employment or pleasure. I note, sadly, in this connection that a man may still kill two young people—as recently happened—and incur no greater penalty than a fine of $125. But this is typical of the government and of the minister's department.

One short aside, if I may. About a year and a half ago a meeting was held in the west block, I think it was. It was referred to as Sport Canada. The meeting was attended by some hockey stars, and photographers were present. I thought my son might get a chuckle out of seeing his dad with Jean Beliveau and Johnny Ferguson. Certainly he would be far more impressed in those circumstances than he would by seeing me with the Minister of National Health and Welfare, Mr. Lalonde. The photographers took some pictures, and when the meeting was over I asked whether I could have a copy of some of them. They sent me the proofs and I said, "Yes, that's the one I should like to have." That was a year and a half ago and I still do not have the picture. I think this is typical of the hon. gentleman's department—overkill in one area and complete loss in another.

● (1550)

An election is coming. The Minister of National Health and Welfare felt that this was the way to placate the west. I suggest he is not at all interested in the Canadian Football League or in any other sport for that matter. The Prime Minister (Mr. Trudeau) has been wrong before, he will be wrong again and he is wrong now. He is wrong to believe that Canadians will be fooled by this type of nonsense.

In Canada today we have strikes, transportation problems and inflation. What an opportunity for fine leadership. What a time for a leader to take firm hold and deal with these problems. Good leadership thrives on adversity. We are floundering. There is no way that I, for one, and my colleagues with me, will submit to the threats of this minister. He accuses us of holding up legislation by dealing with this bill at length. As I said, it is the government that sets up the schedule, so let it withdraw the bill. The CNR bill was discussed for three years. Let the government bring in new legislation to deal with problems in Canada.

I am not fond of sitting in an almost empty House on a Friday afternoon when I could be on the way to my riding. I do not notice the hon. member for Ottawa Centre (Mr. Poulin) making any contribution, but if he wants to speak I will give him the floor. As I say, Mr. Speaker, I could be on the way to my riding where I would at least be providing some kind of useful service to my constituents. But I resent strongly the threat of the minister, and I will sit here as long as necessary until some good legislation comes forward from the government or they finally have the good grace to ask for the judgment of the Canadian people.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, there is not very much time left, so I shall not go into many of the things that I wanted to say. It is interesting to sit here and watch hon. members, especially the minister, across the way with their long faces and none of them speaking. This is because they realize the stupidity of the bill. They realize they have lost the confidence of

the people of the country, not only on other matters but on this bill as well. The people of this country do not support the intention of the government to keep the Toronto Northmen out of Canada, and certainly the people of British Columbia do not support this bill.

After what I have said, Mr. Speaker, it is pretty obvious that I will be voting against the bill, but I also want to inform the minister that in committee I intend to move approximately 50 amendments to his bill. A lot of them will be ridiculous amendments, but they will be moved in order to delay the bill. Then when we come back to the House for third reading, I will propose the same amendments and the hon. member sitting next to me will second them. I shall speak for the full allotted time on every one because I think we have to show the people of this country the stupidity of what this government is doing. If hon. members opposite ask me why don't I vote, I say I am not prepared to vote because the minister has twisted the arms of all his members across the way, insisting that they vote along with him and not in the way their conscience dictates.

The minister talks about the number of Canadians and the number of Americans who should be on a team. What does he know about it, Mr. Speaker? I think I know a little about it because I played football in my younger days. I just cannot understand why he says there should be 15 Americans and 70 Canadians. That is none of the government's business. If he is going to make that provision, perhaps we should amend the bill to provide that there must be six women playing for every team because we have to be fair to the women of this country.

Some hon. Members: Hear, hear!

Mr. Reynolds: Perhaps we should amend the bill to provide that there be two or three men over 45 on every team so as to be fair to the older people of this country.

Some hon. Members: Hear, hear!

Mr. Reynolds: Football players in Canada cannot collect unemployment insurance. Perhaps we should amend the bill to provide that they can collect unemployment insurance. Perhaps they should also be allowed workmen's compensation. We could amend this bill in many ways.

I think the best thing we could do with the bill is to have the minister put it back on the shelf and wait until after the election. Then we will find out what will happen from the people of this country. The minister is going to ban an American team from playing in Canada. Is he going to ban the team of Simon Fraser University, one of the best college teams in Canada, from playing football in the United States? The people of British Columbia would like to know, because they are quite happy when American teams come into British Columbia to play college games. They play American rules, and we happen to like them as well.

We also happen to like our hockey in British Columbia. We have two professional teams, one in the world league and one in the national league. We get the largest crowds of any team in the World Hockey League. We get large crowds to watch the Vancouver Blazers play. The Canucks are sold out for every game—15,540 people and 2,000 standees. It has been that way since the team came there. We support two teams. The funny thing about it is that the National Hockey League team is owned by Americans. Is the minister complaining about that? No, he does not think that is so bad. The World Hockey League team is owned by a Canadian, as I think are most or all of the World Hockey League teams in Canada. The teams in Edmonton, Winnipeg, Toronto and Vancouver are owned by Canadians. What has the government done for the World Hockey League? Nothing at all.

In the National Hockey League Stanley Cup finals there are four American teams. They will be competing tomorrow night, next week, and so on. The CBC will be covering every game. The Toronto Toros are playing in the World Hockey League. They have made the semi-finals of the championships, yet the CBC will not televise one of their games across Canada. People in Winnipeg, Edmonton and Vancouver deserve to see a Canadian team in the World Hockey League.

The hon. member for York West is mumbling and grumbling across the way. I can understand how sad he is at having to support the government's bill. Living in the area he does, he knows damned well what he will get when he goes back to his riding.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Ottawa Centre (Mr. Poulin) is rising on a question of privilege.

Mr. Poulin: Mr. Speaker, I was sitting in another seat speaking to the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Marchand) when the hon. member for Hastings (Mr. Ellis) wondered whether the hon. member for Ottawa Centre wished to contribute to this debate. Indeed I do, but in a positive way, as I have in a positive way outside the House. Additionally, I would hope to promote the amateur side of sport, to increase participation—

Mr. Baker: Mr. Speaker, I suggest that is hardly a point of order.

Mr. Speaker: Order, please. The hon. member rises on a question of privilege and there are two members rising on points of order. However, the Chair brings to the attention of hon. members that it is four o'clock and time to go to private members' business.

[*Translation*]

It being four o'clock, the House will now proceed to the consideration of private members business, as listed in the order paper, namely notices of motion and public bills.

[*English*]

Mr. Lefebvre: On a point of order, Mr. Speaker, there have been discussions and I think you will find there is agreement to discuss private members' public bill C-112 standing in the name of the hon. member for St. John's East (Mr. McGrath), and that private members' notice of motion No. 6 standing in the name of the hon. member for Meadow Lake (Mr. Nesdoly) will be discussed on Monday.

BUSINESS OF THE HOUSE

Mr. Baker: On a further point of order, Mr. Speaker, might I ask the acting government House leader either to confirm or deny that we will be proceeding with this legislation on Monday, the football legislation?

Mr. Drury: Mr. Speaker, it had been hoped that the debate on this particular bill would be concluded today.

Some hon. Members: Oh, oh!

Mr. Drury: We will tentatively continue, and hopefully conclude, the debate on Monday, with the possibility of a further vote at a later stage. Following that we will proceed with the Export and Import Permits Act for which there has been some urgent demand on behalf of the egg producers.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BROADCASTING ACT

ADVERTISING ON CHILDREN'S PROGRAMS

Mr. James A. McGrath (St. John's East) moved that Bill C-112, to amend the Broadcasting Act (advertising on children's programs), be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

He said: Mr. Speaker, I wonder whether the record could show that the seconder of the bill is the hon. member for Cochrane (Mr. Stewart), the distinguished chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Speaker: At the moment the record shows otherwise, but this can be done with consent. With the consent of the hon. member for Kingston and the Islands (Miss MacDonald) and the House, the seconder of the motion will be the hon. member for Cochrane (Mr. Stewart). Is that agreed?

Some hon. Members: Agreed.

• (1600)

Mr. McGrath: Surely this is one private member's bill whose time has come. This is the last vestige of child exploitation in Canada. To support that contention I will just very briefly fill the House in on the background to this bill. It was first introduced in the House on April 7, 1971. I might say that since the bill received first reading, considerable progress has been made in this area of long overdue reform. For example, following the introduction of the bill on October 13, 1971, the Canadian Association of Broadcasters drew up a voluntary code of conduct for advertising directed to children, and following the drafting and publication of that code the bill received second reading. At that time, I am sad to say, it was talked out. However, the germ of the idea had been planted and the box had been opened.

Following second reading of the bill, the Quebec government, in November 1972 under the limited jurisdiction it has in this area, brought in regulations under one of its existing statutes making it all but impossible for advertisers within the province of Quebec to direct their sale messages to children or, indeed, to produce commercials directed to children. That certainly was one of the major steps forward in this direction.

The bill was again introduced in the form of Bill C-22 at the next session on January 15, 1973. To give you an idea of how much progress had been made up to that time, as a result of the initial introduction of the bill and the coming into play of public opinion and various groups that sprang up across the country in support of the bill, the House agreed to a compromise at that time whereby the bill would be withdrawn in exchange for which the subject matter of the bill would be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

The committee met, and after nine sittings and hearing 32 witnesses under the distinguished chairmanship of the hon. member for Cochrane it made its report to parliament in the form of five recommendations, which I might say are very interesting and with a very worth-while preamble. I will not go into that preamble but I think the record should show what the committee recommended in its report. The recommendations are as follows:

1. that the CRTC pass regulations which would provide that advertising must not be directed exclusively to children;

2. that the CRTC limit further the number of commercial minutes per hour during children's programs;

3. that the CRTC require the deletion of advertising directed to children from American programming distributed on the Canadian cable systems;

4. that the Income Tax Act be amended so that advertising directed at Canada on foreign television stations would no longer be considered deductible for income tax purposes;

5. that ways and means be found to expand the Canadian program production industry with particular emphasis on the creation of children's programs.

We should determine exactly what is the position of this bill in relation to those five recommendations put forward by the committee. For example, during the course of the committee hearings the CAB and the CAAB announced that they would bring in further amendments in order to strengthen the broadcast code for advertising directed to children to take effect October 1, 1973, and still further amendments were to be brought in to be effective January 1, 1974. At the same time as the committee was meeting, the Consumers' Association of Canada, at its annual meeting in June 1973, in Ottawa passed a resolution urging the government to ban all advertising on television directed toward children.

The report of the committee containing the five recommendations was concurred in unanimously by the House of Commons on July 24, 1973. At that time the CRTC took some time to consider the impact of the concurrence in the committee's report by the House and did not issue its statement until October 16, 1973. At that time the CRTC responded by saying it would enforce the voluntary code but it would not subscribe to the principal recommendation of the committee, namely, the implementation of a regulation. It is rather interesting to see what the commit-

tee said about the voluntary code and its effectiveness. It said:

> The Canadian Association of Broadcasters and the Canadian Advertising Advisory Board presented a good case for self-regulation through the new broadcast code. However, it is the opinion of your committee that any code, regardless how excellent in itself, would need a much tougher enforcement system.

Therein lies the argument in support of putting this bill forward today. Mr. Juneau at that time was quoted as saying, and I read from the Toronto *Star* of October 17, 1973:

> But CRTC chairman Pierre Juneau said in an interview that parliament will have to pass a law if it wants the commission to ban advertising aimed at children.
>
> Just endorsing a committee report is not enough.

It is in compliance with that wish of the CRTC contained in that interview, notwithstanding the procedural or constitutional argument that is involved here and which I hope will be advanced by other members, that the bill has been reintroduced in a slightly revised form, with a new clause (1) added to cover any difficulties with the present law, because it has been argued with a great deal of force that the present broadcasting law does not in fact, in section 16, give the CRTC the power to implement this kind of regulation to regulate broadcasting in Canada. The bill in its present form would certainly meet the requirement put forward by the chairman of the CRTC in his statement of October last.

As I say, considerable progress has been made and I think it is worthy of noting for the record, but the fact is that parliament was frustrated in its efforts to pass a directive in the form of a recommendation to a body that had been given broad delegative authority by this House. I would refer to what Your Honour said in this House on October 24 last year, as reported at page 7174 of *Hansard*, in ruling on a petition I had presented to the House the previous day. I adopted this infrequently used parliamentary device to bring to the attention of the House, through Your Honour, the fact that recommendations of the House were not being implemented by a body which derives its authority from this House. Your Honour stated:

> I appreciate the position of the hon. member and his suggestion that this is a matter which ought to be considered either by the House or by a committee of the House. I respectfully suggest to him, however, that the procedure which should be adopted should be some procedure other than a petititon.

I sought the advice of the learned counsel of the House and others, and came to the conclusion that perhaps the only avenue left open to me was to proceed again with the introduction of this bill in revised form, in the hope that the House would be disposed, having already passed judgment on the bill in the previous session, to adopt it, get on with second reading, into committee of the whole—since we have been through the standing committee stage—and give it third reading so it could go on to the other place.

● (1610)

I said at the commencement of my remarks that I feel that surely here is one private members' bill whose time has come. To bring the situation up to date, further progress can still be reported. The CRTC, in its decision of March 31, 1974, concerning the application for licence renewal of the CBC, laid down certain conditions in respect of renewal of the CBC licence. Commercials were to be eliminated from children's television programs by the end of 1974. I say that is commendable.

The CRTC has gone a long way toward meeting the wishes of this House, and indeed in meeting the wishes of the majority of the people in this country. Gallup conducted a poll in Canada early this year, in January, which was released last month. That nationwide survey was a major survey coast to coast. There were 1,037 adults included, which in the opinion of Gallup constitutes a major poll. The poll showed that 57 per cent of the people of Canada favoured a direct ban on all children's advertising in Canada.

It is very interesting to note the figures in this regard in the various areas of Canada. The Atlantic provinces favoured the plan by a margin of 65 per cent. The percentage in the province of Quebec was 55 and the Ontario percentage was 59. In the prairie provinces the percentage went down to 49, and went back up to 64 in British Columbia. So there is no question that the people of Canada obviously want the last vestige of child exploitation eliminated from Canadian society.

I do not know the position of the House in respect of this bill. Certainly it must be without precedent to have the CRTC ignore a bill which has been disposed of by the House and which has had its subject matter referred to the committee—because I agree to withdraw the bill subject to its subject matter being referred to the committee—a subject matter in respect of which the committee carried on an exhaustive examination of over 30 witnesses and then laboured to bring forward what I think is a fairly exact report, notwithstanding some of the criticisms, in which the House unanimously concurred.

This is the situation at the present time. Having consulted learned counsel of the House, in accordance with your ruling on my petition last year, Mr. Speaker, I came to the conclusion that the only opportunity open to me was to bring forward this bill and take advantage of the situation to state for the record the progress that has been made in this matter. I shall not take up the time of the House by going through the evidence, because it is here. It is well documented in these nine reports of the Standing Committee on Broadcasting, Films and Assistance to the Arts.

In addition to that, on two previous occasions this bill was presented to the House, when all the evidence and statistical data was brought forward. It is all a matter of record. We have made considerable progress in Canada, but the fact is that we feel we are right in respect of this matter and that the people of Canada support us. Surely in this regard we should not to have to ask for half a loaf, because if we are right that the situation is reprehensible and unacceptable to the people of Canada, then we can only settle for this bill in its totality. That is the position I put forward to this honourable House at this time.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, my remarks will be very brief. It is a pleasure for me to second the bill of the hon. member for St. John's East (Mr. McGrath) because I think he had no other choice but to bring it back into the House. He should not have had to bring it back. We should not have to discuss it today, because the House has already dealt with it. The committee dealt with it at length. Many witnesses were called before the committee and the committee came up with a

report which I think was a satisfactory one because it reached a conclusion that satisfied the majority of the people in this House. That became obvious when we asked for concurrence and the House unanimously gave concurrence.

It would seem to me that once this happens, a corporation of the Crown has a very grave obligation to follow the recommendation contained in a committee report which has been concurred in. I note that in October the chairman of the CRTC stated that parliament would have to pass a law if it wanted the commission to ban children's advertising. I believe the chairman of the CRTC stated that mere endorsement of the committee report is not sufficient. When the CRTC brought out its regulation in respect of the CBC a couple of weeks ago and spoke about not renewing the licence unless certain things came about, it seems to me the commission did not wait for a law of parliament to do that.

In addition, although legally speaking a corporation such as the CRTC does not have to go along with the committee report, it would seem that once concurrence has taken place in the House of Commons and 264 representatives of the people of Canada have endorsed the committee's report, a Crown corporation that would fly in the face of that kind of representation is taking an awful chance indeed if it refuses to comply with the wishes of parliament.

The question before us today, in my view, basically is not the bill itself. The committee recommended that a regulation be passed by the CRTC in order to prevent advertising aimed directly at children. This is essentially what the committee said. So the question is not on the pros and cons of advertising for children but, in my view, whether or not this parliament has the kind of authority that I always thought it had, which most of us feel it has and which the people of Canada expect it to have. Is it the right of a corporation of the Crown to unilaterally decide, against the advice of this House, to do such-and-such or not to do such-and-such? It seems to me this problem is far deeper than the question of children's advertising and that it goes to the very root of the authority in this country, an authority which is being removed from parliament as a result of the power held within Crown corporations.

I think that is the question to which we should be addressing ourselves in the weeks ahead, because certainly if the CRTC can ignore this House on a matter such as this and simply say it will not pass a regulation which the House says it wants passed, then it would seem that the Crown corporations can do much more which is against the will of the people of Canada. That, to me, is the essential situation with which we are faced. This is the reason I feel it is my duty to endorse this bill proposed by the hon. member for St. John's East. It is my duty to say a few words on this subject today because I feel that this House must accept the bill in order to let the CRTC know they are not running the show in Canada but that the parliament of Canada has the last word.

● (1620)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I join the hon. member for Cochrane (Mr. Stewart) in commending our colleague, the hon. member for St. John's East (Mr. McGrath), for bringing this bill before us today. Although we are dealing with a technical question, namely, how to get our will translated into practice, perhaps it is appropriate to take at least a few seconds to say that we in this party thoroughly support the substance of the proposition which is that commercial advertising should be eliminated completely from television programs directed at children. As the two previous speakers have made clear, this point has been well established and well accepted by this House and by organizations that are interested in the welfare of our children. On that point I suggest there is no serious argument. Commercial advertising should be banned completely from television programs directed at children.

However, we come to the question as to how we are going to achieve this, and I have to say that in listening to my friend the hon. member for Cochrane I found myself in a strange position. Let me digress for a moment and say that I read with a good deal of interest again today the ruling Your Honour made on October 24, 1973, with respect to the petition which the hon. member for St. John's East had tabled. In that ruling Your Honour pointed out that the House had not been able to effect its will by approving certain recommendations. In other words, that course was not effective. But you also made the point that because parliament had delegated control of broadcasting to the CRTC, we could not get around the statute that had been passed and give them direction on the basis of a petition.

Then, in what I thought was a sympathetic reference on Your Honour's part, you suggested that the hon. member for St. John's East should find some other procedure. Well, I do not know what learned counsel my friend consulted, but it would seem to me that any counsel, learned or otherwise, would come up with the obvious answer that if recommendations of the committee do not do the trick, if a petition cannot be approved, then there is no other course but to bring in a bill amending the statute that gives the CRTC its authority. Therefore, I support what the hon. member for St. John's East has done, and I shall try to keep my remarks brief in the hope that we can pass this bill within the hour.

When I said a moment ago that I find myself in a strange position, especially after listening to the hon. member for Cochrane, I had in mind that about three days ago I introduced in the House a bill to abolish the Senate. I did not get along very well with it: it was talked out. That has happened before. I have been at it for 30 years. However, I have almost succeeded; there are only two or three of Their Honours who were here when I came left in the other place. But here I am having to stand and say to the hon. member for Cochrane, I, the proponent of the abolition of the Senate: but the place exists—and since the CRTC operates under a statute that was passed not just by the House of Commons but by parliament, in other words, all three branches of this institution, we cannot, as one branch of the institution, say to that commission that it must do what we say. The authority we gave the CRTC by a statute of parliament can only be altered by amending that statute.

I do not like it that way; I would rather that my bill to abolish the Senate were carried and that the will of the elected members would prevail. But at the moment we

still have this antiquated system under which we bow to the opinion of non-elected persons, and since that is the situation I think Your Honour was right in your ruling that the only way we can give a direction to a commission established by parliament is for parliament to amend the statute that gave that commission its authority.

Therefore, I believe that the hon. member for St. John's East is doing the right thing. Perhaps some day we will get rid of the Senate and we will be able to do this in some other way; but at the moment we have to do it this way. Therefore, I commend the hon. member for bringing in this bill, I commend him for making it so brief and so much to the point, and I commend him for drawing it up in a way that even meets the wishes of the chairman of the CRTC. I hope, therefore, that we will pass this bill and thus do our part in making it possible for parliament as a whole to say what we want done. When parliament as a whole has said it, it will be done.

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, I will not pursue the subject taken up by the hon. member for Cochrane (Mr. Stewart) and the hon. member for Winnipeg North Centre (Mr. Knowles), but would possibly refer to Bill C-112 itself and make an effort to see whether or not the feeling of the House is such at the moment that an alternative concept or arrangement might be satisfactory to all members present.

As the explanatory note in the bill points out, children are a captive audience. That is the evil that we are attempting to do away with, in the sense that as a captive audience they are subjected on some occasions to the abuse of a very unsatisfactory type of advertising. Alternatively, again as the explanatory note points out, the content of many of these programs directed at children is quite good, quite commendable, and it should be pointed out in all realism that the cost of producing those programs is very often borne by the revenues earned from advertising.

So we have a black and white situation in that we can call for the complete abolition of advertising and see some substantial damage done to the type of program production we would like to have, or we can look to a middle ground which over the course of six months or a year or so might prove to be more satisfactory and, I would suggest, would be worthy of our consideration.

The CRTC, in its public announcement on television advertising to children dated October 16, 1973, expressly indicated that the commission would bring its full influence to bear on broadcasters to ensure compliance with the provisions of the broadcast code on children's advertising. It was indicated that "all broadcasters would be required to provide the commission with specific individual commitments that they would abide by the code". However, it appears to be the view of members, some of whom have already spoken this afternoon, that even though the self-regulatory procedures of the broadcast code have proven somewhat effective, further assurances are required to ensure continuous, strict adherence to the code through legally enforceable procedures. The broadcasting committee, of which I had the honour and pleasure to be a member, when it presented its report in July, 1973, indicated that regardless of how excellent the procedures of self-regulation through the broadcast code might be, we need a tougher enforcement system. That was the essence of what we proposed to the House.

I am now informed by the commission that in conformity with its previous undertaking to ensure the effectiveness of the code and to meet the agreed objectives of all members of the House, the commission would undertake, first, to notify all holders of broadcasting licences in Canada and all applicants that adherence to the provisions of the broadcast code on children's advertising would be made a specific condition of each broadcasting licence. Second, the commission would require that a representative of the CRTC should formally represent the commission at all deliberations of the children's sections of the advertising standards council which have the responsibility for pre-clearing all children's commercials. In this way the commission would participate in and have full knowledge of all advertising that was being approved for children for broadcasting in Canada.

● (1630)

If I may summarize, broadcasters would be warned that the very existence of their licence and the possibility of its renewal depends upon their co-operation with the CRTC in clearing up abuses in advertising. The CRTC, as mentioned, has undertaken to sit in on the meetings of the council to assure this House and the public that only the most acceptable form of advertising will be permitted.

I realize that many people are of the opinion we should do away altogether with advertising directed toward children. I suggest to the House and to the hon. member for St. John's East (Mr. McGrath), to whom I pay a personal compliment for pursuing this subject for so long, that an alternative to his private member's bill might well be the regulations to which I have just referred which emanate from the CRTC. Mr. Speaker, as other members wish to speak I will cede the floor to them.

Mr. Walker: On a point of order, Mr. Speaker, as the undertakings of the commission, as repeated by the hon. member for Lachine-Lakeshore (Mr. Blaker), are most important, and as I have no copy of the statement in which the undertakings are included, I wonder if it would be possible to ask the hon. member to repeat again the particular commitments of the CRTC as outlined in his speech.

Mr. Speaker: I do not think there is any objection to that, although I remind hon. members that all that was said by the hon. member for Lachine-Lakeshore (Mr. Blaker) will appear in *Hansard* on Monday. However, if hon. members wish to hear the hon. member for Lachine-Lakeshore repeat part of his speech a second time, I have no objection. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: I gather the hon. member for St. John's East (Mr. McGrath) rises on the question.

Mr. McGrath: Mr. Speaker, to facilitate our proceedings I wonder if I could direct a question to the hon. member before he complies with the worth-while suggestion of the hon. member for York Centre (Mr. Walker). I suggest,

however, that it is not necessary to repeat the undertakings as they will appear in the record.

I ask the hon. member if the position he has put forward represents the position of the Minister of Communications (Mr. Pelletier) who is the only one with authority to speak for the CRTC in this House. I think it is important to establish that. Secondly, as the hon. member referred to the fact that the CRTC would make adherence to the code a condition for obtaining a licence, and that it would insist on being represented on the committee of the advertising standards council, would the commission be prepared to help that council which I understand is underfinanced, overworked and understaffed? In other words, the council does not receive the kind of financial support it should receive from member companies and member stations.

Mr. Blaker: Mr. Speaker, answering the hon. member for St. John's East, I suggest that the CRTC, like any other government agency, answers to the minister. In that sense I suggest the hon. member ought to draw his own conclusions as to whether this constitutes an undertaking. In ordinary circumstances he would draw the obvious conclusion that if the CRTC makes such an undertaking, it would do so with the approval and understanding of the minister. With respect to financial support, I would have to disappoint the hon. member and suggest it is not relevant to the subject before us. I could not answer that question.

Mr. McGrath: On a point of order, Mr. Speaker, I listened with great attention to the suggestion put forward by the hon. member. I understand he was speaking for the minister. If that is the case, to save the House the embarrassment of having to talk out this bill, and as we have made some progress, I am prepared, with the consent of the House, to withdraw the bill and to see exactly how this new enforcement of the voluntary code will work over the next year. Perhaps we will make our decision one year from now.

Mr. Speaker: Before recognizing the hon. member for Argenteuil-Deux-Montagnes (Mr. Fox) may I say that I understand the hon. member for St. John's East suggests that his bill might be withdrawn. Perhaps before inquiring whether there is consent for this we might allow the hon. member for Argenteuil-Deux-Montagnes, who appears to have words of wisdom for the benefit and guidance of hon. members, to speak. Is the hon. member for Madawaska-Victoria (Mr. Corbin) rising on a point of order?

[*Translation*]

Mr. Corbin: Yes, Mr. Speaker. I too would have liked to say a few words on the bill, but I certainly agree with its proposed withdrawal, or passage, not knowing the exact terms of the agreement. However, I would like to have some comments recorded in *Hansard*.

[*English*]

Mr. Speaker: I gather there is no translation. The hon. member is claiming the same right that the hon. member for Argenteuil-Deux-Montagnes claims. He does not object to the bill being withdrawn, subject to his right to say a few words.

[*Translation*]

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, I followed with much interest the speeches delivered this afternoon in the course of this debate. Personally, I am against advertising aimed at children. I also listened with considerable interest to the statistics given by the hon. member for St. John's East (Mr. McGrath) with regard to Gallup polls. I have also had the opportunity of conducting my own miniature Gallup poll in my riding through a parliamentary report, and my statistics are even more eloquent than those we have heard. Out of 1,500 replies from my constituents, almost 99 per cent were opposed to that type of advertising.

I feel the proposal of the hon. member for Lachine-Lakeshore (Mr. Blaker) made on behalf of CRTC shows real progress. However, I must say that this is not quite enough. I would be willing to agree to the withdrawal of the bill, but I feel we should go further. In my opinion, the conditions for the renewal of the licence recently granted to the CBC by the CRTC required that the CBC discontinue all advertising meant for children at the end of 1974. I really think that we should follow such direction.

As a temporary solution, I am ready to agree that the CRTC should closely administer the voluntary code already mentioned by the hon. member for St. John's East but I do not intend to give you again an historical account of the debate as the hon. member did.

In short, this is not only a problem of advertising for children but is also related to the production of children's programs. But there are other means to ensure the production of first-rate programs. I know that all members are aware of that problem and that it is a problem which is of concern to us all. The fact remains that with its own resources the CBC can produce first-rate children's programs. We also have in Canada the National Film Board as well as the Canadian Film Development Corporation. It might be time that the latter, which has already done a lot for film development in Canada, paid more attention to the development of good TV programs for children.

Moreover, provincial Departments of Education, like some educational TV organizations in the U.S., should allocate more funds for the development of quality children's programs.

Mr. Speaker, I think in principle that we should see to it in the future to prohibit all advertising directed at children under 13, as suggested in the bill put forward by the hon. member. As a temporary measure, it might be possible to instruct the CRTC to carefully review the present system with a view to abolishing eventually all advertising, while asking other concerned organizations that come under the jurisdiction of the Parliament of Canada to allocate a larger share of their financial resources for the development of children's programs of high quality.

● (1640)

[*English*]

Mr. Jim Fleming (York West): Mr. Speaker, I, too, will be very brief. I agree with the suggestion to withdraw this bill in order that it is not talked out and we can make some progress on the matter. I commend the hon. member for St. John's East (Mr. McGrath). I do not often find

myself agreeing with him, but in this matter I certainly do. I think the intent of his bill is very good.

There are several problems related to the situation were this bill accepted and passed today that I wish to mention. While I very much approve of the intent of the bill and hope that its withdrawal and the action pledged by the CRTC will improve the situation, I want to express my own very real concern. United States penetration of a great part of the Canadian market will remain a very real problem unless we find a way to fight it. In areas of Canada where U.S. television is received, children will still be able to watch programs which contain the kind of advertising we are trying to eliminate.

There is also the great danger that if a means is not found by the government or the CRTC to develop Canadian programming for children, such as animation, cartoons and other types of children's films in the private sector, it will place in jeopardy Canadian programming for Canadian youngsters. If advertising is simply removed from children's programming in Canada and some sort of pressure is not put on private broadcasters to continue children's programming, there will be not only the danger of the removal of programming for children but the aspect of driving our youngsters to watching American programming with the advertising it contains.

These were simply the points I wanted to make. I hope the government and the CRTC will be cognizant of these very real problems. We need a Canadian industry producing films for children. We need children's programming and good Canadian programming in the private broadcasting sector of Canada. One of the recommendations in the committee's report—and I am sure the hon. member for St. John's East agrees with it—is that action must be taken by the government to remove the advertising deductibility from tax for Canadian companies advertising in Canada through American channels.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I would like to take this opportunity to say that the two commitments made by the CRTC, or its chairman, do not cover a situation which seems to be covered in the bill introduced by the hon. member for St. John's East (Mr. McGrath).

I congratulate him and I want to say to him that he has my full support, because I have been concerned about this problem for quite a while. I was concerned about it even before he introduced his bill in this House. I think he deserves credit for publicly bringing that question to the attention of this House.

The two CRTC commitments apply specifically to advertising directed at children on children's programs, but there are identification periods for local stations between programs, commonly called station breaks, and private stations use that period for advertising that is obviously not intended for children, but that children watch nevertheless. That has been brought to my attention, and I found out myself that some television stations used that period on children's programs to advertise pornographic movies, for example.

The people in the area I represent are deeply concerned about that, all the more as they have no local television station. They have no local production so they depend on a satellite station in the province of Quebec and cannot therefore intervene effectively.

A mother sent me a letter on December 7 along with a copy of an article she sent to a local newspaper about the station using identification periods to advertise pornographic movies for local cinemas.

I immediately brought that serious problem to the attention of the CRTC and it took a while before I received a reply but, practically speaking, Mr. J. H. McKernin, regional representative for the Atlantic provinces wrote the following to CJBR-TV station manager, Mr. Walter Ruest:

> You will find herewith copy of a letter from the hon. member for Madawaska-Victoria, Mr. Eymard Corbin,—
>
> The complaint can be divided specifically into three components:
>
> They object to the promotion of violence and pornographic movies;
>
> They object to the showing of such advertisements at a time when children are normally watching TV;
>
> They object to "practically any advertisement directed to young children".
>
> These are questions which, as you know, are of great concern to the Commission. We feel that this is a serious complaint and would you please send us your comments as well as a copy of your answer to Mr. Corbin.

They complied with this request on February 12 and, for all practical purposes, made apologies. They claimed they had lost the recording tape of this flash and that they generally keep a close watch over all material promoting pornographic movies.

● (1650)

And yet, Mr. Speaker, the situation is not improving. On April 4, a Madawaska newspaperman from *Le Madawaska* wrote to me about this situation which, instead of improving, is deteriorating. He concluded his letter with the following remark, and I quote:

> By the way, please do not believe that I am a scrupulous man of the colonial era; quite the contrary, I am a 34 year old father who feels that it is ridiculous and inconceivable that someone should pollute the TV screen before the eyes of our young children.

The problem which concerns me most, Mr. Speaker, is the fact that advertising flashes before and after the station identification does not appear to be covered by the promise made today to the House by the CRTC. I therefore strongly urge the CRTC to consider also the question of advertising between programs for children.

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I would simply join my colleagues in saying that I agree that this bill be withdrawn. For quite some time, I have been concerned with this important matter because of the many representations I have received on the subject. I would simply say that it is high time that a stop be put to the creation of needs in the minds of youth, especially of young children. If those in the know would watch commercial advertising on television—and I think that the hon. member who brought forward the bill is in a better position than we to know—they will find, very often with great sorrow, how this amazingly intelligent publicity is aimed directly at children. We should consider all the unhappiness that can be brought in a great number of

homes. I refer in particular to large families in dire need of money, where the children ask incessantly for everything they see on television. It is therefore high time and most healthy that such a bill be implemented as soon as possible. So I am pleased to agree that the bill be withdrawn and I join with the hon. members who preceded me.

[*English*]

Mr. Speaker: Is it agreed that the hon. member shall have leave to withdraw his bill and that the order be discharged?

Some hon. Members: Agreed.

Broadcasting Act

Order discharged and bill withdrawn.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

[*Translation*]

Mr. Speaker: Is it the pleasure of the House that the chair call it five o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being five o'clock, the House stands adjourned until two o'clock on Monday afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 22, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FLOODS

SASKATCHEWAN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the widespread flooding and immense damage to private property by flood waters in the province of Saskatchewan, particularly to such communities as Moose Jaw, Regina and Lumsden, and as the province of Saskatchewan has declared the Moose Jaw area as being in a state of emergency, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call upon the federal government to provide financial assistance to those detrimentally affected by the flood conditions.

Mr. Speaker: The motion is put forward under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. Neil (Moose Jaw): On a point of order, Mr. Speaker, I have a similar motion with respect to the city of Moose Jaw which suffered millions of dollars of damage over the weekend.

Mr. Speaker: There is no difficulty in the hon. member putting the motion now, and I recognize him for that purpose.

MOOSE JAW, SASKATCHEWAN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the tragic flood conditions in the city of Moose Jaw during the past few days, which have caused losses amounting to several million dollars, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the government give consideration to declaring the Moose Jaw area a national disaster area.

Mr. Speaker: Again I remind the House that this is a motion under Standing Order 43 which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

AGRICULTURE

SUPPLY AND PRICE OF FERTILIZER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to present a motion on a most urgent matter.

In view of the serious problem of chemical fertilizer supply, as well as the uncertainty regarding the prices farmers will have to pay as sowing time is approaching, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House inquire about the causes of the price increase in this area, and appoint experts to ascertain whether there is a cause-effect relationship between the use of chemical fertilizers and the increasing number of cancer cases and whether Canada would benefit more from a more biological and less chemical type of farm industry?

Mr. Speaker: Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

HEALTH

TRANSPORT OF NEEDED MEDICINES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, under the provisions of Standing Order 43 I move, on a matter of urgent and pressing necessity, seconded by the hon. member for Montreal-Bourassa (Mr. Trudel):

That in view of the disruption caused to the supply of needed medicines across Canada, particularly to St. John's, Newfoundland, the government consider the use of military aircraft to alleviate the immediate delivery problem.

Electoral Boundaries Readjustment Act

Mr. Speaker: The hon. member's motion requires the unanimous consent under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There appears to be consent. The motion will be put. There is a suggestion that an hon. member said no. I will inquire again. Is there consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Speaker: Apparently there is not unanimous consent.

* * *

AIR CANADA

WITHDRAWAL OF CERTAIN SERVICES TO NEWFOUNDLAND—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I would like to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. Air Canada officials have committed and redirected aircraft regularly destined in and out of Newfoundland on April 21, 22 and 23 to other parts of Canada even though the firemen were out for only 24 hours and returned to work on April 21. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That in the opinion of this House the Ministry of Transport should immediately reinstate these flights and that action be taken to correct this discrimination by Air Canada officials against some sectors of Canada.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY FROM "MIDDLESEX" TO "MIDDLESEX-LONDON-LAMBTON"

Mr. William C. Frank (Middlesex) moved for leave to introduce Bill C-281, respecting the Electoral Boundaries Readjustment Act.

An hon. Member: Explain.

Mr. Frank: The purpose of this bill is to change the name of the constituency I represent to a name that will more fully recognize the geographic area it encompasses.

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

[Mr. Herbert.]

RAILWAY RELOCATION AND CROSSING ACT

PROVISION FOR PLANNING, ACQUISITION OF LAND, GRANTS, GRADE CROSSING ASSISTANCE

Hon. Jean Marchand (Minister of Transport) moved for leave to introduce Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an anterisk.)

PROVISION OF CANADIAN ARMS AND EQUIPMENT TO PORTUGAL

Question No. 8—**Mr. Rowland:**

What steps has Canada taken in order to ensure that Canadian arms and equipment which may have been provided to Portugal through our mutual association in NATO are not being employed against independence movements in Portuguese colonial territories?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As has repeatedly been stated, we have sold no arms to Portugal since 1963. Even sales of non-offensive equipment (such as spare parts and engines for transport aircraft) have been made only on the assurances from Portugal that such equipment will not be used outside the NATO defense area. If evidence were to be produced that Canadian equipment over whose export the Canadian government had control was being used by the Portuguese in Africa, this government would prevent further exports.

AIRCRAFT ACCIDENTS

Question No. 150—**Mr. Forrestall:**

For each of the past five years, what has been (a) the number of air accidents involving Canadian aircraft (b) the number of such accidents that involved fatal injuries (c) the number of fatalities?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The following are the statistics requested with respect to accidents to Canadian registered aircraft.

Year	(a) Total Accidents	(b) Fatal Accidents	(c) Fatalities
1969	503	62	134
1970	531	54	220
1971	544	75	157
1972	615	84	160
1973	715	83	156

UIC—CLAIMS AND BENEFITS PAID

Question No. 336—Mr. Reynolds:

1. How many claims were made against UIC in (a) 1970 (b) 1972?

2. What were the total amounts paid on these claims?

Hon. Robert K. Andras (Minister of Manpower and Immigration):

1. Year		Initial Claims	Renewal Claims	Total
(a) 1970		1,678,969	581,877	2,260,846
(b) 1972	Old Act	241	71,400	71,641
	New Act	2,051,387	346,890	2,398,277
	Total	2,051,628	418,290	2,469,918

2. Year		Gross Benefit Paid $
1970		698,840,100.68
1972	Old Act	63,870,668.00
	New Act	1,814,845,947.00
	Total	1,878,716,615.00

FIRE AT KITWANCOOL INDIAN RESERVE

Question No. 403—Mr. Howard:

1. Has the Minister of Indian Affairs and Northern Development been advised of the death, since the beginning of 1974, of four children at the Kitwancool Indian Reserve which deaths resulted from a fire?

2. Is it a fact that fire hoses were not provided for the residents of Kitwancool but that a water system and fire hydrants were provided?

3. Is the minister aware that the only fire hose available was a discarded forest service fire hose which contained at least two holes and which the people at Kitwancool attempted to use to quell the fire in question?

4. Was a letter sent from the Regional Offices of the Department of Indian Affairs and Northern Development located in Vancouver to Indian Agency Offices in British Columbia at the end of November, 1973 stating that funds were available for the replacement of worn out and broken fire prevention and firefighting equipment and for the purposes of training firefighters and setting up fire prevention programs on Indian Reserves and, if so (a) were the contents of that letter drawn to the attention of the Kitwancools (b) were any steps taken by the department, or any section thereof, to take advantage of the offer contained in the said letter to provide fire hoses for the Kitwancools to go with the fire hydrants?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes.

2. The water system was installed in 1954 and it was equipped with fire hose.

3. The firefighting equipment in the village at the time of the fire consisted of dry chemical (ABC) extinguishers, 100 foot hose with nozzle, axes and shovels. The hose was too short to reach from the nearest standpipe and it was also defective.

4. (a) A letter from the regional office was sent to the districts and the bands in November 1973, advising of the availability of funds to replace unserviceable or worn out equipment. (b) No action was taken by the band but the district office ordered 500 feet of hose, nozzles and adaptors. Until received, 200 feet of hose had been borrowed from another location, but it arrived on the reserve on February 27.

AIR CANADA—LOCKHEED L1011 JETLINER SERVICE

Question No. 415—Mr. Mazankowski:

1. Since the inception of the Lockheed L1011 jetliner service by Air Canada, what is the record of on time arrival and departure performance in percentage figures?

2. Is this percentage satisfactory to Air Canada?

3. If the record of on time performance is below satisfactory standards, what are the major reasons for failure to achieve an acceptable standard?

4. Is the mechanical and operating performance of the Lockheed L1011 satisfactory to Air Canada management and is the performance consistent with the predictions of the manufacturer?

5. (a) How many L1011s does Air Canada presently own (b) what was the purchase price (c) how many are on order and still to be delivered?

6. (a) What are the present routes designated for the L1011 (b) are additional routes being proposed and, if so, what are they?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1.

1973	Per cent Departures Within five Minutes	Per cent Arrivals Within five Minutes
March	58.5	52.9
April	47.2	48.6
May	25.7	32.4
June	11.0	15.4
July	10.7	22.0
August	12.6	26.7
September	32.3	50.4
October	52.1	59.2
November	42.2	45.3
December	26.7	30.4
1974		
January	27.9	30.9
February	47.0	57.0

2 and 3. These percentages are below the system average for all types of aircraft now in Air Canada's fleet. However, this is not unusual for a new aircraft type. As with other new aircraft types introduced in the past, level of performance will improve as the airline gains operating experience with the L 1011.

4. Mechanical performance has reached 95 per cent mechanical dispatch reliability. This level of performance is comparable with that of the two main U.S. carriers using this equipment. Performance goals set by the manufacturer for the first three years of operation were overly optimistic and have not been reached by any wide-bodied fleet to date. However, mechanical performance is consist-

ently improving and should achieve 97.5 per cent dispatch reliability in the second year of operation.

5. (a) Nine L 1011s are now owned. In addition, two aircraft are leased for six months (May through October) each year for 15 years (1973-through 1987). (b) $17.65 million per aircraft. (c) Ten L 1011s were ordered, with one aircraft yet to be delivered.

6. (a) Montreal-Toronto-Vancouver; Toronto-Calgary-Vancouver; Toronto-Edmonton-Vancouver; Toronto-Winnipeg; Toronto-Halifax-Torbay (summer schedule); Toronto-Tampa (winter schedule); Montreal-Toronto-Los Angeles; (b) Montreal-Halifax.

AVAILABILITY OF FEED GRAIN CARS

Question No. 435—Mr. Howie:

How many railway cars capable of transporting feed grains were available in Canada on February 1 in each year 1972, 1973 and 1974?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): CNR and CP Rail inventory of six-foot door boxcars, which are used in feed grain and other commodity service, was 54,399, 48,967 and 45,320 as of February 1 of years 1972, 1973 and 1974. Over the past three years a substantial amount of the six-foot door cars were converted to wider door sizes, to offer more flexible service with respect to other commodities. CNR and CP Rail inventory of covered hopper cars, which are capable of transporting feed grains and are assigned to carry fertilizer, potash and other commodities, was 12,329, 12,268 and 12,871 as of February 1 of years 1972, 1973 and 1974. The Canadian government owns 2,000 covered hopper cars which were purchased for grain services.

GOVERNMENT OF CANADA ANNUITIES

Question No. 448—Mr. Howie:

For each fiscal year ending March 31, 1971, 1972 and 1973 how many Government of Canada Annuities were sold and what was the total amount of money paid for them?

Hon. Robert K. Andras (Minister of Manpower and Immigration):

Annuities Sold Fiscal Year Ending		Total Amount Paid
March 31, 1971		$
Immediate Annuities	31	129,392.75
Deferred Annuities	31	8,581.08
Total	62	137,973.83
March 31, 1972		
Immediate Annuities	22	95,955.09
Deferred Annuities	29	24,671.97
Total	51	120,627.06
March 31, 1973		
Immediate Annuities	17	93,080.47
Deferred Annuities	21	18,941.35
Total	38	112,021.82

[Mr. Guay (St. Boniface).]

Annuities Sold Fiscal Year Ending Total over the three-year period		Total Amount Paid
		$
Immediate	70	318,428.31
Deferred	81	52,194.40
Total	151	370,622.71

DREDGING OF ST. LAWRENCE CHANNEL AT CAP-AUX-OIES, QUEBEC

Question No. 459—Mr. Lambert (Bellechasse):

1. With respect to the amount of $325,000 in the estimates of the Department of Transport for the 1974-1975 fiscal year relating to the dredging of the St. Lawrence channel at Cap-aux-Oies, Quebec (a) what distance will be dredged (b) what is the present width and the depth of the channel (c) what will be the width and the depth of the channel once the work is completed?

2. Were dredging operations carried out in this area of the St. Lawrence River during the 1973-1974 fiscal year and, if so (a) how much money was allocated for such works to March 31, 1974 (b) was the job carried out by the Department or by private contractor and, if by contractor, what was the name and address?

3. What are the works planned for the future years requirements of $1,850,000 as listed at page 27-20 of the 1974-1975 estimates?

Hon. Jean Marchand (Minister of Transport): 1. No channel dredging is contemplated in the St. Lawrence River at Cap-aux-Oies, Quebec. The amount of $325,000 in the estimates of the Ministry of Transport for 1974-75 fiscal year relates to provision of navigation aids required to delineate a channel compatible in depth with the channel now being deepened upstream from St. Jean d'Orléans to Cap Gribane to provide access for deep draft vessels to the Port of Quebec.

2. No dredging operations were carried out in the Cap-aux-Oies area during the 1973-74 fiscal year.

3. The works planned for future years requirements of $1,850,000 in the 1974-75 estimates relate to provision of structures in the river for permanent navigation aids and for floating aids.

FUNDS CONTRACTED TO EACH OF FIVE REGIONS IN CANADA BY DEPARTMENT OF COMMUNICATIONS

Question No. 500—Mr. McKenzie:

1. In the fiscal years 1972-73 and 1973-74, how much money was contracted to each of the five regions of Canada by the Department of Communications?

2. What was this in per capita terms for each region?

Hon. Gérard Pelletier (Minister of Communications): In reply to the above question, the Department of Communications submits the following:

Region	72/73	(Per Capita)	73/74	(Per Capita)
Atlantic	27,172	.0131	163,389	.0773
Quebec	4,047,019	.6689	6,188,177	1.0176
Ontario	12,197,026	1.5589	9,387,540	1.1825
Central	271,937	.0763	1,169,712	.3259
Pacific	206,673	.0898	65,610	.0276

PURCHASE OF MINGAN ISLANDS, GULF OF ST. LAWRENCE

Question No. 584—**Mr. Blouin:**

Have discussions or negotiations taken place between the government, specifically Parks Canada, and the Hudson's Bay Company for the purchase of the Mingan Islands, in the Gulf of St. Lawrence west of Havre St. Pierre and owned by said company?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): No discussions or negotiations have taken place.

CANADIAN PENITENTIARY SERVICE—OVERTIME PAY

Question No. 641—**Mr. Stackhouse:**

1. How much overtime pay was paid to employees of the Canadian Penitentiary Service in the years 1973, 1972 and 1968?

2. How much was paid to members of the custodial staff?

Hon. Warren Allmand (Solicitor General):

	1968–69 $	1972–73 $	1973–74 $
1.	1,013,000	4,213,855	8,700,000
2.	640,000	3,131,960	5,220,000

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QUESTIONS PASSED AS ORDERS FOR RETURNS

ATOMIC ENERGY OF CANADA LIMITED—RESEARCH EXPENDITURES

Question No. 268—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by Atomic Energy of Canada Ltd. on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—RESEARCH EXPENDITURES

Question No. 273—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of Energy, Mines and Resources on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

● (1410)

Mr. Cossitt: Mr. Speaker, I rise on a point of order. I should like to refer to several long unanswered questions which I have on the order paper dating back to last session. I refer to question No. 50 seeking information on trips made by the Prime Minister (Mr. Trudeau) since October 30, 1972, at public expense, and the occasions on which such trips involved addressing or appearing at Liberal party functions. Second, I refer to questions Nos. 45, 87, 88 and 89 seeking information on the extensive and expensive renovations being conducted at the Prime Minister's official residence in Ottawa and his summer residence at Harrington Lake. Finally, I draw the attention of the parliamentary secretary to question No. 407 of this session asking for information concerning reports that Mr. Martin O'Connell, principal secretary to the Prime Minister, has been spending government time in the constituency of Scarborough East showing pictures of the Prime Minister to school children.

May I ask the parliamentary secretary whether he can guarantee to the House that these questions I have mentioned which have long stood unanswered will be answered before the imminent collapse of the government takes place?

Some hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

POST OFFICE

POSTAL WORKERS' STRIKE—SPECIAL MEDIATOR—AUTHORITY FOR APPOINTMENT—TERMS OF REFERENCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister in respect of the postal difficulties. Last week the Postmaster General indicated that those on strike would have to return to work before the Post Office would be prepared to sit down with them to discuss a solution to the coders' problem. A special mediator has now been appointed. I ask the Prime Minister, under what authority was he appointed and who made the appointment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a special agent, Stanley Hartt, who is intervening in this, and I will ask the Postmaster General to reply to the question of the Leader of the Opposition.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, on the initiative of Mr. Finkelman, the parties agreed that a third party should be invited to discuss with them with a view to finding a solution to the postal conflict. At Mr. Finkelman's suggestion, Mr. Taylor was therefore appointed and meetings are now being held between the two parties and Mr. Taylor.

[*English*]

Mr. Stanfield: I should like to ask the Postmaster General what the terms of reference of Mr. Taylor, the special mediator, are? Has he any authority, for example, to discuss a solution to the coders' problems before there is a return to work? In other words, has he any authority to discuss a solution to the coders' problems other than within the terms laid down by the minister in the House last week and outside the House also?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I should not like to interfere with the work Mr. Taylor has undertaken. That is why I am sure the hon. Leader of the Opposition will agree with me that any statement at this stage would likely make his work much more difficult.

[*English*]

Mr. Stanfield: Mr. Speaker, because it is of interest to the House and to the country I should like to ask the Postmaster General whether the position taken by the minister last week and stated quite firmly still stands or whether Mr. Taylor has authority to consider other methods of achieving a solution? After all, there is a national strike and the House needs some information concerning what the terms of reference are.

[*Translation*]

Mr. Ouellet: Mr. Speaker, the present strike is illegal. It is national in part only, in that postal employees are still at work in several places throughout the country. I feel, however, that it is important for me to say that I am very happy that a third party is now working towards a solution to the conflict, and I am quite willing to trust him with the job.

[*English*]

Mr. Speaker: There are three or four members seeking supplementaries. Perhaps we should try to complete the first round of questioning, following which I will recognize the hon. member for Hamilton West, the hon. member for Winnipeg North Centre and others.

* * *

FINANCE

INQUIRY AS TO DATE OF PRESENTATION OF BUDGET

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of Finance, who undertook to let parliament know the date of the budget this week, whether he is prepared to let us know that date today?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am prepared to let the House know the date this week.

Mr. Lewis: Mr. Speaker, may I ask the Minister of Finance what day this week he intends to announce the date of the budget?

Mr. Turner (Ottawa-Carleton): How about tomorrow, Mr. Speaker?

POST OFFICE

POSTAL WORKERS' STRIKE—AUTOMATION AND TECHNOLOGICAL CHANGE—INSTRUCTIONS TO MEDIATOR

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary for the Postmaster General. In light of the fact that automation and technological change are the two most important matters with which the postal people are concerned, can he advise whether or not the mediator has strict instructions in this regard, and is the minister in a position to elaborate somewhat in this area?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I repeat what I said a while ago; at Mr. Finkelman's request, Mr. Taylor intervened as third party, and I should not like any statement of mine to the House to complicate his work.

[*English*]

Mr. Alexander: In light of the very serious matter with which the mediator has to contend and in light of the fact that the postal workers are very concerned about job and wage security, were any specific instructions given the mediator in this regard, or is the minister prepared to sit on his fanny and be mum about that too?

* * *

● (1420)

PUBLIC SERVICE

INTENTION OF GOVERNMENT RESPECTING INCLUSION OF CLASSIFICATION WITHIN COLLECTIVE BARGAINING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the President of the Privy Council in his capacity as minister responsible to parliament for the Public Service Staff Relations Board. Can the minister say whether the government is giving consideration to proposing an amendment to the Public Service Staff Relations Act to include classification and reclassification within the terms of collective bargaining?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, as my hon. friend knows, Mr. Finkelman has brought forward two parts of his report on collective bargaining in the public service. It is expected that the final part of the report, which is a draft bill, will be tabled by the end of the month. At that time we intend to refer the whole question to a parliamentary committee, but before that time it is not the intention to bring in any amendments to the law.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the government be prepared to indicate to Mr. Taylor what its intentions are in this regard so that this information might help in the settlement of the present dispute?

Mr. MacEachen: The government has already undertaken that it will listen to the views of the employees, the employers, and members of parliament before making its

policy position known on the aspects of the Finkelman report.

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POST OFFICE

POSTAL WORKERS' STRIKE—POSSIBLE ACTION AGAINST UNION LEADERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Postmaster General a question. Can he tell the House what action he is contemplating against certain union leaders, as he suggested over the weekend, and what advice he is seeking from the Department of Justice? Will he also explain in his answer how that will bring about a settlement of the strike?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, we consulted our legal advisers about the procedures that could be followed. I think the matter is still under study and there is nothing else I could add for the moment.

[*English*]

Mr. Woolliams: Would the minister indicate whether this is a civil action or another kind of action, and also tell the House how any kind of proceedings of this nature would bring about an amicable settlement so we can get the Post Office back to normal?

[*Translation*]

Mr. Ouellet: Mr. Speaker, it would of course be in the best interest of all to get the employees back at work as soon as possible. I think the Canadian public is now convinced that this is an illegal strike and I hope that the majority of the employees will realize it is urgent that they return to work.

[*English*]

Mr. Speaker: Is the hon. member for Brome-Missisquoi rising on a supplementary question?

Mr. Grafftey: No, Mr. Speaker.

Mr. Speaker: I will recognize the hon. member in a moment. I will see the hon. member for St. John's East now.

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CONSUMER AFFAIRS

INCREASE IN PRICE OF BEEF—JUSTIFICATION ON BASIS OF RESTRICTION OF IMPORTS FROM UNITED STATES TREATED WITH DES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Has he satisfied himself that the latest increase in the price of beef in Canada can be justified on the basis of the move of the government to restrict imports of DES-treated United States beef into Canada?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am presently seeking further information about this question.

Mr. McGrath: While the minister is seeking further information I should like to point out to the minister—

Some hon. Members: Order!

Mr. McGrath: —that on April 10 the Food Prices Review Board said that in their opinion the restrictions on DES-treated beef imported into Canada should have no bearing whatsoever on the retail price in Canada. May I ask the minister, on the basis of that statement by the Food Prices Review Board, what steps he is taking to examine the latest increases in the price of beef which appear to be gouging the consumer?

Mr. Gray: I think my hon. friend is mistaken. The board as such has not yet pronounced itself on the subject. I understand it is meeting on April 25 and it is very likely that as a result of this meeting we will have more definite information to go on than the unsubstantiated press report on which my hon. friend may well be basing his question.

Mr. McGrath: I have a further supplementary question based on the same press report in the Toronto *Globe and Mail* of April 10 that carried the story regarding the Food Prices Review Board. The same article reported that the Minister of Agriculture had said he could see no justification for any increase in the price of beef on the basis of restriction of DES-treated beef imported into Canada. Will the minister now consult with the Minister of Agriculture and then tell the House what the report of these findings is?

Mr. Gray: Mr. Speaker, I am obviously in closer consultation with my colleague, the Minister of Agriculture, than the hon. member has been in consultation with agricultural spokesmen within his party who support the DES ban.

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THE CANADIAN ECONOMY

INTRODUCTION OF LEGISLATION TO DEAL WITH INFLATION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I direct my question to the Prime Minister. Has the Prime Minister consulted with his cabinet colleagues in order to ascertain when relevant and necessary legislation will be introduced in the House to deal with both domestically and internationally induced inflation, and is such legislation prepared and ready now?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the member is asking a very general question about the whole program which was proposed in the Speech from the Throne. Naturally, in the course of the session we will bring forth all of the matters proposed in the Speech from the Throne.

Mr. Grafftey: In view of the latest statistics which have come out since the Speech from the Throne, will the Prime Minister direct the House leader to suspend debate on the football bill and have such legislation introduced and debated immediately on the assumption, perhaps erroneous, that it is now prepared and ready?

Mr. Trudeau: Mr. Speaker, I should like to inform the member that the House can stop debate on the football bill at any time by allowing it to come to a vote.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair will recognize the hon. member for York-Simcoe, following which I shall see the hon. member for Assiniboia.

REASON FOR DROP IN REAL LABOUR INCOME ON INDIVIDUAL BASIS IN 1973—SPLIT IN FUTURE INCREASES IN REAL NATIONAL INCOME

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. If we accept the minister's representation that real output in our economy rose by 7.1 per cent in 1973, can the minister explain or at least reconcile for the House why real labour income on an individual employee basis fell by 1.8 per cent in the year, in contrast to other sectors of the economy which saw their real income jump by as much as 27 per cent?

Mr. Speaker: Order, please. The Chair will allow the minister to reply to the hon. member's question, but it seems to me that a question asked in those terms is more debate. The hon. member asks the minister to reconcile one position with another. That is debate, essentially. Perhaps the minister could reply briefly, following which I will see the hon. member for Assiniboia.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is advancing statistical information which really has to be answered in debate. I would be prepared to do so at the appropriate time.

Mr. Stevens: Mr. Speaker, may I ask a short supplementary of the Minister of Finance. Does the minister anticipate that any future increases in real national income will continue to be split 50 per cent to the corporate sector and 40 per cent to the eight million members of our Canadian labour force?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will deal with that more fully at an appropriate time.

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FLOODS

SASKATCHEWAN—FEDERAL FINANCIAL ASSISTANCE TO COMPENSATE FOR LOSSES—DECLARATION OF MOOSE JAW AS NATIONAL DISASTER AREA

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the Prime Minister. In view of the fact that areas of Saskatchewan, Moose Jaw in particular, are suffering from severe flooding and millions of dollars of damage have been caused up to this point, can the Prime Minister tell the House if there will be federal assistance available to meet some of the costly difficulties which have arisen for many citizens of that province?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have already communicated with the premiers of the provinces involved and reminded them that there is a federal formula whereby assistance can be extended to the provinces provided they make such requests. In the meantime, of course, the federal government is assisting. The armed forces, I am told, are doing a splendid job. We have one minister on the spot, the Minister of National Defence, and I believe the Minister of Justice will be going there very shortly.

[Mr. Grafftey.]

Mr. Bell: He will start a legal argument.

Mr. Trudeau: We are very concerned and intend to assist in every way that our policy permits.

Mr. Speaker: Obviously there are a number of supplementaries on this subject. The Chair will recognize the hon. member for Moose Jaw, and then the hon. member for Assiniboia for his supplementary.

● (1430)

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Prime Minister. Has the Prime Minister received a specific request from the premier of the province of Saskatchewan to have the city of Moose Jaw declared a national disaster area, and can the Prime Minister give an assurance to those people in the city who lost millions of dollars in homes and property that the federal government will make arrangements to see that they are compensated for their loss?

Mr. Trudeau: Mr. Speaker, I just indicated in reply to the previous question that there is very substantial federal assistance which is forthcoming in cases where provinces suffer great disasters. The formula is well known and I have reminded the provinces of its existence. It will be up to them to decide whether they want to apply for assistance and whether they qualify.

Mr. Knight: Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. In view of the fact that the formula now being used is somewhat new, can the Prime Minister inform the House whether within that formula there is assistance for communities such as Lumsden which to a certain point in time has been successful in preventing flooding but at great cost in terms of dyking, etc.? Can he tell the House whether assistance is available under this program?

Mr. Trudeau: Mr. Speaker, I was, of course, referring to assistance which comes after the fact. There are other ways in which the federal government can assist in the building of preventive works. The Minister of the Environment has applied these policies in other areas and we will look into the particular case of Lumsden to see if it qualifies on future occasions.

Mr. Neil (Moose Jaw): Mr. Speaker, I do not believe the Prime Minister answered my question. I wanted to know if there had been a specific request by the province to have the area declared a national disaster area?

Mr. Trudeau: Mr. Speaker, I have no memory of such a specific request. There have been, as I said in answer to the first question, reports exchanged back and forth between the government of Saskatchewan and the federal government involving various forms of federal action, but

I cannot say whether they have made a specific request that it be declared a national disaster area.

MANITOBA—FEDERAL FINANCIAL ASSISTANCE TO COMPENSATE FOR LOSSES

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I also have a question for the Prime Minister. In view of the fact Manitoba is also involved in a flood situation even though we have two floodways which I doubt will serve the purpose, may I ask the Prime Minister if he has received a request from the province of Manitoba for help? Second, is there anything the federal government can do to urge the provinces to act and act more quickly to help the people involved?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have an indication that, apart from the Canadian air force, various departments such as Indian Affairs, Health, Transport, the CNR and others—

Some hon. Members: Oh, oh!

An hon. Member: That's you, Joe!

Mr. Trudeau: —have been involved and there has been communication between the provincial government and the federal government. In addition, I was kept very much up to date on this question by the hon. member for St. Boniface.

Mr. Bell: Take your shovel with you, Joe!

* * *

[*Translation*]

FINANCE

DATE OF PRESENTATION OF BUDGET

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Finance.

Could he say whether his budget is now ready and when he expects to present it to the House?

Mr. Speaker: I think the question was asked earlier, but perhaps the minister could nonetheless reply to the hon. member for Champlain.

* * *

[*English*]

GRAIN

OFFER BY WHEAT BOARD TO PURCHASE ADDITIONAL HOPPER CARS—PRIOR CONSULTATION WITH MINISTER AND FARM ORGANIZATIONS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Justice who is in charge of the Wheat Board. Was the offer by the Canadian Wheat Board to purchase 4,000 hopper cars with the farmers' money if certain conditions are fulfilled by the railways made after consultation with the minister himself?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the chief commissioner of the Canadian Wheat Board informed me of the intention of the commissioners to make this proposal before making it.

Mr. Ritchie: Can the minister tell the House if the Wheat Board had consultations with the various farm organizations before making this offer?

Mr. Lang: Mr. Speaker, I would have to inquire as to the extent of their consultation.

SUGGESTED RELIEF OF PRODUCERS FROM ADDITIONAL CHARGES BECAUSE OF TRANSPORTATION AND CONTRACT DIFFICULTIES

Mr. Don Mazankowski (Vegreville): My question is also directed to the minister in charge of the Wheat Board, Mr. Speaker. In view of the statement made recently by the chairman of the Canadian Wheat Board to the effect that the board may be faced with charges for contractual default which will have to be borne by the producers, and the fact that vessel demurrage is costing producers millions of dollars because of the breakdown in the transportation system, can the minister inform the House what immediate steps the government is taking to relieve producers of this unforeseen cost which has come about through matters beyond the control of the producers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the events which occurred were the result of events largely beyond the control of everyone. What we have done is to take emergency action to attempt to ensure that the maximum amount of grain can be moved so that we can have more grain arrive at the terminals in the immediately forthcoming period to catch up on any backlog as soon as possible. This is the course of action that is required. We stand ready to take other steps as may be recommended by the operational committee set up for this emergency under the chairmanship of the Canadian Wheat Board to make sure that anything that can be done for any part of the industry is done in order to facilitate the movement of grain.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary and then the hon. member for Qu'Appelle-Moose Mountain.

Mr. Mazankowski: Would the minister answer the precise question I put to him? Is he considering any measures to relieve the producers of the abnormal cost of demurrage and the abnormal cost caused by contractual default which are not the result of any action by the producers at all?

Mr. Lang: Mr. Speaker, the exact measures I have referred to are those which will minimize any such loss and they are the ones which we are putting into place.

Oral Questions

INDIAN AFFAIRS

POSSIBLE HIRING OF YOUNG INDIANS AS POLICEMEN ON RESERVATIONS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the fact that differences of opinion have arisen between the government of Saskatchewan and the federal government about the hiring of young Indian boys to become policemen on reservations, can the minister report if any policy decision has been made in the last few weeks on this subject?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): No, Mr. Speaker, several months ago I wrote to the attorney general, Mr. Romanow, in this connection and I made a proposal, but I have not yet heard from him.

* * *

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR REPORT BY MINISTER ON UNITED NATIONS CONFERENCE ON ENERGY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. I understand that the minister has just returned from a conference at the United Nations on energy and I should like to ask if he will make a report to the House on that important conference by way of a statement on motions?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the conference continues so I do not think it would be appropriate to make a statement, but I would be very happy to table the statement I made on behalf of Canada.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

INQUIRY AS TO TABLING OF FINANCIAL REPORT—REVIEW OF ADMINISTRATION DURING COMMITTEE EXAMINATION OF ESTIMATES

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. When may we expect the financial report of the Cape Breton Development Corporation to be tabled in the House?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will take the question as notice. I was under the impression, as I advised the hon. member—I was obviously wrong since he is inquiring today—that it had been tabled. However, I will find out and let him know later this day.

Mr. MacInnis (Cape Breton-East Richmond): When the Cape Breton Development Corporation appears before the committee for examination of its estimates, will the minister assure the House that a review of the legislation and the administration thereof will be included in the terms of reference?

Mr. Jamieson: Mr. Speaker, to the best of my knowledge it is not within my capability to set the terms of reference for the committee. I would assume that the committee can examine any aspect of the operations of the corporation that it wishes.

* * *

EDUCATION

NUMBER OF NON-CANADIAN UNIVERSITY TEACHERS AND NUMBER RECEIVING RESEARCH GRANTS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I should like to put a question to the Secretary of State. Have the minister or any of his colleagues compiled, and is he prepared to present to the House today or this week, an exact and accurate indication of the proportion of non-Canadians teaching and hiring today in Canadian universities and an accurate indication of the number of non-Canadians whose research projects are being funded by the National Research Council, the Canada Council or similar granting organizations?

Mr. Speaker: Order, please. My impression is that the information requested by the hon. member, particularly in the second part of his question, would normally be supplied by way of a reply to a written question. If I am wrong in my interpretation and the hon. member thinks the matter should be discussed urgently, perhaps it could be considered at the time of adjournment.

● (1440)

Mr. Clark (Rocky Mountain): Mr. Speaker, I will rephrase the question, put it in writing and also discuss it at ten o'clock. As a supplementary, may I ask whether the minister has prepared any legislation similar in intent to the football legislation to ensure the maintenance of Canadian content in Canadian universities, and when will that legislation be before us?

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker, and I am not sure it is necessary.

* * *

AIR CANADA

CANCELLATION OF CERTAIN SERVICES TO WESTERN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of Transport. Is it the policy of Air Canada indiscriminately to cancel flights to one part of Canada and redirect the planes to another region?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not know to which period the hon. member is referring. If it is what is going on now, I think Air

Canada has many good reasons to switch aircraft from one airport to another.

Mr. Marshall: Due to the fact Air Canada officials have cancelled three fundamental, normal and regular flights to western Newfoundland and redirected them to other parts of Canada, will the minister take the necessary action to reinstate this fundamental service and ensure that Air Canada does not discriminate against one particular part of Canada?

Mr. Marchand (Langelier): Mr. Speaker, I am sure there is no discrimination. However, there is no doubt that when an aircraft cannot land in St. John's or Gander it is very difficult to have a flight back.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Speaker: The hon. member for Bellechasse.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker—

Mr. Speaker: The hon. member for Bellechasse will perhaps allow me first to recognize the hon. member for Humber-St. George's-St. Barbe who would like to ask a supplementary question.

[*English*]

Mr. Marshall: Does the minister not know there are four airports in Newfoundland? He referred to St. John's and Gander. The western part of Newfoundland also requires service. It is that service Air Canada officials have taken off and redirected. These people deserve service as much as anyone else.

Mr. Marchand (Langelier): Mr. Speaker, if the hon. member wants to give me some particulars, I can inquire and give him an answer.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

MEASURES TO ASSURE DELIVERY OF BENEFICIARIES' CHEQUES IN LIGHT OF POSTAL WORKERS' STRIKE

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

Since the postal strike has become alarming, can the minister tell the House whether the Unemployment Insurance Commission will take special steps so that the beneficiaries of the Montmagny area will receive their cheques without delay and their weekly report cards will also reach the Commission in due time?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are doing our best, and have since the inception of this unlawful strike in the Post Office, to take emergency measures. I will certainly look into the particulars of the hon. member's community and see how it is working out. But we are taking special measures and are attempting to expedite both the reporting system and the delivery of cheques.

* * *

PUBLIC SERVICE

APPLICATION OF PROVISION IN CANADA LABOUR CODE RESPECTING HOURS, WAGES AND VACATIONS

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my question is for the President of the Treasury Board. Will he inform the House whether it is still government policy, as orginally expressed by the government in 1965 and reaffirmed by the former Minister of Labour in 1971, that Part III of the Canada Labour Code dealing with hours, wages and vacations applies as government policy to employees in the public service?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am sure the hon. member for Ottawa West will recognize that the Public Service is governed by the terms and conditions of the Public Service Staff Relations Act.

Mr. Reilly: Mr. Speaker, my recognition of that fact was implicit in the phraseology of the question. Despite the fact that the law does not apply, the former Minister of Labour established, and I can quote from *Hansard* if necessary, that as a matter of government policy Part III would apply to employees in the Public Service. I asked the President of the Treasury Board whether this was still government policy and I would still like an answer to that question.

Mr. Drury: Mr. Speaker, there has been no recent change in that regard.

Mr. Speaker: The Chair will recognize the hon. member for Ottawa West for a second supplementary, following which I will see the hon. member for Vaudreuil.

Mr. Reilly: That being the case, can the President of the Treasury Board explain to the House why there has been, according to the president of the Professional Institute of the Public Service of Canada, in current negotiations between the institute and representatives of the Treasury Board, "a refusal to comply with the statement of government policy, specifically as it relates to Section 32 of the Canada Labour Code, dealing with the question of overtime compensation?"

Mr. Drury: Mr. Speaker, I was not aware of this particular allegation. I will be glad to inquire into it and furnish the hon. member with an answer.

* * *

INCOME TAX

EXTENSION OF DEADLINE FOR FILING RETURNS BECAUSE OF POSTAL WORKERS' STRIKE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the current delivery difficulties, is the minister giving any

consideration to extending the April 30 deadline on which date some of us have to send him a cheque?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, the matter is being kept under review. I can assure hon. members and the taxpayers that they will not be penalized as a result of any delays in the Post Office or, for that matter, as a result of prairie floods.

* * *

POST OFFICE

POSTAL WORKERS' STRIKE—DELIVERY OF FAMILY ALLOWANCE CHEQUES IN BRITISH COLUMBIA

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I wish to direct a question to the Postmaster General. In view of the fact that family allowance cheques are in post offices in British Columbia waiting to be processed, and in view of the fact housewives are threatening to picket the pickets and have already done so in Kamloops, will the Postmaster General make provision for the housewives to get their family allowance cheques, even if he has to allow them into the post offices to process their own mail?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, it is unfortunately true that some family allowance cheques, particularly in British Columbia, and some in Alberta and in Quebec also, have not been delivered, although they have been in most cases. I can assure the hon. member that we have asked the Post Office employees from those regions to try to deliver themselves those cheques or to allow that an agreement be reached so that Canadian families do not suffer from the present dispute.

* * *

[*English*]

CONSUMER AFFAIRS

ALLEGATIONS THAT BEEF PRICES IN TORONTO WILL INCREASE THIS WEEK

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I wish to ask the Minister of Consumer and Corporate Affairs whether he is aware of allegations made over the weekend that beef prices in Toronto will increase by some 20 to 30 cents per pound this week? Has he investigated such allegations and can he assure the House they are incorrect?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I heard the same reports over the weekend. As I said to another hon. member, I am having these reports looked into.

Mr. Grier: Is the minister in a position today to indicate when he will be reporting to the House on the results of these investigations?

[Mr. Herbert.]

Mr. Gray: I hope as soon as possible and certainly within a day or two.

* * *

AIR TRANSPORT

STATUS OF PROPOSED PASSENGER HEAD TAX

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Minister of Transport. Can he now clarify the present status of the proposed airport head tax that was announced last January?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this air tax is still being discussed within the department.

Mr. MacKay: Can the minister give some details as to the exact amount of the proposed tax, some of the particulars about its collection and some idea as to when it will commence?

Mr. Marchand (Langelier): Mr. Speaker, if I were in a position to give all those details the matter would not be under discussion within the department; it would have been discussed.

* * *

● (1450)

BANK ACT

PREPARATORY WORK ON REVISION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact high interest rates, bank prime rates and the bank rate itself are very much a topic of consideration today, would the minister advise us whether any preparatory work is being done toward the revision of the Bank Act, including the extent of the plans at the present time, the composition of the committees which may be at work, and whether the government intends to publish a white paper prior to the revision of the Bank Act?

Hon. John N. Turner (Minister of Finance): The Bank Act is up for renewal in 1977. I would anticipate I would be able to deposit a bill some time in late 1975 or 1976.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): In the meantime, both the Canadian Bankers' Association and ourselves are making an independent review.

Mr. Lambert (Edmonton West): I think the minister is dangerously overconfident. I am sure he recognizes that, in order to get an appropriate Bank Act with the changes required for a modern banking system, the lead time is really much shorter than it appears when the act needs to be in place and operating by January 1, 1977.

Mr. Turner (Ottawa-Carleton): I agree with what the hon. gentleman has said. I have taken steps to ensure there

will be adequate public and parliamentary review so that the revisions to the Bank Act will be in place by that time.

* * *

CITIZENSHIP

SUCCESS OF PROGRAM TO ENCOURAGE LANDED IMMIGRANTS TO BECOME CITIZENS

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Secretary of State. Last May the minister made a statement on motions indicating that his department was embarking on a program to encourage landed immigrants eligible to become Canadians to take out Canadian citizenship. He mentioned at that time there were approximately 800,000 in that category. Can the minister tell me whether the program ever got under way and how successful it has been in terms of new applications? How many remain at this time in the category referred to?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, the program is well under way and it has been very successful. It would probably be more prudent of me to try to answer detailed questions when I appear before the committee. I should be delighted to do so, but the answer involves mobile units, storefront offices in Toronto and a variety of other moves.

Mr. Beattie (Hamilton Mountain): The minister did not say how many remain in that category, or whether he has any idea of the number. He did appear sympathetic last May to the idea of waiving the citizenship fee as far as old age pensioners are concerned. Has any decision been made in that regard?

Mr. Faulkner: No, Mr. Speaker.

* * *

[*Translation*]

POST OFFICE

POSTAL WORKERS' STRIKE—QUEBEC SALES TAX—AVOIDANCE OF PENALTIES AGAINST MERCHANTS BECAUSE OF MAIL DELIVERY PROBLEMS

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I would like to put a question to the Postmaster General.

As it is known, the Quebec Department of Revenue requires at fixed dates that businessmen hand over their 8 per cent sales tax, as otherwise they are liable to a rather stiff penalty. Has the Postmaster General met or communicated with provincial government representatives to solve this problem and thus avoid penalties for Quebec businessmen?

Hon. André Ouellet (Postmaster General): Mr. Speaker, I had no contact with officials of the provincial Department of Revenue, but I take note of the hon. member's suggestion so as to see what may be done.

[*English*]

MANPOWER

NAMED FOREIGN WORKER PROGRAM—PROVISION OF WORKERS FOR AGRICULTURAL HARVESTING

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, the substance of my question to the Minister of Manpower and Immigration has already been discussed with him. Is the minister now in a position to announce the implementation of the named foreign worker program so vital to supplying workers for the agricultural harvest this season?

Hon. Robert K. Andras (Minister of Manpower and Immigration): We are prepared to implement this program. We have indicated to certain farm groups where this ranks in the order of priorities. Certainly we wish to preserve jobs for Canadians available to fill them. We also wish to support formal exchange programs concerning offshore seasonal workers to which we are committed in the case of one or two countries. After these programs have been supported, and only then, would we look upon the named foreign worker program as being legitimate.

Mr. Knowles (Norfolk-Haldimand): Is the minister aware of the need for an early announcement concerning this program so that prospective employers and employees can make arrangements in time for the harvest season? Last year I think it was announced some time in March.

Mr. Andras: I have already announced a program to the farm groups which have come to see me that is very similar in terms to what I said a few minutes ago. It has been a standing arrangement. If the hon. member thinks there should be a formal press release I will look into that matter, too.

* * *

CONSUMER AFFAIRS

INCREASE IN COST OF CLOTHING—GOVERNMENT ACTION

Mr. Stan Darling (Parry Sound-Muskoka): I have a question for the Minister of Finance, Mr. Speaker. In view of recent statistics indicating that the clothing component of the consumer price index rose sharply in February of this year at a rate of 2.3 per cent in St. John's and 1.5 per cent in Vancouver, what steps does the minister intend to take to deal with this aspect of today's high cost of living in Canada?

Hon. John N. Turner (Minister of Finance): I would prefer, at least at this stage, to take the hon. member's question as a representation.

* * *

CANADA ELECTIONS ACT

POSSIBLE AMENDMENT TO APPLY SANCTIONS AGAINST EMPLOYERS NOT GRANTING EMPLOYEES TIME OFF TO VOTE

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the President of the Privy Council. It relates to the

requirement in the Canada Elections Act that three hours be granted to employees to enable them to vote. This provision has been demonstrated to be unenforceable. In these circumstances, does the minister plan to bring before the House shortly legislation which would apply sanctions against employers not complying with the law?

Hon. Allan J. MacEachen (President of the Privy Council): There have been a good number of representations with respect to the experience during the last election under this particular provision. The matter is under consideration and it is my expectation that amendments to the Canada Elections Act will be introduced. Certainly it is one of the prospective items that would be dealt with. I cannot assure the hon. member that legislation will be introduced shortly, however.

* * *

FINANCE

ROYAL BANK OF CANADA—DORMANT ACCOUNTS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Finance. Every year the *Canada Gazette* publishes a list of uncollected or unaccepted bank accounts. This year the Royal Bank of Canada, the head offices of which are in Montreal, has eight pages of unknown people, names of creditors, and addresses. Has the minister considered the possibility that there is something unusual taking place or that the bank is not living up to normal expectations?

Hon. John N. Turner (Minister of Finance): I think I had better take a look at that question, Mr. Speaker.

Mr. Korchinski: I consider this matter to be very serious, Mr. Speaker. I am wondering whether there is any unusual connection between these circumstances and the underworld.

Mr. Turner (Ottawa-Carleton): I will consider that as a related part of the question. I assure the hon. member that I take it seriously and as soon as I look into the facts as he has presented them I shall be in touch with him.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADIAN FOOTBALL ACT

PROTECTION AGAINST FOREIGN ENCROACHMENT

The House resumed, from Friday, April 19, consideration of the motion of Mr. Lalonde that Bill C-22, intituled Canadian Football Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Some hon. Members: Question!

[Mr. Rowland.]

Mr. John Fraser (Vancouver South): Mr. Speaker, as I rise to take part in this debate I suppose it is necessary to point out to members on the other side of the House that it is they who introduced this measure, and until they provide more evidence than has been provided by government speakers so far, it is in the public interest to determine whether or not this legislation is really necessary, to determine whether the fears which have been expressed by people outside the House and by government spokesmen inside the House are well founded. Essentially, we have to ask ourselves whether or not the government has so far produced any evidence which supports the suggestion that its fears are grounded on fact, not just on fancy.

It is important for all hon. members, and especially for those people we represent in consituencies across Canada, to recognize that it is the duty of the government to propose legislation. That is a proper function of government. But it is also the duty of the government to indicate in debate the reasons for which legislation has been introduced and the evidence supporting those reasons. I think probably hon. members of this House on both sides and in all parties, would call themselves Canadian nationalists in what I think is the best sense of that word. However, I do not think, with respect, it is enough for the government to presume upon that very natural instinct on the part of members of parliament of Canada by asking them on that basis—after all we are all interested in the national wellbeing of our country—to pass this bill without examination because the government tells us this is essential to the maintenance of our national identity.

● (1500)

Some government members may say the government has not gone quite that far. I am glad that some of them feel that government has not as this would indicate that they have not completely lost their own faculty for looking critically at this legislation and recognizing that we are really not talking about a matter of maintaining Canadian national identity. If I thought that was the issue I would say so, but no doubt if it were the issue there would be some pretty strong evidence to support it. What we are being asked to believe is that the entry of a WFL team in the city of Toronto is going to break up the Canadian Football League. We are also being asked to believe that should that happen the playing of Canadian football in this country will cease. We are also being asked to take from those propositions the assumption that this somehow, or in some way, will seriously impair our sense of being Canadian.

There has been a lot of talk about the role of Canadian football in keeping this country together, perhaps not so much in the House as outside the House, but this has to be taken in perspective. I, for one, along with many of my school mates, grew up in a city where we played American football in highschool because the university team had to play in an American football league. The school board was asked whether teams playing football in highschool could switch to the American rules in order that the talent coming to the university from the highschools would be better prepared to play in that league in which the university played.

Many of us also played Canadian football in weekend leagues at the same time we were playing American foot-

ball in the highschool league. In those days we did not have a Vancouver team in the Canadian Football League. We also played other sports, including English rugby and soccer. We did not play much hockey as there was not very much ice in Vancouver in those days. We played a mix of sports, and I think most of us have grown into pretty strong Canadian nationalists. I do not believe for one minute that I was somehow robbed of my right or chance to be a Canadian because I did not have imposed upon me a solid dose of Canadian football and nothing else during my so-called formative years.

It is also interesting that when we talk about the role of sports in Canada it seems we have been speaking for a number of years now about the importance of the government's role in assisting amateur sports. Some figures have been bandied about in respect of the nearly quarter of a million young people playing football in this country, but how many adults play Canadian football in this country after they leave school? Canadian football in that sense is certainly not as national a game as some other sports. I think there is no question that probably far more adults play hockey for recreation long after they leave school, than play Canadian football. I have not the figures but perhaps some government speaker will provide them during this debate. I suggest that soccer is another game which many more adults play long after they leave school than play Canadian football. I suggest also that the same is true of English rugby. It is not surprising that this is true because football, as such, has not been a game which has been easily converted into an amateur type sport to be taken up on an informal basis after you get away from the rigorous discipline of school or juvenile leagues.

When we talk about the position of Canadian football in sports for Canadians I think it is important to put it into perspective. As I say, I played Canadian football. I think it is a good game and, in some respects, its rules are superior to American rules, despite the fact that they are very similar. I would like to see young Canadians play not only Canadian football but soccer, rugby and hockey as much as possible. That does not mean we should denigrate in any way other individual sports which perhaps in the long run are more useful to the individual as they can be played for many years and provide a great deal of pleasure, and good healthful recreation, to persons of middle and older years.

I should point out also that when we are talking about government assistance and getting more and more people to participate in Canadian sports, in my own province and in my own city field hockey is now a major amateur sport, amateur in the best sense of the word, as is English rugby and soccer. When we talk about the government making a move to assist in the growth of Canadian football, to which I have no objection, I just hope that these other sports which are very much a part of the sports fabric of this country will not be neglected.

I could not help but be struck by what I thought was the consummate commonsense of much of the speech of my colleague in the NDP, the hon. member for Greenwood (Mr. Brewin). The first thing he said, and it is not with any vituperative attempt that I repeat with endorsement his remarks, the thing that everyone of us has to look at is that this is no time to be debating a bill like this. The hon. member for Greenwood said during the debate on Friday, and I quote from page 1592 of *Hansard* for that date as I think he has put this succinctly and responsibly:

> First of all, I say we should not be discussing the issue of football at all at this time when we are faced with the problem of inflation, housing, energy, taxation and a host of other urgent economic and social problems.

I am in entire agreement with the hon. member in that regard, and I suspect there are many members of the government who are in as absolute agreement with those statements, but who have for their own particular reasons not yet expressed that view.

Mr. Guay (St. Boniface): Would you agree with the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)?

Mr. Fraser: I hear the hon. member speaking from the government side. He is attempting to ask a question, as he often does, but most of the time he does much more than ask a question; he proposes the answer. That is the part of my hon. friend's attitude in these debates that has brought him so much affection from this side.

Mr. Guay (St. Boniface): I can stand up to ask the question, Mr. Speaker. I do not mind.

Mr. Speaker: Order, please. The hon. member for Vancouver South (Mr. Fraser) has the floor, and if he wants to allow the hon. member to ask a question he should signify his approval, at which time I will recognize the hon. member for St. Boniface (Mr. Guay).

Mr. Fraser: Mr. Speaker, I hold the hon. member in some considerable esteem and I would be pleased to hear his question.

● (1510)

Mr. Guay (St. Boniface): My question, Mr. Speaker, relates to a matter about which I am very concerned. I wish to ask the hon. member, in view of the fact that he was speaking of his views and those of others, whether he agrees with the statement made by his confrere, the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds), on Friday afternoon. The hon. member for Burnaby-Richmond-Delta is not here today but in any event I should like to ask whether the hon. member for Vancouver South (Mr. Fraser) agrees with the speech that hon. member made in this House on Friday.

Mr. Fraser: Mr. Speaker, first of all the hon. member has not indicated exactly with what he wants me to agree or disagree. I think the hon. member is asking whether I agree that this measure should be delayed as long as possible, no matter what it involves, and whether or not there should be a number of amendments moved by private members. The hon. member asked my opinion, and I may say I regret that any time at all is being taken up on this bill. I do not think it is good legislation.

But every hon. member who believes that this is not good legislation—and this could apply to some hon. members on the government side because some of them do not like this legislation—would like to actively do everything within reason to oppose it. My hon. friend has a frank answer and if he will let me continue I might be able to

persuade him that the reasons for my not agreeing with this legislation are sound. I would be delighted if my hon. friend would enter the debate at a later time.

Mr. Speaker, I am sorry I did not identify the hon. member who made the lively interjection, the hon. member for St. Boniface (Mr. Guay). I did not feel that it was necessary to identify him because all regular readers of *Hansard* would know immediately of whom I was speaking. However, I apologize to the hon. member for not identifying him earlier. He is very identifiable, Mr. Speaker. He is always a delight and makes a great contribution to debates in this House.

As I was saying, I think one of the most significant contributions made to this debate was that of the hon. member for Greenwood (Mr. Brewin). First of all, the hon. member said that we should not have to discuss the issue of football at this time and then enumerated other matters which are of greater importance to which I referred a few moments ago.

The hon. member for Greenwood, in a speech which I think every member of this House should read because it is pretty succinct and gets down to the nub of the issue, brought forward another reason for opposition to this bill, with which I agree, namely the question of the constitutionality of the bill. This is an aspect to which no speaker on the government side has directed his mind. As recorded at page 1593 of *Hansard* for Friday April 19, the hon. member for Greenwood said:

> I would have thought that the regulation of sport generally was a matter for the provinces under property and civil rights and a matter of local and private nature.

On the same page he points out the second reason for worrying about the constitutionality of this:

> Does it depend on peace, order or good government, the opening words of section 91? To me that is a nonsensical suggestion. That particular power relates to times of emergency. What emergency requires us to decide whether the Northmen play football in Toronto or do not play football in Toronto?

Of course, when one looks at the constitutionality of a bill one must consider the trade and commerce clause in the constitution. My hon. friend, the hon. member for Greenwood said this, again record on the same page:

> It might be thought to be justified under the heading of trade and commerce. I know that is a complex subject and there are numerous cases, none of them clear. From my reading I have not been able to discover any case that justifies the suggestion that to allow someone to come across the border to play football, to play a musical instrument, albeit they are playing for money, is a matter of trade and commerce of such dimensions that it would justify legislation here on issues of trade and commerce.

The hon. member continues to cite a real problem which ought to jump out at all hon. members and when regard is taken of the penal provisions in this bill. He very correctly draws the attention of this House to this aspect of the bill. As recorded at page 1592 of *Hansard*, he asks this question:

> Is it criminal law? Some clauses appear in the bill as if criminal law were included in this bill on purpose. This is an indication of the completely unconstitutional nature of the bill because criminal law certainly is a power that the federal government has but it cannot be used to justify interference in a field where the government has no right to be.

So, Mr. Speaker, I think the hon. member for Greenwood has very properly brought a serious issue before this House, one to which at least at this date the government has not addressed its mind in this debate.

There is another point, and I was pleased to see that the hon. member for Greenwood has alluded to it. It has been alluded to by other speakers here and by people generally outside the House. He said:

> A basic right is involved here, that is the right of people to choose for themselves, unless there is some very good reason why they should not be allowed to and such reasons do not exist in the present case, what they want to watch on television or hear on radio. There is no reason why the consumer, that is the viewer who wants to view football directly or through any other means, should not have the widest possible choice, and if that choice involves some degree of American importation—and it does now and will continue to do so—so what? No nationalist rule compels us to say that we are going to shut our doors to seeing things, hearing them and enjoying them because they come from some other part of the world.

I think we can get too caught up on the fact that this bill relates to Canadian football and forget exactly what kind of precedent we are setting here. It is a little like saying that what Canada needs is to decide on what national game we want and have the government so state and disallow all other games. It is like saying that we will play this one game because it is Canadian. That would be preposterous.

The Minister of National Health and Welfare said this was analogous to what we have done under the Foreign Investment Review Act. I wonder if it is. Surely, all we did under the Foreign Investment Review Act was say that if someone wishes to have a business in Canada, no matter what kind it may be, we will ensure that there is sufficient Canadian control and Canadian ownership so that there is a greater probability of that business acting as a good corporate Canadian citizen. But we never said in that bill that there are some kinds of businesses one cannot have. This surely is what the bill in front of us is doing. It is saying there are some kinds of sport which one cannot have. If somebody plays American football in one city or in two or three, how does it become such a serious threat to our national way of life that it should be outlawed?

This is not the same as the situation in respect of banks or trust companies or the stopping of the sale of a company which controls the extraction of uranium. It is not something which goes to the heart of the national interest as has been propounded.

I think we must put Canadian football in some sort of perspective. As I have said, I have played the game of Canadian football and hope to watch it for the rest of my life but frankly I do not believe, unless there are better reasons than have been given so far, that we need this kind of legislation to protect Canadian football. If there are a quarter of a million young people playing this game right now, and if steps will be taken to increase that number to 500,000 or 600,000, as the hon. member for York West (Mr. Fleming) said in Friday's debate, surely to goodness we will be producing so may competent football players, so much Canadian football will be played, that there would be no difficulty in a commercial league existing in this country in a good, healthy way.

● (1520)

Another question one should ask oneself is: given the amount of professional football that is being played south

of the border, can anyone seriously think that Canadian players will not be induced to play in the United States if they are good enough and if they are paid enough? It is very difficult to see exactly how the bill before us will stop that sort of thing from taking place. Surely, the way to combat that kind of thing is to have a heck of a good Canadian league, do everything you can to promote it in the schools, play the game well, play it constantly, and do one more thing which is very important, namely, have people play it after they leave school so that it becomes an integral part of our adult amateur sports scene. If it does not do that, then all of this is being done just to have a commercial league, and I for one am not prepared to see the government put all its effort into assisting the commercial side of a sport in which a large number of our people do not engage in their adult years.

The hon. member for Greenwood spoke about Canadian unity. I should like to quote him from *Hansard* of April 19, page 1592, where he is reported as having said the following:

My fourth point is that the pretence that this legislation is essential to defend Canadian culture and unity, to my mind at least, is completely phoney. Canadian culture and unity do not depend upon which of two types of football are played or watched in Canada,

I will not go quite as far as the hon. member did because I do not believe that the Minister of National Health and Welfare or, for that matter, some members of the government who have got themselves in this jam, did so on a phoney basis. It may be phoney in fact but I do not think that was their intent. But I am concerned about the suggestion that to even question this bill makes your own Canadian nationalism, Canadian identity or Canadian patriotism suspect. What is it that has suddenly put the Canadian national identity in peril? Is it the WFL team playing in Toronto? Somehow that seems rather absurd. We have gone through much peril since the time our ancestors, French, English and otherwise, arrived on this continent and hammered out a good country, contrary to many people who said it could not be done and contrary, as some people would put it, to the law of economics and the commonsense of geography. We have done that and we are in the House today debating because this country's sense of identity is not on the skids; this country's nationalism, our sense of who we are and what we are, is very much alive. I know that all hon. members, deep down in their hearts, realize that.

Throughout our history there have been those who have constantly told us that we would not make it, that we would slide into an abyss, that we would divide and separate among ourselves and that we would be gobbled up by the American colossus or we would be lost to materialism or some other undesirable event. I grew up reading learned essays by people who constantly repeated that we have no Canadian identity, that we have no national purpose, that somehow or other we do not know who we are or what we are. There are always some who, lacking anything else to write about, create issues. They transport them into the centre of academic discussions and, having invented an ailment that does not exist, they spend the rest of their careers prescribing methods to cure it. These people really do not do much harm, but I am sorry they do not apply their talents to real problems. Frankly, I think there is something peculiar in the Minister of National Health and Welfare suddenly dropping his important responsibilities to join these Cassandras of Canadian social history.

The hon. member for York West suggested that it was in the public interest to pass this bill. That is what he appears to have said, and I refer to *Hansard* of last Friday at page 1585 where he is reported to have said:

You know, filibuster can be a very effective technique for the opposition in times of majority government. It can be used to keep the majority from legislating something that the opposition feels is not in the public interest.

I take it from that the hon. member for York West believes that this bill is in the public interest. Certainly, one can take from his comments that only if what the opposition is saying is in the public interest should there be any prolonged debate and the implication is that this bill is in the public interest and so there should not be any debate. The hon. member for York West made a very good speech but, like the Minister of National Health and Welfare, he did not advise us upon what evidence his fears and doubts were grounded. Where is the evidence that the Canadian Football League is really threatened?

The hon. member for York West said, as I have mentioned earlier in my speech, that in a few years there will be 500,000 to 600,000 young Canadians playing football. According to the Minister of National Health and Welfare, there will be help from his department, and with all this help and with that kind of growth one wonders why the CFL is in so much trouble. I say that even if I cannot see the reasons why the Canadian game is in trouble, it is incumbent upon the government to tell me why it is in trouble, not just to tell me, as the minister did, that it is a gut issue. He should tell me why we have to take this rather extraordinary step to save the CFL and apparently our sense of Canadian identity.

As I said earlier it is incumbent upon the government which proposed this bill to give me the evidence upon which they base their assertion that it will be the end of the Canadian Football League if we do not pass this bill. Surely, that is their theory, and that is what they think will happen if this team comes to Toronto, if this Mr. whatever-his-name-is who is supposed to be a millionaire and is apparently so important in the world of sports these days, brings this team to Toronto. I could not care a fig for the owner of this American team. I do not give a hoot whether or not they play. What I am concerned about is whether or not this is the way we should deal with it. People in Canada, and people in Toronto in particular, want to watch that team play and unless you can give me very good reasons why they should not, then I am afraid I have to say: let them play.

I am certainly no spokesman for the owners of that team. Frankly I am not much interested in professional football. I do not think that in terms of the actual state of health of most Canadians, professional football contributes very much to it. Whether it is the American stations we watch or whether we go to the stadium to watch the Canadian game, it is entertainment. I do not think it does very much for anyone's health except those who are playing—they are probably in pretty good shape.

If we take a look at what the hon. member for York West said we will see that there is no evidence that the

things he fears will come about. But what is even more surprising is that there is no such evidence in what the minister said. There are assertions but not evidence, and there is a difference. There are fears, and the objectives of the bill are stated. They are to maintain Canadian football in Canada. But where is the evidence that the CFL will fall apart or that there will be one person less watching the Lions in Vancouver?

● (1530)

An hon. Member: There is going to be a collapse.

Mr. Fraser: Give me the evidence on which you think there is going to be a collapse. I ask this of the hon. member through you, of course, Mr. Speaker.

An hon. Member: What about New York city?

Mr. Fraser: I ask my hon. friend to tell me why he thinks there will be a collapse. Let us look at the speech of the Minister of National Health and Welfare and see if it contains any evidence. I ask all hon. members to read the speech carefully. Even if they have read it already, I ask them to look at it again. As recorded on page 1561 of *Hansard* of April 18, he said, "We all know that football in itself is not a life and death issue, or even a bread and butter issue". He said that it is a gut issue, an emotional issue. He took some time to get that argument out of his system.

On page 1562 he is reported as making the suggestion that the aims of this bill are similar to those of the Foreign Investment Review Act. I do not think the same arguments apply at all. Then, he continues at great length in his speech setting out reasons why we should believe that this has been government policy since 1972. I do not think it matters whether it has been government policy since 1972. In the absence of evidence to show why we should support the bill, I do not think the minister should have spent so much time on that aspect. But he felt it important to show that under the regime of the minister's predecessor, this was government policy, back in November, 1972.

On page 1563 of *Hansard* the minister is reported as suggesting that a strong CFL will help the growth of Canadian football. I do not quarrel with that. On the other hand, he presented no evidence to show that without this bill the CFL will not be strong. I am saying that Canadian football as developed over the years is not dying. Frankly, I do not understand the minister's position. If many young people play the game, if it has caught the imagination of young Canadians, if over a quarter of a million people are already playing the game, and half a million will be playing it, surely, there is room for a viable commercial league. We do not need to be afraid of the WFL, as the minister suggests. As recorded on page 1564, he suggests that his department will assist the growth of football. That is fine, so long as every other sport is given the same treatment.

The minister spent some time documenting how the Northmen were told about government policy. That was very interesting, of course, but does not seem relevant to the issue on which this debate is taking policy. He says they were told. I am glad. They should have been told of government policy; but that does not mean this bill is right. This is the first time such government policy has been in front of the House. We are asked to support it. Surely, in the name of heaven, we should be shown the evidence upon which the request for our support of this measure is based.

The minister said, as I mentioned earlier, that this is a gut issue, an emotional issue. I am not one who has ever avoided problems or issues because they happen to be emotional. Some of the most important things in our lives are emotional. There is a time to appeal to emotion. If we lived lives in which we did not appeal to emotion, and if we acted in a way that did not recognize the emotional sides of our lives, we would live a dry, rigid, dusty existence, without humanity and compassion. So, I do not criticize the minister for saying this is an emotional issue, a gut issue. I think it is. I merely say that we should also apply reason.

After letting this emotional response work through our visceral innards, we should apply our minds to the real issue. Really, there are only two questions that need to be asked. First, is it certain that Canadian football is going to be extinguished if we let people play the American game in Toronto or anywhere else. Second, do we really believe that the only way to preserve Canadian football is to prohibit a game that happens to have its rules made outside of the geographic boundaries of this country. I ask all members to ask themselves these questions. Let them look at what the minister has said, and let them ask themselves this: Where is the evidence upon which you have built your fears and doubts.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I intend to be brief. I would like to say only a few words. Perhaps the hon. minister will be touched down! In any case, I am not converted to this C-22 balloon.

I want to take part in this debate to criticize the preamble of the bill. In fact, Mr. Speaker, I think we have a precedent as it is the first time we have been mixing politics and sports; as it has always been quite fair not to introduce nationalistic, political or other factors in sports, we have just broken with this process we are used to.

When we read the first paragraph of the preamble to this bill, we realize that one of the premises on which this government based the drafting of this bill is the following:

—football has an established tradition in Canada as witnessed by the Cup symbolizing football supremacy in Canada, which was donated by His Excellency, the late Governor General Earl Grey in 1909 for that purpose;

Mr. Speaker, they claim in a peremptory fashion that football is a tradition. Although this may be the case, they try to turn it into a basic principle, which I feel is a mistake, for what does the word "tradition" mean and how can football be considered a really true Canadian tradition? Perhaps it is because I come from the province of Quebec, but I do not feel I could agree with this point. In my opinion, the tradition they are talking about here is the following: football provides the Prime Minister with a once a year opportunity to "kick the ball" and show himself in public in more or less garish outfits. This is what struck me especially, and if it is a tradition, I wonder if we could not do without it.

Further on, it is stated that it may contribute to create bonds. I agree, but is it the only way? Is that famous kick-off by the Prime Minister necessary? Is it not simply a mistake to refer to bonds, Mr. Speaker? It happens from time to time, at most once every ten years, that the Montreal club can take part in the Grey Cup finals. Then our kind friends from the West or Ontario will sing: "Alouette, gentille alouette". That is all, but there are thousands other opportunities to do that. I wonder why it is stated that football is a typically Canadian tradition which can be used to establish bonds. I do not deny that it can become a means to that end, but there are thousands other more important and constructive ways than that one.

Mr. Speaker, I should like to be brief and explain why I do not consider it a tradition. The few remarks I have made sum up well what I think. It does not create many ties. In any event, the occasions on which Canadians demonstrate together do not depend, to my mind on football since, in the final analysis, at the Grey cup festival, or show, call it what you will, it often happens that the basis of the event, the notion of sport, is totally lost.

I find it strange that this controversial bill should be introduced and should perturb some of our principles, while nothing has ever been done in other fields that are far more important than this one. If there is a Canadian sport tradition, Mr. Speaker, there is only one sport that can properly be associated with Canadian tradition and be said to create ties between all Canadians, and that is hockey. No one has ever been too concerned about it, to the extent where American professionalism has managed to take over, to all practical intents, a sport which in fact is our true national sport.

Mr. Speaker, by opposing hockey to football I want to prove that the preamble of the bill is misleading. It is not true that football is a truly Canadian sport. Back home in the riding of Champlain, I never see lads practicing that sport.

● (1540)

On television that is of little interest to Quebecers or French Canadians in general. The proof of that is that there are nearly no professional football players who are Quebecers or French Canadians. I say so not to bring in nationalism but to contradict the minister. It is not true that it is a national sport nor that it interests all Canadians.

There is a sport whether it be in St. John's, Newfoundland, in Quebec City or elsewhere in the province of Quebec, in Ontario, in B.C. or even in the Northwest Territories in which all Canadians are interested. They know it nearly from the day they are born. That sport is hockey. Since I think this bill has no raison d'être I could make a few suggestions. Since hockey is a truly national sport we could really help create genuine ties between Canadians by encouraging it. I would see examples to follow outside since the purpose of this bill is to preserve our little Canadian football very preciously. They do not want anybody to touch it. And I still wonder why.

Sport belongs to everyone. There are no reserved rights to any sport. Even if we were somewhat hurt in our pride when we lost the world amateur hockey championships the fact still remains that we are proud that our national sport was born and grew in Canada, became a world sport, particularly appreciated in Europe where it has been developed to such an extent that today in the amateur branch Europeans are better than we are.

Mr. Speaker, if we wanted to enhance somewhat the prestige of Canada, if we wanted to preserve something worthwhile we should consider developing our national sport at home a bit like the Russians do, Mr. Speaker. We could follow their example.

It would be marvelous to have in Canada a Canadian national league of high amateur or semi-professional calibre in which all provinces would be represented and we would have the best prospects in junior hockey in this country. We should encourage young players to play in that league, and it would be possible. Some kind of support, perhaps direct, should be given to amateur or semi-professional hockey. A Canadian national league should be established that would compare favorably with those existing in the USSR and which would include players from all the Canadian provinces. That would be a concrete and useful action for there is a lack in that area. Everything has been tried to piece together our crumbling national prestige in the field of hockey, and it has not been successful as yet. The two major professional leagues and all other professional leagues in general are now American and come to get our Canadian players. That is the prevailing situation.

If some legislation should really be passed in favour of sport and if it is desired to implement the principles indicated in the preamble of Bill C-22, I think, Mr. Speaker, that it has been a failure. Hockey, and not football, should have been the object of this bill. There should be some motivation for Canadians to preserve their really national sport, in order to help not only hockey as such but all the youth of Canada to have the ambition one day of playing in a truly Canadian league made up of the best players. I think that this is possible, and if the minister wants suggestions, we will make them.

At any rate, I do not know what has bitten the minister for putting forward this legislation when the situation is growing more critical and that we are facing all kinds of problems. Mr. Speaker, I do not understand why the minister wants us to pass a legislation on Canadian football which, in my view, is not a national sport in Canada. You can check it by asking Quebecers if they are interested in it. I am sure they are just as much and perhaps even more interested in American football. Anyway, the preamble does not correspond at all with the hon. minister's intent.

As regards his primary purpose, I do not say it is wrong. I think that his intent was basically good, but the minister does not achieve the goal he is aiming at by putting forward a bill designed to safeguard Canadian football at all costs. And yet there is no evidence that, because professional teams that belong to other leagues are playing in Canada, Canadian football as we know it will disappear. Mr. Speaker, what can lead it to disappear—and this is about to happen in Montreal—is the fact that not enough people are watching it, as it happened last year. Football will not disappear as a result of any bill or the sudden arrival in Canada of American financiers who want to enable teams to play in Canada, but rather the fact that

people are no longer interested in football. When no more spectators watch the games, bankruptcy is at the door. This is what can happen, with or without any bill, since we will never oblige spectators to watch games they are not interested in.

I think the hon. minister tried to give a fantastic kick, but he missed the target.

[*English*]

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, within 60 seconds, I will sit down as a protest against the distortions of a decaying government bringing football legislation before us when the country is crippled with transportation and postal strikes, layoffs are multiplying, flood waters are rampaging in the west, housing prices are scandalously high and inflation is savaging the economy. People want to get Canada back together again. But all the Liberal government can offer is a football.

I favour protecting the community football clubs of western Canada. But, with Peter Newman, I say that "The prairies wouldn't vote Liberal if Pierre Trudeau became water boy for the Regina Roughriders". The Liberals are bankrupt. Give us important legislation—or give us an election!

Some hon. Members: Hear, hear!

● (1550)

Mr. Ron Atkey (St. Paul's): Mr. Speaker, the contribution by the hon. member for Edmonton-Strathcona (Mr. Roche) may be the most significant that has yet been given in the context of this debate. Perhaps it is appropriate for me to begin my remarks in a debate like this by stating some basic propositions. These propositions may be seen as fundamental goals and objectives. It may be they will meet with general agreement in this House and across the country.

The first proposition is that the Canadian game of football is unique. It is different in form from its American counterpart. It is probably preferred by the majority of Canadians.

The second proposition is that the Canadian Football League, as the only professional league in which Canadian football is played, should be given an opportunity to continue as an entertainment and sporting vehicle for Canadian fans. It should also provide professional career opportunities for aspiring young Canadians.

The third proposition is that the Grey Cup Game, being about the closest thing Canada has to a national festival, should be preserved as a vehicle for bringing together Canadians from east and west in a sporting context.

I am sure the government will agree with those three propositions. Indeed, in the preamble to the bill before us, I detect a certain sympathy for them. Where I quarrel with the government is in the actual means it has employed to achieve the goals and objectives I have stated, and perhaps others which I have not stated.

I would first observe that the government appears to have been putting its head in the sand by refusing to recognize what is happening in professional sports in North America. I need only make a passing reference to pro hockey expansion, pro baseball expansion, pro basketball expansion, pro lacrosse expansion and pro tennis expansion to indicate generally what I mean. Consumer demand for professional sports is increasing, precipitated largely by television coverage. Professional opportunities for good young players, regardless of their country of origin, have almost doubled in a very short period of time.

What is happening with football? We all remember the American Football League, a bunch of upstarts who could not hold a candle to the Canadian Football League, let alone the National Football League. Where is the AFL now? It has emerged as part of a giant major league operation in the country to the south of us.

Through evolution, we now see a third major league on its way up. The important thing for Canadians to remember is that the price is going up. It is just like oil. The supply of players for the most part has remained constant, but the demand has been increasing. What happens when demand increases and supply remains about the same? The price goes up. Regardless of what the government of Canada does, regardless of what this parliament does and regardless of what legislation is actually enacted as the law of this country, there is going to be a significant impact on Canadian professional football by economic events I have described in the North American context.

The salaries of players are going up regardless of whether we have legislation. The cost of equipment and stadia, is going up regardless of whether we have legislation. There is going to be more competition in television from the new U.S. leagues regardless of what happens to this bill. Most important, there is going to be some raiding of the Canadian Football League. There is going to be a significant amount of raiding if this bill goes through.

What about this purely Canadian league which the government is attempting to insulate from international competition? This bill does not say anything about salaries. There is nothing here about the cost of equipment and stad to our Canadian cities. There is nothing about television competition from the leagues to the south. Indeed, the government owned CBC is apparently going to continue to nurture Canadian interest in the American game by televising NFL games on Sunday. Most important, there is nothing in this bill about the raiding that will go on.

One of the significant practical implications of events to date leading up to the introduction of this bill has been the guarantees given by Canadian owners of the Toronto franchise in the World Football League. There have been guarantees related to equalization and no television competition, which I will describe and go into in a moment. I think the most important guarantee was with regard to raiding. I wish to quote from a document which was presented to all members of parliament and the government by the owners of the Northmen. I quote:

> If we remain in Canada, we are prepared to urge upon our associates the adoption of the same policy against the signing of "futures".

That is a policy between the National Football League and the CFL.

> Since our associates are anxious to have a team located in Toronto we would expect them to accept this suggestion. If the signing of "futures" is permitted to continue, we would expect that fully 70 per cent to 80 per cent of the present name players in the Canadian Football League will not be playing in the CFL next year.

If the Northmen are allowed to play in Toronto, there will be an attempt to avoid the signing of CFL players into that new league. That is a league promise, not a Northmen promise. It is not a Northmen threat of any sort, but a fact of life of the WFL. It is a statement and a guarantee that we have every indication they will be prepared to live up to.

I have given the international and the North American background to professional football and professional sports generally. Strangely enough, when this government is dealing with a matter such as inflation, it is only too willing to blame international factors as being the cause of the problem. They throw up their collective arms and say "We can do nothing about it; it is international in nature." However, when the matter comes down to a really important aspect such as the game of football, what happens to the international aspect of it? It is ignored. We have "head-in-the-sand", restrictive prohibitive legislation as the immediate solution. As virtually every speaker from this side of the House has said, the government has got its priorities mixed up.

To put it in a nutshell, my fear is that this legislation may do more harm to the Canadian game of football, the Canadian Football League and the Grey Cup than would be the case if the government had kept its nose out of the whole area of professional sport. Canadian football is a good game. I happen to like it. I watch a lot of it over television and I attend the occasional Argo game. In the words of Russ Jackson, we in Toronto have to look at some of the practical and economic facts of life. Russ Jackson, who is no stranger to Canadian football, said "Toronto is a strong enough football town to support both the Argonauts and the World Football League."

I hope the CFL will survive. I hope the Argos will survive and prosper within that league. Indeed, they may even win the Grey Cup some day. However, with a potential market of some two to three million people in this country, the Argos playing to a packed house and many thousands of Torontonians unable to get access to the stadium to watch that fabulous team, the addition of another professional team should not warrant the kind of negative concern that emanated from the government benches and which is manifested in the bill before us today.

If this bill passes, what will happen to the Northmen? What will the impact be on the CFL? We saw in this morning's paper that the Northmen may go to Seattle. I ask all hon. members from southern British Columbia what impact this will have on the Vancouver Lions. Television rights will be involved. Northmen games will be beamed right into Vancouver. I suggest that from time to time a busload of people will go to Seattle to watch the games.

● (1600)

Alternatively, the Northmen may go to Buffalo. What would happen in that case? I am told that some 5,000 Torontonians presently journey to Buffalo every Sunday to watch the Buffalo Bills. It would not be difficult for the owners of the Northmen to lay on extra buses, a few extra trainloads, and take thousands and thousands of Torontonians down to Buffalo, or for the CTV network or for the major radio stations in the Toronto area to continue to broadcast those games because of the factor of Canadian ownership of the team which enables it to qualify as having Canadian content. What will happen to the Argos in this context, particularly when there is this real possibility that the World Football League will be taking the most important Canadian players out of our country and into their league? I think we can see the direction in which the whole shooting match can go.

I have put the argument in favour of not passing legislation with the intent to preserve Canadian football and the Canadian Football League and the Grey Cup. But let us look at the other side of the question, since we ought to be realistic and honest in a debate such as this. What if the Canadian Football League is too weak to face the competition in the marketplace? Despite the recent pleas of the Minister of Consumer and Corporate Affairs (Mr. Gray) in the debate on the competition bill for more competition in professional sport, the Minister of National Health and Welfare (Mr. Lalonde) insists on proceeding with this protectionist measure. Let us take a hard look at what he is protecting. On Thursday, the minister told us why he feels the CFL is more Canadian than apple pie. I quote:

> The only completely Canadian-controlled professional sports league in Canada is the CFL.

Take a look at the Canadian Football League. Seventy-five per cent of all revenue generated by that league is paid into the hands of Americans. Virtually every quarterback, coach and general manager in the Canadian Football League is an American, or was an American when he entered the league. The star players, the ones the fans pay to see, are Americans for the most part. Finally, an increasing number of the Canadians who do make the big time, maybe one third, who are good enough to become well paid stars in the CFL, receive their early training at United States colleges, playing the American game. This is the league we are preserving as a Canadian league.

The truth is that the CFL cannot be effectively isolated from the North American marketplace. It never has been and the government may be hypocritical that it can be, now. If the government is really serious about Canadianizing the CFL it would have carried its legislation much further. Let me suggests some additional clauses it might have inserted. It would have increased the minimum Canadian content in terms of players to 75 per cent. Or why not carry it right through to 100 per cent so that all the players would be Canadians—no imports at all would be allowed.

Allow me to suggest a further amendment. The minister and the hon. member for York West (Mr. Fleming) have made noises about new Canadian teams entering the CFL—teams from London, Ontario, and Halifax-Dartmouth were suggested. Why not tell the CFL to put its money where its mouth is? Why not make provision in this bill whereby any Canadian city of reasonable size which can provide a stadium with 20,000 seats would be entitled as of right to a CFL franchise? This would be the kind of quid pro quo the government should demand for giving to the CFL the protection it is giving the league in the bill before us.

But looking at the issue seriously, we all know that the CFL is really not all that Canadian. There are only limited

opportunities open to aspiring young Canadian footballers to make it into the big time in the league. The big salaries will still go to the Americans, as they always have. The all-star positions, the Schenley awards, will still go to Americans, as has been the case for some 25 years. On the other hand, the Toronto entry into the World Football League would open up new opportunities for good Canadian players. It has already done so, Mr. Speaker, just as the World Hockey League has opened up an entirely new career vista for young Canadian hockey players.

In the context of the debate today, I think I should at least raise the spectre of possible retaliatory legislation on the part of the United States Congress. How many hundreds of good Canadian hockey players are making their professional living in the United States right now, and how many legislators in the Senate or Congress of the United States have been approached by constituents saying: Why cannot we enjoy a measure of protection to allow young American hockey players to make it into the big time? Why cannot we Americanize the game of hockey? After all, the Stanley Cup is becoming an American institution—it goes more often, now, to an American city than to a Canadian city, and this year is no exception. We have seen already the beginnings of a lobby in the United States Congress and Senate, a retaliatory lobby which restrictive legislation of the type now before us is bound to precipitate. I think this is bad. Many of our young hockey players have found a whole new world of possibilities opened up to them and I, for one, would not wish to support legislation which might have the effect of restricting that prospect for them.

What has the Minister of National Health and Welfare done beside issue an occasional threat and, of course, issue the bill we are now considering? Perhaps he could tell us at some time during the debate, if not in committee, what communication he has had with the executives of the National Football League, or with its president. After all, that is the league which is the big threat, the league which may well go into Montreal. In many respects, the Toronto Northmen and the WFL are being made scapegoats. Has he attempted to extract from the president of the NFL an undertaking not to come into Canada because doing so would run contrary to government policy? I have seen no evidence of any such communications, and I would be delighted to hear the minister or his parliamentary secretary outline to us the form and nature of any communications with the National Football League.

I would also ask the minister what communication has taken place with the Mayor of Montreal. The Postmaster General (Mr. Ouellet) might care to tell us what communication he has had with the Mayor of Montreal in connection with the new stadium which is to be financed at least in part through a scheme for the sale of coins and postage stamps which is federally sponsored. I understand that the minister did indeed talk with the Mayor of Montreal immediately before he delivered his speech in Regina on February 21, and that no undertaking was forthcoming from the Mayor at that time with regard to the use of the Olympic Stadium for the purposes of the National Football League. It may be the Mayor has since seen the light. It may be that he will be willing to compromise. I should like to see some evidence that an attempt has been made to communicate with the Mayor of Montreal. I know an attempt has been made to communicate with the Mayor of Toronto and with the Metropolitan Chairman in that city.

But what we do know, on the minister's own admission, is that he did not communicate with the owners of the Toronto Northmen prior to his speech in Regina on February 21, notwithstanding the fact that the establishment of that WFL franchise in Toronto was announced six months earlier, in August 1973. The news appeared, of course, in all the daily newspapers and was broadcast throughout the country. It was well known not only to sports fans but, I suggest, to the government. My feeling is that if the minister were willing to communicate a little more readily he would need to legislate a little less. To his credit, the minister conducted two meetings with the owners of the Northmen in mid-March, after he had let the axe fall in Regina on February 21.

But despite all the guarantees the owners of the Northmen were willing to provide, a guarantee to make up the loss of equalization, a guarantee not to expand the league into any other city, a guarantee of no competing national television coverage, and a guarantee that there would be no raiding, the minister on April 10 brought forth a bill which is restrictive and retroactive, virtually cutting off all communication. In other words, the minister threw down the gauntlet and they are prepared to do battle. I find that course of behaviour a little strange, particularly in view of the comments made by the hon. member for York West who followed the minister as the only other government speaker who has had the nerve to enter this debate.

● (1610)

I quote from that hon. member for York West, who I am delighted to see in his place, who gave his version of how communications were operating between the government and those to be affected by this bill:

> I remind my hon. friends opposite that the government was forced to legislate, after having made its policy eminently clear through the former minister of national health and welfare some 17 months ago, and reaffirmed by the present Minister of National Health and Welfare (Mr. Lalonde) when he took over that portfolio. The government was forced into legislating, and now this bill is before the House.

I ask hon. members and all the people in the Toronto area, who forced the government? Where is this great body of opinion that required the government to come forward in response to this widespread demand? The government was forced by whom? I suggest that the hon. member for York West may have his political blinkers on because he said later in his speech:

> I am confident that the overwhelming majority of Torontonians, given a chance to understand this issue, are going to support the government—

The hon. member for York West has put his neck on the line. Let him come out and speak in Toronto on this very issue.

Interestingly enough, a committee that has been formed in Toronto, to actively consider the issue which we are now debating in this House, and which will hold meetings in the City Hall in Toronto. It is the committee of Toronto fans for football. It has issued an invitation I believe to every member of the House of Commons to attend and participate in the debate, to come forward with views. There have been a number of people accept the invitation

to this meeting but, strangely enough, the only supporter of the bill who has yet to acknowledge the invitation and indicate he will attend has been the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Cafik). I am delighted, of course, that he will be there, but I had hoped we might have one member in support of the bill from Toronto.

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

The Acting Speaker (Mr. Boulanger): Is the hon. member rising on a point of order?

Mr. Fleming: Yes, Mr. Speaker. On the basis of my assumption, and you may rule that I am wrong, from the comments of the hon. member for St. Paul's (Mr. Atkey), that he is suggesting some people in the House of Commons from the Toronto area are not responding to the invitation, and may thereby be avoiding the responsibility they have to their constituents in Toronto, I should like to say I did not receive any invitation to that particular meeting until this morning. I must say I have a previous commitment to attend an anniversary celebration for the State of Israel.

The Acting Speaker (Mr. Boulanger): I think that is more of an explanation than a point of order.

Mr. Atkey: I thank the hon. member for York West for that intervention. I intend to be at the same anniversary celebration, and I will catch the plane from there down to Toronto. I will be pleased to make airline reservations for the hon. member if he cares to attend with me.

If that is not enough of a negative impact for the people of Toronto, the Minister of National Health and Welfare had the audacity to perpetrate what really has been the greatest fraud on the people of Toronto that perhaps this House has ever seen. I refer to the minister's statement, which was not issued in this House but given to the press, as is the usual practise of this government, concerning television blackouts in the city of Toronto when the Argonaut games are sold out. I quote from that statement so it cannot be suggested that I am in any way misleading members:

> One of the concerns articulated by the people of Toronto has been the inability to see their team play, because of games being sold out. While plans to expand the Toronto stadium may eventually contribute to alleviating this situation, any such expansion may take some time and still might not meet the demand for seats. Accordingly, an undertaking has been given by the owner of the Argonauts that on an experimental basis, and beginning this season, the television blackout would be lifted when it was established in advance that the game would be a sellout. The minister is fully aware that such a decision cannot be made by any individual CFL club without the approval of other clubs in the League, but the Commissioner of the CFL has undertaken to put such a proposition before the other CFL club members, and to encourage its acceptance.

That is the sop to the people of Toronto, and it might be a meaningful sop if the government could do what it has promised. What the minister forgot to tell the people of Toronto was that there had to be some other approvals which might not be forthcoming. It is one thing for him not to tell the public of Canada that there had to be approval of the Canadian National Exhibition, which actually owns the stadium and has certain contractual rights, of which the minister was well aware as he is a lawyer. He is well aware, too, that the Argonaut owner, just because of a unilateral representation from the federal government, cannot back out of his contracts. Indeed, I believe the commissioner of the CFL, or the Argonaut president, Lou Hayman, said on the weekend that in addition to the approval of other teams in the CFL, they will have to honour their contract with the CNE, because that contract gives the CNE the right to approval as well.

As if that were not enough, there is this other indication that the owners of the Argonauts have certain contractual obligations with the radio station. In this case it happens to be a rather substantial contractual obligation with Radio Station CFTR, which entered into the agreement before all this matter arose, with certainly a large amount of money involved, I think in the area of $125,000 the first year, for exclusive rights to broadcast Argonaut home games. If there is going to be no television blackout when the stadium is sold out, the radio rights are not going to be worth nearly as much as they would otherwise be, as people will watch the television as opposed to listening to the radio when they cannot go to see the game, and the owner of the Argonauts knew of this contractual right when he gave his undertaking to the Minister of National Health and Welfare.

I am not suggesting that the minister knew of this contractual right, but again I am putting before the House the fact that the minister is a lawyer and now has become somewhat of an expert, I hope, on how professional football teams operate. He should have realized he was holding out a false promise, which may in fact be the cruelest hoax on the people of Toronto, to suggest that TV blackouts will be lifted. The minister does not have any guarantee, and neither does Mr. Gaudaur, that there will be an agreement forthcoming from every CFL team, and indeed there may be some indication to the contrary. I am happy to sit back and watch what happens in that regard, but for the moment I think it is cruel, and it may be somewhat deceitful, for the government to hold out to the people of Toronto the hope that next fall they will see Argonaut home games on television.

Mention has already been made by two hon. members, the hon. member for Greenwood (Mr. Brewin) and the hon. member for Vancouver South (Mr. Fraser) about the problem of the constitutional validity of Bill C-22. This is a complex matter and perhaps one that is better argued in the courts than in the House of Commons. After all, though, the House of Commons is regarded by many as the highest court of the land and I think it would be inappropriate if not irresponsible if opposition members were to let a bill of this nature pass without commenting on the constitutional problem which appears so obvious on the face of the legislation. I refer specifically to this most restrictive clause of the bill, Clause 6 which reads:

> Subject to this section, no person owning, operating or managing a football team within a foreign league shall require or permit that team to play football in Canada.

Subclause (2) reads:

> Subject to this section, no person shall play football within Canada as a member of, or as a player on, a football team within a foreign league.

Subclause (3) merely goes on to provide an exception in the case of exhibition games. How can the federal government justify the constitutional validity of this particular clause? Prior to the introduction of the bill we heard reference to trade and commerce powers, and we have also heard reference from time to time to the powers of the government in respect of immigration in the British North America Act. We have heard reference during this debate to the emergency power, the so-called peace, order and good government power of the federal parliament. Of course, the federal government has undisputed jurisdiction over criminal law and procedure under Section 127 of the British North America Act.

● (1620)

I think at the very least it should be incumbent on the minister, when he knew there were problems in respect of the constitutional validity of this bill, to explain the justification upon which the government was prepared to rely to support the validity of this bill. I say to the minister and to his parliamentary secretary that these may be the type of questions opposition members will want to put to the minister and his officials when the bill goes to the committee in the very near future. It will go to the committee very shortly provided it survives the vote, which is questionable. There is a question in my mind concerning how one can support legislation which focuses on the playing of a game within a province. This legislation does not relate to a commercial process or interprovincial or international boundaries. It contains a criminal prohibition relating to the playing of a game. The criminal sanction is invoked when the player in that game or the person who happens to be owner, manager or coach is with a team belonging to a foreign league. In other words, the crime is belonging to a foreign league and playing the game of football.

It has already been pointed out by several speakers that legislation relating to the playing of a game, traditionally at least, has fallen within the purview of the province. About the only legislation to my knowledge that has been supported as valid federal legislation related to the playing of games relates to pinball machines. This type of legislation, which is included in the Criminal Code, has been sustained on the ground that it has an element of immorality attached to it. In other words, there is something morally wrong or mischievous about playing this machine. Perhaps it leads to an unreasonable propensity to gamble. I challenge the government to prove what moral aspect exists in respect of playing football in Canada merely because the people involved happen to be part of a foreign league.

I predict what will happen is that this legislation will be in trouble when it goes before the courts. I say in all seriousness that the Minister of Justice (Mr. Lang) who apparently drafted this bill has the statutory obligation to check the provisions of this bill to determine whether or not they are constitutional in respect of the Canadian Bill of Rights. The phrase in the Canadian Bill of Rights to which I refer is "equality before the law". There are certain protections in respect of equality before the law and against discrimination on account of national origin which exist in the Canadian Bill of Rights.

[Mr. Atkey.]

In the first instance, I think the Minister of Justice has a statutory obligation to come before the House and say that he has checked the bill and that it is constitutional in that it complies with the Canadian Bill of Rights. As the government well knows, it is open to any person affected by legislation, including the government itself, to test the bill to determine its consistency or inconsistency with the Canadian Bill of Rights. I repeat that I think the government has the duty to come forward and say that the law officers have looked at this legislation and that in their opinion it is proper. This has not taken place.

In conclusion I wish to ask some questions about the implications of this bill in relation to things other than professional football. I might ask what are the implications of this legislation in respect of other sports. We have heard mention of hockey, baseball and soccer. I am sure the hon. member for Davenport (Mr. Caccia) would be interested in this game and the implications of this bill related to professional soccer as played in Toronto. Let us consider other forms of entertainment and culture such as ballet, music, opera, theatre and painting. What are the implications of restrictive legislation of this sort in that area? I find this a little frightening. I hesitate to use the term but I think we must consider this. There has been a great national debate about football.

One of the most prominent figures in this debate now is the Minister of National Health and Welfare. Some sports columnists have suggested that this legislation is devious. I think that is unfair. Some suggest it has been introduced for partisan political purposes. I think that is unfair. Indeed, I think if the Minister of National Health and Welfare thought about it and considered the political winds of change, he would realize that this bill may not bring any political advantage. I think the minister was serious in bringing forward the bill. If I can be charitable, I believe he was ill advised perhaps in doing so. That is the way I would characterize his attempt to enact this legislation, and apparently it is too late at least in his opinion to withdraw this bill.

Today during the question period the Prime Minister (Mr. Trudeau) said we should end this debate and move on to other things. He agreed with the comments of questioners from this side of the House and said that the simplest way to move on to other things would be for those on this side of the House to stop talking. I think I can speak for most of us on this side of the House when I say that we will end this debate immediately if the government will do the one thing it should do under the circumstances, and that is to withdraw the bill.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, at the outset may I say I regret that the Minister of National Health and Welfare (Mr. Lalonde) has seen fit to involve himself in professional sports. We are all aware of the fact that hon. members of this House welcome the idea of the physical fitness and amateur sports assistance made available by the government. I think it is more fact than rumour that the NHL headquarters will be moving out of Montreal when Mr. Campbell completes his term of office. There goes the national aspect of the Canadian game! Will the minister be prepared to introduce legislation to compel the National Hockey League—we have only three teams left in this country—to keep its headquarters in this country where it

belongs. We might look at the preamble to the bill. It begins this way:

Whereas football has an established tradition in Canada as witnessed by the Cup symbolizing football supremacy in Canada, which was donated by His Excellency, the late Governor General Earl Grey in 1909 for that purpose;

That is absolutely false and incorrect. I am under the impression that probably the minister received some pretty bad advice from Senator Keith Davey whose tenure of office as Commissioner of the football league did not see him through one season. I think the failure of Senator Davey has a lot to do with the minister being poorly advised.

● (1630)

Now we come to the definitions in the bill and we find the following one:

"football" means Canadian football and American football but does not include soccer or rugby;

How has the minister gone so wrong? In the first place, let me point out that Governor General Earl Grey donated the Grey Cup for rugby football, not professional football. In those days rugby football was played as an amateur sport. On what has the minister based himself? The minister referred to all the things that have been said in favour of the action proposed by the government in this bill. He quoted various authorities. He quoted the players' associations, and he came up with the name of George Reed who is an American. I want it completely understood here that I am not criticizing George Reed as a football player. His contribution to the game in Canada has been outstanding. No man has ever established the records that he has, nor do I think anyone will for a long time approach the record that this man has established. He has meant much to the game in Canada and to the team for which he plays. George Reed stands alone in this particular sport. He has been symbolic of the best there is. However, when the minister, speaking about protecting the Canadian Football League, quotes an American player, I think he is straying far from the intention of his legislation.

Now let us speak for a minute about the game itself and the importance of competition. I think, personally, that the establishment of more teams in Canada is good. It will certainly provide greater opportunities for a greater number of Canadians to participate in the sport in view of the fact that a certain number of them will have to fill up the rosters. It is a possibility that the opening up of opportunities and the establishment of more teams will cause the deterioration of the game. But that does not mean a thing. It is competition that makes the game, no matter what type of game is being played.

I can say without fear of contradiction that the worst game of hockey I ever watched was between the Chicago Black Hawks and the Toronto Maple Leafs. I watched the best players and at the same time I watched the worst game. It is the competition that counts. Horseracing fans in this country will know that a race run in two-eighteen or two-twenty can be just as exciting as one run in two flat because of the competition. It is what is happening at the end of the game which makes the game itself come alive—it is competition.

I am also somewhat disturbed about the geography brought in here. First we talk about Vancouver, and then we come all the way down to Montreal. I always understood that the country stretched from Victoria to St. John's, Newfoundland.

Some hon. Members: Hear, hear!

Mr. MacInnis (Cape Breton-East Richmond): The bill refers to the national aspects of the game. There is nobody more fond of watching American football than I am. Even if I have to be fed my supper watching television—we are not too sophisticated down in Nova Scotia and we still have supper in the evening—I will not miss any of the game. If necessary, I will stay up after midnight watching the games from the west coast which we do not get until after midnight in the east. I follow the game; I like the game; I like to watch Sunday afternoon games. I will not support anything here that will deprive me or anyone else in eastern Canada of the opportunity of watching American football games on Sunday afternoons. While in Ottawa I like nothing better than to watch American college teams perform. I think that they perform more excitingly than any of the professional leagues. They may lack a good deal in finesse but they make up for it in desperation, and to me that makes for a better game.

When we talk about the geography of the country and the national aspect of this game we overlook the fact that eastern Canada does not stop in Montreal and that western Canada does not stop in Vancouver. Reference is made to the financial aspect and to what the league is doing for the teams in the amateur ranks in Canada. Let me point out that what they are doing is purely in their own interests. If there is any subsidy given by professional sports in this country to give an opportunity to the younger men in the sport, it is done with the sole purpose of pulling these young men into the professional league and the professional team. It is self-serving and the assistance is not provided under physical fitness and amateur sports legislation which is something worthwhile. Believe me, professional sport is a business and any financial assistance they give to any minor league team is given with one purpose in mind, to strengthen their own position.

Earlier I spoke about the donation of the Grey Cup by the late Governor General Earl Grey in 1909 and the fact that the definition in the bill states that football is Canadian football and American football, but does not include soccer or rugby. This is absolutely wrong. I still say, and if I were still involved I would make the claim, that any rugby team in Canada that can prove itself superior can lay claim to the Grey Cup which was originally intended as a rugby award. Somehow or other Canadian football got past the Rules and the Grey Cup was awarded to professionals playing Canadian football, but it was never donated for any such purpose in the first place.

Let me tell you something about the history of the game. Originally the first game was rugby. When we talk about the international game we know that rugby football has a far greater appeal on the world scene than either the Canadian or American football games. I think we would all admit that probably soccer is the greatest of the international games, the game which is played in most coun-

tries. Perhaps now that the European countries have taken up hockey, we could consider hockey to be close to the top also. I would say that basketball also has gone up a long way in popularity. It was the Canadians who invented basketball and the Americans took it over.

However, speaking of international games, rugby must be up at the top in popularity. The French team is one of the leading teams in Europe. We have all heard of the New Zealand All Blacks—a famous name for years. They are playing Wales, Scotland and Ireland. They have played all over Europe, in Canada and the United States as well. A few moments ago someone mentioned that soccer is becoming professionalized. Indeed, Toronto has a soccer team in the professional league. Why is there so much emphasis on the Canadian-American football game? What I will say now may be a denial of what I originally said. I enjoy watching the game, but I have no choice. However, I will try to give members of the House an opportunity to see a game later this week. I have arranged to have a film shown here and I invite everybody here to look at that film. It will show a game played between the New Zealand All Blacks and the Barbarians. You will see 80 minutes of sustained action. This is the game for which the Grey Cup was originally intended.

I say that with proper promotion amateur football can take over in this country. You will be watching a football spectacle that will make your Grey Cup games look like child's play in comparison. Why do I say that? Because in this game a player goes on the field for 80 minutes. What do our professionals do? Probably they play for 15, 17 or 18 minutes, and between the shuffle that goes on between the bench, the field and the delays, the game lasts three hours. I intend to watch 60 minutes of football and it takes me three hours to do it. With amateur sports you get 80 minutes of football all wrapped up in an hour and a half or an hour and 40 minutes. This is sustained action. You will see the pro coming off the bench; he will run down the field 75 yards, either complete the run or miss a pass and the coach will give him a breather. This is professional sport. There is sustained action for 80 minutes; there is continuous football, such as the Grey Cup was originally intended for.

● (1640)

As we delve into the history of the game, what do we find? The game which was played by the American ivy league by Rutgers, Brown, Princeton, Harvard, Yale and other similar colleges, is based on English football. We call it English football in my area; actually we should refer to it as rugby football. How did the American game develop to its present form? According to history, and I am talking off the top of my head but have read the facts, Harvard built an enormous stadium, only to find that not enough room was left for the playing surface. They had to narrow the field, therefore, cut down the length and begin innovating with regards to the rules. That is how we developed the forward pass, which is supposed to make the game so glamorous. I sound as if I hate the game, but I do not. I like to watch sports events and will continue to watch in future. I hope I will not be denied the opportunity by the ridiculous measure the minister has brought before the House.

[Mr. MacInnis (Cape Breton-East Richmond).]

The game as we know it developed from rugby football, and began because some people decided to reduce the dimensions of the playing field and make innovations in the rules. The minister has stepped into the area of professional sport. What will this do for the development of football in Canada? I don't know. I think he is playing a dangerous game. I have learned that the Senate of the United States is considering measures of retaliation whereby they will restrict the number of Canadian hockey players who may play on American NHL teams. Perhaps this will turn some players loose. They could come back to Canada and be absorbed in an NHL team, go to Winnipeg, or possibly Ottawa. We all know what happened to the last professional hockey team that tried to establish itself in Ottawa. I think we are playing a dangerous game when we tamper with professional sports. We are becoming involved with business. The minister may be restricting the entry of Americans to our game, but he is running the risk of having our hockey players excluded from the United States.

That brings me to another point. Look at what happened to the Canadian intercollegiate basketball finalists not long ago. What went on was shameful. There is a small university in Nova Scotia which has a tremendous record in intercollegiate sports. It was finalist two years in a row in intercollegiate hockey, winner of the 1973 Canadian football championship and won last year the Canadian basketball championship. Again this year, the team was a finalist in the Canadian basketball championship.

When that team went to play, what happened? There were three American players in the line-up and what anthem did the band play? Did it play O Canada? Not on your life. It was decided, because there were three Americans on the team, that the band would play the Star Spangled Banner. Is this the way to treat a maritime university because there are three American players on the team; is that any reason to play the American national anthem rather than the Canadian national anthem? Is this the kind of treatment we can expect for people east of Montreal.

The preamble to the bill is based on facts which are not correct. Look at the history of the game. The Grey Cup trophy was never intended to be a trophy for professional sports. It was intended for the best team playing rugby football, and rugby football developed into American style football through an accident. If you want to see real football, you should see a film which is available from Toronto. You will see, 80 minutes of sustained action. At the least you will see 45 minutes of action. You will see football as it should be played. You will not see players spending 20 or 25 minutes in a huddle, or using up time in scrimmages. The game is fast moving. Let me tell you, if professional athletes had to perform in the way these players perform for 80 minutes, they would be exhausted. You will be most impressed with these players. I urge members to see the film.

Returning to my original theme, what will the minister do if the Americans decide to retaliate and exclude NHL players from participating with American teams, or limit the number of Canadian hockey players who may play with an American team. As I said, there is a bill to that effect coming before the American Senate. It requires a

certain percentage of players on American teams to be Americans. If that bill is enacted into law, many would-be Canadian hockey players will be denied opportunities because of the geographic area from which they come. What about the subsidy, in a manner of speaking, which is to be provided by the professional football league in Canada. Will it apply to Cape Breton, to Nova Scotia, to P.E.I., to Newfoundland and to other areas?

I have not listened to the debate up to now. However, as soon as I looked at the first paragraph of the preamble to the bill, I knew the minister was wrong. In addition, the definition section of the bill says, football means Canadian football and American football but does not include soccer or rugby. That is entirely wrong and flies in the face of why Governor General Grey in 1909 presented the trophy. That section and that preamble constitute an absolute denial of the original reason for presenting the Grey Cup.

In making these remarks I do not intend to involve myself in the financial aspects or the TV coverage aspect of Canadian or American football. Again, I say on my own behalf and on behalf of lots of people in the maritime provinces that, if this bill becomes law, we may be denied the opportunity to watch games, as we have done in the past.

The physical fitness and amateur sport legislation is well worth supporting. I think it is supported by members on both sides of the House. I have, at times, criticized what is going on within the responsible department; I have also criticized groups who have come forward for financial assistance under the act. For instance, I do not consider chess to be a game which deserves financial support from the physical fitness and amateur sport branch of the department. How much physical fitness are you developing when you sit down to play a game of chess? I think it should be directed into those sports which are strictly amateur in nature. Later, there is nothing to prevent an amateur from turning professional, of course. The preamble to this bill is absolutely wrong, absolutely false and inaccurate. You can apply any adjective you wish, but it does not belong in the legislation nor does discrimination, as I outlined, in the definition.

● (1650)

I hope the minister will stop heeding the bad advice he is getting, which I assume comes from the short-lived commissioner, Senator Davey. I could be wrong but there is no doubt in my mind that this matter has been brought before parliament strictly on a political basis. It is strictly political. What they hope to gain I do not know, but I do not see how restricting competition can do any good.

If Americans begin to retaliate there will not be much left and in the end we will probably get back to what was originally intended—that is, playing a game of football for 80 minutes of sustained play rather than 17 or 18 minutes per game for the professionals who have to stop for a breather after a 70 yard dash. In rugby union football you run 75 yards and get knocked on your butt. Then, you have to pick yourself up and run another 75 yards. There is none of this pampering.

This is a dangerous area in which the minister has moved. If he is going to be consistent in his approach to professional sports, I think he had better amend his bill to provide that the Montreal Expos baseball team should have a percentage of Canadian players. If the legislation applies to professional football, why not apply it to baseball and make the Expos use a percentage of Canadian players in their lineups. What would that do to professional baseball in the Montreal area? We all know it would absolutely chase it out of Montreal.

I do not think the minister has been properly advised on bringing in this bill. In fact, he has been poorly advised on the restrictive type of legislation which will only be detrimental to other professional sports throughout the country.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): It is my duty pursuant to Standing Order 40 to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Charge by United Nations Secretary General that Canada engaged in brain drain of developing countries—government position; the hon. member for Bellechasse (Mr. Lambert)—Agriculture—Dairy policy, 1974-75—Assurance that producers will continue to operate; the hon. member for York-Sunbury (Mr. Howie)—Government Administration—Request for Royal Commission into increasing cost and effect in feeding inflation.

Mr. Reid: Mr. Speaker, I rise on a point of order. We have run into some difficulty in connection with private members' hour. The arrangements made on Friday are not possible of consummation. Because of the strike in the air industry, the member who was to move the motion has been unable to attend. There have been consultations with the parties, and I think there would be agreement to move to public bill No. 120, standing in the name of the hon. member for Nipissing.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Before going on, I was to recognize the hon. member for High Park-Humber Valley (Mr. Jelinek) before five o'clock.

Mr. Jelinek: Mr. Speaker, seeing that it is just a couple of minutes before five o'clock, I wonder if I could call it five o'clock.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): That means there will be an hour and five minutes for private members' hour. Is the House agreed?

Some hon. Members: Agreed.

Mr. Lefebvre: On the same point of order, Mr. Speaker, we can call it six o'clock at three minutes to six. It will come to the same thing.

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

Some hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being five o'clock the House will now proceed to private members' business as listed on today's order paper, namely public bills.

PRIVATE MEMBERS' MOTIONS—PUBLIC BILLS

[*Translation*]

IDENTIFICATION OF CRIMINALS ACT

AMENDMENT TO PROHIBIT PUBLICATION AND DESTROY RESULTS OF IDENTIFICATION PROCESS UPON ACQUITTAL

Mr. J.-J. Blais (Nipissing) moved: That Bill C-220, An Act to amend the Identification of Criminals Act, be read for the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is a great pleasure for me to submit my first bill since I have been elected to this Chamber. I have many times had the opportunity to adopt a negative attitude towards bill submitted by other colleagues who are, in fact, here in the House. I was very sorry to see their bills dropped at the bottom of the list, because we did not have enough time to discuss them. I hope that this tradition will not be followed this time and that we will have the opportunity to see the bill I am now submitting to the House debated in the Standing Committee on Justice and Legal Affairs so that, of course, the essential amendments I am now proposing to the bill regarding the identification of criminals be adopted, since I think they are vital. So that we may discuss this bill in committee, my participation will be very short, but clear and accurate.

The bill that I suggest be amended concerns the Identification of Criminals Act. This act allows the police, investigators, Crown officers, even before an individual is convicted, to prepare and compile a file for identification purposes in relation with this individual. However, this may present some difficulty. As everyone knows, there is a fundamental principle in our criminal justice system according to which every accused must be presumed innocent until proven guilty in court.

On various occasions, we have attempted to change this principle a little, but without success. However, I believe that the Identification of Criminals Act is in direct opposition to this principle which is part of the English common law and which we have always tried to sanctify, indeed, to perpetuate.

[The Acting Speaker (Mr. Boulanger).]

● (1700)

[*English*]

One has to read section one very carefully. It speaks of the identification of criminals. Therefore, it speaks of the identification of people who, under our law are deemed to be criminals. Section 2 reads:

> Any person in lawful custody, charged with, or under conviction of an indictable offence, or who has been apprehended under the Extradition Act or the Fugitive Offenders Act, may be subjected, by or under the direction of those in whose custody he is, to the measurements, processes and operations practised under the system for the identification of criminals commonly known as the Bertillon Signaletic System, or to any measurements, processes or operations sanctioned by the Governor in Council having the like object in view.

I stress the fact that those people who are subjected to this system of identification are those in lawful custody or charged under a criminal statute. Under this bill, there is no necessity that the person be convicted, be brought before a tribunal, be arraigned or indicted. There is simply the need for that person to be lawfully arrested or charged. Whether that charge is proceeded with is of absolutely no merit.

The question is whether he has been charged and whether he is under lawful arrest. If those two criteria are met, the whole procedure of identification falls into place. That may not be absolutely detrimental to our whole system of criminal justice, but I draw Your Honour's attention to Section 3 which reads:

> No one having the custody of any such person, and no one acting in his aid or under his direction, and no one concerned in such publication, incurs any liability, civil or criminal, for anything lawfully done under this Act.

Sections 2 and 3 permit the complete publication of any information obtained through this identification procedure. It permits the dissemination of that information at any time without any limitation, notwithstanding the fact that that particular person has never been produced before any court in this country and has never been convicted of any offence. Therein lies the big fault of the statute as it now exists, namely that individuals are subjected to identification although there has only been a charge levelled against them and that information is subject to publication.

This can be done in any way the constabulary sees fit. There is no remedy offered under civil or criminal justice. Although Section 3 limits this publication only to those engaged in the execution or administration of the law, that particular group can be very wide indeed. That publication could be very detrimental. In the course of its publication, it could well be that the information is obtained by the press, news media or other citizens who may well want to make use of it even before the individual appears before a tribunal or is convicted. I draw Your Honour's attention to the Canadian Bill of Rights.

[*Translation*]

Mr. Speaker, clause 2 reads as follows:

> 2. Every law of Canada shall, unless it is expressly declared by an Act of the Parliament of Canada that it shall operate notwithstanding the *Canadian Bill of Rights*, be so construed and applied as not to abrogate, abridge or infringe or to authorize the abrogation, abridgment or infringement of any of the rights or feeedoms herein recognized and declared, and in particular, no law of Canada shall be construed or applied so as to . . .

(*f*) deprive a person charged with a criminal offence of the right to be presumed innocent until proved guilty according to law in a fair and public hearing by an independent and impartial tribunal, or of the right to reasonable bail without just cause;

Mr. Speaker, I can see no way that this bill as it reads now can comply with the Canadian Bill of Rights.

This, Mr. Speaker, makes it a necessity to amend the bill, and I think the amendment I suggested is quite reasonable because it does not prevent identification but only the publication of information gathered by police officers. Its object is to force the court to destroy evidence after the case is heard and the individual is discharged.

[*English*]

It is essential that this bill be passed because it orders the destruction of cards and other results of the identification process wherever anyone has been acquitted of the offence with which he was charged or discharged under the recent amendments to the Criminal Code.

In conclusion, perhaps in anticipation of an argument which might be presented, I simply want to state my rejection of that argument. It has been indicated to me that this information serves to identify criminals who, although they have not been convicted before a court of the country, are engaged in criminal activity. I suggest that the exception must be very rare. It does not outweigh the right of any Canadian citizen to be deemed innocent until proven guilty and the right of a Canadian citizen to not have published throughout the country an indication that he is under criminal charge. Thank you, Mr. Speaker, for your attention.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the calling of Bill C-220 this afternoon gives me the opportunity to practice the fine art of turning the other cheek. The hon. member for Nipissing (Mr. Blais) is a frequent participant in debates on private members' bills and resolutions. I think I can say that when one of mine is before the House, he speaks with respect about it. He says what a fine person I am and so forth, but he always finds something wrong with my bill or resolution. I want to say to him at the outset, in terms that I want to make as unqualified as I can, that I see nothing wrong with this bill.

I recognize the arguments that will be put forward. There will be those who in the name of assisting the police and so on will say that the right to publish mug shots and fingerprints should be retained without restriction. However, I think the essential point made in this bill, and in the speech of the hon. member for Nipissing, is valid, namely that until a person is proven guilty, he is innocent and that until he is charged and brought before a court, he should not be treated as though he were a criminal. I believe, therefore, that the hon. member for Nipissing has done a service in drafting and presenting this bill. Its purpose is clear. It contends that mug shots, fingerprints and other means of identification used with respect to persons who are in trouble with the law should not be published before that person is brought before a court; and if such a person is found to be not guilty, those various forms of identification should be destroyed.

● (1710)

I listened with a good deal of interest to the wistfulness of the hon. member's plea that the House should not waste a full hour on this bill, but should deal with it quickly and send it to committee because it ought to be passed. I guess he was quoting me, because I have been saying that for years. I include this measure among the number of proposals by private members which come into this category as deserving of approval—deserving to be passed and enacted without undue delay. I hope it will receive second reading this afternoon so it can be sent to the Committee on Justice and Legal Affairs.

[*Translation*]

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I have no intention of showing a negative attitude to this bill. On the contrary, I see many good aspects in the bill. However, I believe it may be somewhat excessive.

Amendments should indeed be made to the Identification of Criminals Act, but the destruction of all criminal identification would be in my opinion a serious mistake, especially in the case of acquittals, because there is no proof that where persons are acquitted of an offence, they do no commit other offences later on.

The acquitted person is in fact often guilty. There is no doubt about it in anybody's mind. But because of circumstances surrounding the crime, because of the reasonable doubt benefitting the accused, and often through some jurors' incompetence, the accused is acquitted. But it is not proven that he never does commit other offences later on.

I remember a famous hearing in Quebec City, a few years ago. A certain individual had been accused of kidnap and murder, and was later on acquitted. I will not discuss how the jury came to such a decision but one thing I am sure of is that to destroy signaletic cards or identification papers concerning that individual would be a very serious mistake. Also, to destroy certain identification papers concerning, let us say certain present activists taking advantage of labour conflicts in Quebec for instance, would also be at this time a serious mistake.

However, in the case of juvenile delinquents who are brought before the social welfare courts, one could say perhaps that the judge shows a little more flexibility and since fingerprints and mugshots are not used in that case, I believe it is a good thing. As regards people accused for instance of having used drugs for non-medical purposes, they have the benefit of getting a suspended sentence. There again, I suggest identification papers for fingerprints should not be used. But I am thinking of the dope pushers who are declared not guilty and in such cases, I do not believe the fingerprints should be destroyed.

As a matter of fact, when we visited penitentiaries this year, we were told that 85 per cent of the prisoners were repeaters. Therefore, one could perhaps wonder how many of them were acquitted the first time. Again, I say one cannot be sure that an acquitted person will not commit a second or even a third offence. I would have suggestions to make about that. Again, there is much to be said for Bill 220, but over-indulgence is the weakness in some clauses. For instance, I think identification papers, fingerprints or mugshots should be destroyed, let us say after ten years, if

the person did not commit any other crime. I also think that certain signaletic cards should be destroyed in the case of certain types of persons. I refer to young people who commit a crime through an excess due to their age, do not commit any more during a period of five or eight years. I think their cards should be destroyed.

I would also make a difference as regards persons acquitted in the case of a very serious offence or breach of the law. I refer here to those accused of sexual offences who are later acquitted.

I feel that those people should be set aside in a special category and, at the end of five or six years, their files could be destroyed.

Once again, Mr. Speaker, I am not entirely against this bill but I would make certain amendments to it ensuring that the files of those who have been accused but not proven guilty are not completely destroyed.

[*English*]

The Acting Speaker (Mr. Laniel): The hon. member for Windsor-Walkerville.

Mr. Knowles (Winnipeg North Centre): Question! This is a Liberal bill.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): I trust the hon. member for Winnipeg North Centre (Mr. Knowles), who is calling "Question", does not wish to deny me the opportunity of taking part in this important debate. The fact that the motion has originated from the Liberal side is evidence of the many gifts possessed by those who sit with me in support of the government—

Mr. Knowles (Winnipeg North Centre): That means it will not get through.

Mr. MacGuigan: The House has probably devoted more attention in recent years to the subject of the convicted criminal than to the person whose case has not proceeded to a conviction. Several years ago we enacted the Criminal Records Act to provide a certain measure of relief in the case of people who had been convicted of offences, by way of directing that records shall, in a sense, be sealed after a certain period of time. Many of us who were involved with the progress of that bill, and the lengthy discussions which took place in the Committee on Justice and Legal Affairs, are concerned about the fact that so few of the provinces have done much to follow up this legislation and ensure that a person who has been convicted is not placed in an invidious position. A person who is convicted and has been pardoned ought to be able to say when he is answering the question: "Have you been convicted?" "No." Or perhaps we should insist that the question be framed so as to read: "Have you ever been convicted of a crime of which you have not been pardoned?"

● (1720)

People come to me in a difficult dilemma as to how to answer, as they have been convicted of a crime, served their sentence and have subsequently been pardoned and they are asked in some form of government process or questioning, usually not at the federal level,—and that is where the problem comes in—"Have you ever been convicted of a crime?"

[Mrs. Morin.]

The clear intention of this legislation, which members of all parties of the House supported so strongly several years ago, was that persons should be able to answer "no" to that type of question, or at least have the assurance that the kind of question which could be asked would be very limited, indeed. There is a serious difficulty in the follow-up to the law by the provincial authorities. This parliament does not have complete legislative jurisdiction, as we all know, and there are many aspects of the problem which can be dealt with only by provincial law. I would suggest to the Solicitor General (Mr. Allmand), who I understand does intend to bring in an amendment to this legislation during the present session, that he attempt to provide strong leadership to the provinces in order that the clear intention of parliament in this legislation can be observed.

I might also note along the same line that we have also provided that a person who is accused of an offence, and perhaps may even in a sense be guilty, may be given an absolute discharge before any conviction is registered. We have also done this to assist a person who either has committed an offence or, we might say, suspending judgment, may possibly have committed an offence. He is the kind of person we have been concerned about.

Referring to the explanatory note to this bill, we find pointed out there:

> The purpose of this Bill is to amend the Identification of Criminals Act to provide that the results of the identification process e.g., mug shots, fingerprints may not be published unless and until the person in question has been convicted of the offence for which he was charged and subjected to the identification process. Similarly, provision is made for prohibiting the publication and for destroying the results of the identification process when the person has been acquitted.

I think in order to understand the change which the hon. member is purporting to make through this bill we ought to look at the legislation which is being amended and which, incidentally, happens to be one of the shortest pieces of legislation on the federal statute books. The full title is "An Act respecting the identification of criminals", but is more often cited as the Identification of Criminals Act. Since this is such a short act, I should like to read it in its entirety to the House.

Mr. Knowles (Winnipeg North Centre): That will take a few minutes; it helps to fill out the time.

Mr. MacGuigan: I think the hon. member should allow me to make my own speech, Mr. Speaker, and I would note that he has taken up some time with his interjection. The second section of this legislation reads as follows:

> Any person in lawful custody, charged with, or under conviction of an indictable offence, or who has been apprehended under the *Extradition Act* or the *Fugitive Offenders Act*, may be subjected, by or under the direction of those in whose custody he is, to the measurements, processes and operations practised under the system for the identification of criminals commonly known as the Bertillon Signaletic System, or to any measurements, processes or operations sanctioned by the Governor in Council having the like object in view.
>
> (2) Such force may be used as is necessary to the effectual carrying out and application of such measurements, processes and operations.
>
> (3) The signaletic cards and other results thereof may be published for the purpose of affording information to officers and others engaged in the execution or administration of the law.

It is this publication of fingerprints, etc., which the hon. member wishes to bring dramatically to our attention today. He has illustrated for us that we have to consider the provisions I have just read also in connection with Section 3 of the same Identification of Criminals Act, which I shall again just draw to the attention of the House as follows:

> No one having the custody of any such person, and no one acting in his aid or under his direction, and no one concerned in such publication incurs any liability, civil or criminal, for anything lawfully done under this Act.

This Section 3 is a very broad exculpatory section which gives very complete, probably total, protection to all those who may act under Section 2 of the legislation and, therefore, is the kind of protection which the law should give only very cautiously.

As I understand the contention of the hon. member who proposes this legislation, he thinks we have not in the past in passing this legislation acted with sufficient care, and that the net covering what may be done, and what may be protected from potential lawsuit, has been cast far too wide. He proposes to remedy that by Bill C-220 which is before us for discussion this afternoon.

The actual changes the hon. member would make in the legislation, looking at the text of his Bill C-220, would be to change subsection 2(3) to the following:

> Where the person who has been subjected to the measurements, processes and operations under subsection (1)
>
> (a) has been convicted of the offence with which he was charged,
>
> (b) has been ordered to be surrendered or returned pursuant to the provisions of the *Extradition Act* or the *Fugitive Offenders Act* as the case may be, or
>
> (c) has escaped lawful custody,
>
> the signaletic cards and other results thereof may be published for the purpose of affording information to officers and others engaged in the execution or administration of the law.

His subsection (4) would be as follows:

> Where the person who has been subjected to the measurements, processes and operations under subsection (1) has been acquitted of the offence with which he has been charged, or has been discharged pursuant to the provisions of the *Extradition Act* or the *Fugitive Offenders Act* as the case may be, the court shall prohibit the publication and order the destruction of the signaletic cards and other results of the identification process.

I share some of the doubts that have been expressed about this bill by the hon. member for Louis-Hébert (Mrs. Morin), and I think perhaps the hon. member goes too far in what he proposes to do. As I understand the effect of his bill, and I trust I am reading this correctly, he would prohibit not only the giving of information in the public forum but would also prohibit the giving of it even in the internal forum of police work. The word that is used here in this section is "publish" and we normally think about this as publishing abroad, that is at large to the world. However, as we know from the traditional defamation action, publication can have a much more limited meaning than that. Even the contemporary connotation of "publish" in the written form in the newspaper or the monograph is not at all the only meaning of the word "publish". The word "publish" can be used even in respect of the transmission of an idea to a single person.

I recall that one committee of which I was a member decided for that reason that the word "publish" was not a very good word to use. This was the committee on hate propaganda which reported to the federal government in 1965. This led, of course, to the amendment to the Criminal Code dealing with the subject of hate propaganda. This committee in its deliberations thought that the word "communication" would be a more precise word in the context of what was in question there, because its meaning clearly went further in the direction of providing for a situation which the word "publish" is not normally presumed to include in our normal conversation, though it is actually included in the legal and technical dictionary meaning.

● (1730)

So, I think the effect of the bill which my hon. friend is proposing would actually be to prohibit internal communication. How can our police forces possibly do their work adequately if they are unable to transmit information to other police forces?

Mr. Blais: But these people are not convicted.

Mr. MacGuigan: If the hon. member wishes to ask a question I would be very pleased to sit down and await his comments.

Mr. Blais: Mr. Speaker, my question simply is whether my friend interprets the statute to mean abolition of publication in any event or only if the person charged is not convicted.

Mr. MacGuigan: I interpret Bill C-220 as prohibiting publication until conviction is established. However, when a person is arrested for one crime he may very well be wanted for other crimes, and it might be necessary for the prosecution to have this information in order to build up an adequate case. There may be facts available in other cities which other police forces could furnish, even in respect of the same crime.

I would think the work of the police forces in our country would be somewhat inhibited if we were to go as far as my hon. friend recommends. It seems to me he is going to the opposite extreme from the law in force. He has convinced me, and I am sure his persuasive words have had a great effect on other members of the House as well, that the present legislation is not very satisfactory. But in persuading us of that he has overstated his case. I think he has over-reacted with this legislation, and I feel the consequences of this legislation would be undesirable and not in the public interest.

I commend the hon. member for bringing this suggestion before us and especially for the careful drafting I know he has done to produce a bill on this scale. Those of us who are lawyers recognize, of course, the care that must go into each word in the drafting of a document such as this. I believe he has placed before us an admirable bill, but I would urge him to go back and re-examine it, taking into account the suggestions made here today.

In this hour, Mr. Speaker, the suggestions hon. members make do not always immediately see the light of day. But I think one of the most valuable features of this hour is that we are engaged here in an educational process not only for the country at large but also for ourselves. We need this

process of education by our fellow members, and this hour is the best teaching hour we have in the House of Commons. My hon. friend has taught us something. What I am suggesting is that I hope we in return have taught him something and that he will go back to the drafting board and re-think the proposal he has set before us. I hope in years to come—and in not too many years to come—the hon. member will again be successful in the draw and will get his bill on at a very early stage in our considerations so that it will have an opportunity to be referred, with the support of the members of this House, to the Committee on Justice and Legal Affairs, the committee which is normally charged with responsibility for the legal affairs of this House and which we know possesses the very considerable expertise of lawyers from all parts of the country and on both sides.

I think in years to come the hon. member will thank us for the fact that we have been able to refine his ideas and his language. When this bill is returned to the House, as I do not doubt it will be next year, and when it in some form sees the light of day, perhaps under the name of the Solicitor General—who may even be my hon. friend—he will be very pleased that this educational process in the House has worked well in both directions.

Mr. Knowles (Winnipeg North Centre): That is what we call "killing with kindness".

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I am not very kindly inclined towards criminals and I may not perhaps have cultivated the virtue of charity as much as my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), but when I deal with criminals I am much more concerned with protecting society than the criminals.

Every day we see examples of society's problems in this regard.

Today, in the *Montréal Matin,* we can read at the top of the first page: Foul play suspected in ten-year old's death. If an adult contributed to his death I think this murder is vile. I resume my quotations from the paper: Restaurant owner mows down three motorcyclists. I am reading one newspaper only for if I were to take *Le Devoir, La Presse,* the *Journal de Montréal, Le Jour* or any other newspaper, other crimes would probably be reported.

This is why, I think, it is essential for policemen who have to investigate those crimes to have the necessary tools in order to work effectively.

It is all very well to have compassion on those who are charged with a crime, but let us be realistic. When teenagers are involved, I agree that that they should be treated with a little more clemency, in order to spare them a stigma they would keep for the rest of their life. Moreover, perhaps they did not make those mistakes. We are dealing with minors, young people of 16 or 17 with no police record. It is obvious that we must show discretion towards them.

However, as far as habitual criminals are concerned, people discharged from prison but condemned again for other serious crimes and still sought by police for murder, rape, fraud or any other crime, it is important for the authorities to have the necessary tools to face the facts.

The bill reads as follows:

1. Subsection 2(3) of the *Identification of Criminals Act* is repealed and the following substituted therefor:

"(3) Where the person who has been subjected to the measurements, processes and operations under subsection (1)

(*a*) has been convicted of the offence

In other words, publication will be allowed only when the person is convicted. This is out of this world. Why not say then that taking steps to find a person and identify him or her will be allowed only when this person has been convicted?

According to the law we have now, signaletic cards are most important to find criminals. If we are to wait for a conviction, the best records will not be of any use.

I think, Mr. Speaker, that significant reserves must be made about Bill C-220. It is all right to have advanced ideas and to think and be a freethinker but we must not overdo it if individuals are to respect the administrative structures of this country. Authority must take action to be respected.

For those who have some notion of it, history teaches us that when progressive ideas get too strong in some country and when criminals are considered heroes instead of public enemies, this country begins losing prestige and to sink into decay.

Canada must avoid this. Furthermore, I think hon. members of the New Democratic Party should first show more respect for the life of unborn children by condemning abortion instead of fighting for it. It seems more important to me to protect these children's life than the criminals' who have no respect for their neighbour. In short, Mr. Speaker, I think this bill goes too far.

It is important that governments have a sense of justice so that each citizen feels happy to live in the country, so that nobody feels victimized. But we know that the freedom of one person ends where the freedom of the other begins; in other words, when one encroaches on the other's rights, the latter begin to lose his freedom and then he is less free, he does not feel free any more. I shall not say that we must favour criminals or crime, but to alleviate the measures against crime, which are definitely so light, is to favour crime. I think that it is against individual freedom. This bill does go against individual freedom since it prevents the police or the authorities concerned from taking the necessary steps to arrest those who prejudice the freedom of other people.

I do not think that this bill must be enacted or accepted by the Canadian people before decline has weakened us enough. It should thus be completely amended to give perhaps more justice to young people, as I said earlier.

As far as murderers, gangsters and criminals are concerned, I do not see very much where is the interest for society to protect them.

● (1740)

[*English*]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I will be very brief. I had not intended to speak on this bill

until I came to the chamber and had an opportunity to listen to some of my colleagues participating in this private members' hour. I think that one could justifiably, on the basis of this afternoon's debate, suggest a change of name for the private members' hour to the "hypocrisy hour". Because in listening to the hon. member for Windsor-Walkerville (Mr. MacGuigan) filibustering his colleague's bill, though I realize that he did not really want to do so, one is provided with some justification for the suggestion that there is something radically wrong with the system, or procedures.

This bill is basically a very good and very enlightened bill, one which, I would like to state at the outset, I support. I share the feelings of the hon. member for Winnipeg North Centre (Mr. Knowles) that this is a good bill and that it should be sent forthwith to the Committee on Justice and Legal Affairs for further study. So far as I can see, the provisions of this Identification of Criminals Act are often abused. Section 2, as the hon. member for Windsor-Walkerville pointed out, has a discretionary feature in that it states that:

> Any person in lawful custody, charged with, or under conviction of an indictable offence, or who has been apprehended under the Extradition Act or the Fugitive Offenders Act, may be subjected . . .

This is the part I would like to speak on for a moment or two. I have seen instances where police have in some cases, in my opinion, improperly invoked or tried to invoke the provisions of the Identification of Criminals Act when the circumstances made it clearly unnecessary to do so. I would like to point out to members in the House that on many occasions a criminal charge itself provides a punishment that can never be redressed. I am sure all hon. members realize that if, for example, a person is charged with a serious offence, comes to trial before a jury and is completely acquitted, on future occasions most people do not say: "There is John Jones, the man who was unjustly charged with robbery and was acquitted". They say: "There is that Jones fellow who was once up for robbery". This is the type of stigma that attaches to people even though they have been given a lawful trial and have been acquitted. I will not add any more on this point but I think it would be very interesting for the Solicitor General (Mr. Allmand) to issue guidelines and to make certain that this Identification of Criminals Act is not being abused by over zealous police officers across the country.

At this time I would also like to point out another area that bears looking into, and that is the department's policy regarding conditional discharges which, as I understand it—and many of my colleagues have brought this to my attention—is often opposed on principle by over zealous prosecuting officers who, in my opinion, often go against the spirit and intent of this government's policy by making it very difficult for defence counsel to utilize the very provisions that this government, very commendably, recently built into the Criminal Code.

At this time I do not want to be accused of speaking for too long because I would be doing what I am suggesting it is wrong for my colleagues to do, that is, talking out a very worthwhile piece of legislation that I for one would like to see referred to the committee. I would urge my colleagues to join me in this regard and not filibuster this bill, which I think is one of the best I have seen come before the House during private members' hour recently.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jacques-L. Trudel (Montreal-Bourassa): Mr. Speaker, I listened closely to my colleague, the hon. member for Nipissing (Mr. Blais) when he introduced his bill.

I must say that from the very beginning, he seemed to me to be somewhat reticent, as though he wanted to plead in favour of this bill, but without conviction. I think he was quite sincere when he said that a burden should not be placed on some people for the rest of their lives unless they had appeared before the court, been formally charged and found guilty.

He has done some research on this bill, I am sure. He explained why we should not do these things, but I am still hesitant to accept his plea, regardless of his eloquence.

On a number of occasions, while considering private members' bills, he has looked into some situations which certainly appeared worthwhile to those who had brought them forward, but which seemed to show certain shortcomings after they had been scrutinized by other hon. members.

If the hon. member for Nipissing has himself listened to those who have accepted to participate in this debate, he must, I am sure, be entertaining some doubts by now.

The hon. member for Louis-Hébert (Mrs. Morin) went further and has denounced certain offences brought before the courts. As the hon. member for Windsor-Walkerville (Mr. MacGuigan) was saying a while ago I think, it is not in any way permitted to interfere with the courts' work or with the carrying out of justice.

We have now reached the point where society has become quite belligerent. One hon. member was talking about it a few minutes ago. One has only to read newspapers, look at TV or listen to the radio to realize that people indulge in violence nearly everywhere.

If pieces of legislation are not brought in and discussed, if they are not thoroughly considered, we will feel somewhat remorseful. As I said earlier, there is violence in society.

The hon. member for Nipissing has pondered over the matter and suggested that if the person involved is not convicted, then his records should perhaps be destroyed. But it has also been pointed out during this debate that people may not be convicted for the offence which brought them into court, although they may have taken part in 15 or 20 other offences.

If the police or other investigating officers can be provided with some means that will enable them to identify the accused brought before the tribunal, then society will likely be relieved of a burden.

I think that the member for Nipissing was referring to the individual, but in terms of the community, of society, one must remember that a given measure may at one time or another make it difficult for some people.

I agree fully with the hon. member when he suggests that one should not have to carry the burden of a charge if one is not guilty of any offence. On that point, I agree.

One other thing comes to mind: the police should be permitted to use whatever tools they have been provided with, but I wish to point out, Mr. Speaker, the way certain business firms set up identification records by making use of fingerprinting, when they extend credit to people.

I do not think these practices are covered by the bill. And this does happen. People accused of no crime whatsoever have identification records set up against them merely for purposes of credit purchasing in stores. If these people resort to the identification process, why should we, in our wisdom, at least I think that the hon. member said it earlier, deprive the authorities that are trying to protect society of those tools? It is just as necessary.

I think we should devote to this problem much attention and much more time than we now have at our disposal.

Someone referred earlier to unions. Everyday we hear people say that unions harbour people who have criminal records or have committed offences and who are themselves responsible for the violence that exists. This has probably not been proved. I am sure that there are union people who have no twinges of conscience. They are doing a job and want to keep on developing the labour movement. However, some people who should not be there happen to worm their way in this movement. They are taking advantage of society and deprive other individuals of their freedom. If we think we can solve this problem by denying the necessary tools to those who are responsible for protecting society, we will do a disservice to society.

I am sure the hon. member for Nipissing wants to see his bill passed. I agree with my other colleagues who said that the main thrust of this bill was good. This measure is valid but I agree, however, with those of my colleagues who expressed much reservation in this regard.

In conclusion, Mr. Speaker, I must say I am more concerned by the fact that we would deprive those who were asked to protect us of a tool which, in my view, is absolutely necessary. May I call it six o'clock, Mr. Speaker.

● (1750)

[*English*]

Mr. Speaker: I do not think I can call it six o'clock.

[*Translation*]

We are here again faced with the difficulty encountered last week with two clocks indicating different times. One says three minutes to six, and the other two minutes to six. I understand that private members hour started today at three minutes to five and should therefore be up at three minutes to six. The hon. member might have 30 seconds left.

Mr. Trudel: On a point of order, Mr. Speaker.

Mr. Speaker: Order, the hon. member rises on a point of order.

Mr. Trudel: Well, I wanted to abide by the ruling of the Chair a while ago because the debate started at three minutes to six. I looked at the clock facing me and it indicated three minutes to six. That is why I concluded my remarks.

Mr. Speaker: Order. I think a true difficulty arose recently when the hon. member for Nipissing had the floor a few minutes before six.

It is obvious I think to all hon. members that there is a difference of about two minutes between the clock facing me and the two on the sides. I think we can take for granted that there are now at least three minutes left before six which means that the hour appointed for the consideration of private members business has now expired and if hon. members agree we will now leave this House for dinner.

Some hon. Members: Agreed.

At 5.58 the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN FOOTBALL ACT

PROTECTION AGAINST FOREIGN ENCROACHMENT

The House resumed consideration of the motion of Mr. Lalonde that Bill C-22, intituled Canadian Football Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, it is incredible and even embarrassing for me to have to stand up in this House to speak on an issue dealing with football when this country is beset with so many critical issues affecting the lives of all Canadians.

Some hon. Members: Oh, oh!

Mr. Jelinek: I hear the hon. members opposite already making noises. I just want to say, Mr. Speaker, that last Thursday I gave them the opportunity to withdraw this bill when I asked for the unanimous consent of this House to move the following motion:

> In view of the alarming growth of labour disputes already causing strikes in vital areas, and the inflationary spiral giving rise to them, I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):
>
> That this House welcomes the Prime Minister back from his vacation in Barbados and requests him to postpone the government's political football bill by bringing forward immediate legislation to alleviate the staggering inflationary problems which affect all Canadians.

As hon. members well know, this motion was defeated by members on the government side. I am not sure whether they opposed the part of the motion which welcomed the Prime Minister (Mr. Trudeau) back from his vacation

or the portion to postpone the football bill in favour of more pressing legislation.

While the cost of living rises at a rate unprecedented in our history, the Liberal government still refuses to launch any attack to protect the purchasing power of the Canadian dollar. Nothing can be more ludicrous than this House sitting to discuss football while record breaking increases in the cost of living have once again been announced. It is incredible that while Canadians from one end of our country to the other reel in shock from food prices and housing costs, the Liberal government places before this House, as the priority item, legislation banning the World Football League from entering Toronto. At a time when every member of this House has received hundreds of letters urging the government to take action to control run away inflation, how can the Prime Minister and the Minister of National Health and Welfare (Mr. Lalonde), in all honesty, even consider this is the time to discuss football?

May I point out, Mr. Speaker, that were it not for the incompetence of the Postmaster General (Mr. Ouellet), who has failed over and over again to stop this illegal postal strike we are presently faced with, doubtless many more letters would have reached the offices of each and every member. Yet the government has chosen to force football legislation on to the House, despite the pressing priorities facing each and every Canadian in so many other fields.

Not only does the government not have its priorities straight in introducing legislation, but even in the legislation before us its priorities are not in the right order. If we are to get involved in sports in this country, then surely we should not be putting the emphasis on professional sports but rather on the development of amateur athletes, as well as the over-all physical fitness activities of all Canadians.

The federal government's purpose—in sports and fitness as in everything else—should be to help all Canadians to enjoy richer, fuller and more satisfying lives. The government cannot achieve that purpose by concentrating on, and indeed emphasizing the importance of, professionalism, as it is with this bill. Our most important national resource is the youth of this country, and, as with any other resource, a national development policy must be initiated, with incentives for participation heading the list.

I made it very clear during the debate on the Combines Investigation Act, Bill C-7, that not only do I believe that for us to debate this bill at this critical time is wrong, but that the bill itself will not fulfil the purpose for which it was intended, namely to protect the Canadian Football League.

I would be the last person wishing to see the demise of the Canadian Football League in any way whatsoever. On the contrary, it would be my wish to see greater opportunities afforded the youth of this country by encouraging even greater Canadian participation in the Canadian Football League than that proposed in the bill before us. On the other hand, a recent statement made by a great ex-football star and great Canadian, Russ Jackson, who said that if the Canadian Football League cannot stand on its own feet then it should not stand at all, should be considered.

Be that as it may, what is of prime concern to me, and should be of prime concern to every member of this House, is that the youth of this country be afforded every conceivable opportunity not only to participate in sports and become physically, as well as mentally, proficient, but be afforded as well the opportunity to participate in professional sports in Canada regardless of league. They should be protected in their choice of team and league. Indeed the government has introduced legislation to this effect. Allow me to quote section 32.3(1)(*b*) of the Combines Investigation Act amending Bill C-7:

> Every one who conspires, combines, agrees or arranges with another person
>
> (*b*) to limit unreasonably the opportunity for any other person to negotiate with and, if agreement is reached, to play for the team or club of his choice in a professional or amateur league
>
> is guilty of an indictable offence and is liable on conviction to imprisonment for two years.

Naturally, we would not want to see the Minister of National Health and Welfare (Mr. Lalonde) imprisoned for a two year period. However, if he had been imprisoned in the past, then we would not be faced with this ridiculous bill that we have to stand here and debate at this time.

● (2010)

However, I personally approve in principle of the sports sections of the combines investigation bill, which ironically is in total contradiction to the bill before us. We have, on the one hand, the government submitting a bill which it alleges will stimulate competition. On the other hand, we have the same government introducing a bill to prevent competition. If this bill before us becomes law in its present form, we will be the first country in the world outlawing international sports competition in a certain field and will become the laughing stock of the sports world.

Has this government forgotten that this country was built on free enterprise? Has this government forgotten that this country was built on competition?

An hon. Member: I hope so.

Mr. Jelinek: I hear the NDP yelling "I hope so." They are against free enterprise. The reason I escaped with my family from Czechoslovakia was to get away from guys like that.

Some hon. Members: Hear, hear!

Mr. Jelinek: Since when does any government have the right to dictate to the people of Canada what they can or cannot see in professional sports, or for that matter in any form of entertainment?

Where was the federal government when the World Hockey Association entered the Canadian sports scene? Where was the concern for the advancement of opportunities for the youth of this country? Why did the government fail to provide safeguards and encouragement to the Canadian Amateur Hockey Association, and why are there no proposed changes in this bill relating to hockey, truly our national sport? Why has football been singled out as a target of intervention? Would it not have been reasonable to expect the government to take a firm stand on the

protection of this sport long before the World Football League was even contemplated? Certainly safeguards are needed to keep our amateur junior teams viable.

Possibly the Minister of National Health and Welfare (Mr. Lalonde) interfered in football at this stage of the game to set a precedent for Montreal. The ultimate use of the Olympic stadium after the 1976 Olympic Games by a National Football League team is a great possibility. It is a possibility that has been rumoured. Even Mayor Drapeau has suggested on numerous occasions in the past that it might be his wish to bring a National Football League team into Montreal. If this were to happen, then unfortunately the Montreal Alouettes, which do not get the crowds they deserve, would be hurt financially a great deal and, therefore, the Canadian Football League may suffer.

While we are on this subject of the protection of other sports, may I ask whether the government should not consider obtaining revenue for amateur sport development from foreign organizations such as professional ice shows? And I am speaking specifically about American ice shows, professional basketball teams, professional basketball players or golfers who come into this country. Why are we not concerned about them? They come into this country and continue to drain off all our top talents without contributing to Canadian amateur organizations which have invested their time and money in developing these athletes.

As I have previously outlined, I am opposed to this bill as it in no way serves its purpose of protecting the Canadian Football League. I believe that contrary to my wishes, however, the bill will pass into committee stage, at which time I hope hon. members will seriously consider options which will truly Canadianize professional sports in Canada but will at the same time allow foreign teams to play in Canada under certain conditions and with the approval of the local populace and their civic authorities.

Some of the options or amendments which in my opinion should be considered in professional sports in Canada—and I stress professional sports, not just professional football—are the following. First, to have the civic authority in the designated area consent to the foreign team operating in their area. Why should we not let the people of a certain area decide what they want to charge and what they want to participate in instead of meddling with business that is not even national or interprovincial business?

Second, the foreign team should guarantee to the satisfaction of a Canadian professional sports league concerned to save harmless the Canadian league that there will be no decrease in equalization payments based upon the sharing of gate receipts within the Canadian league due to the operation of the foreign team in the designated area.

Third, the foreign team, at the direction of, and in an amount determined by, the Canadian league, should contribute monies toward the support of the amateur league in Canada.

Fourth, the foreign team, and all other teams within that foreign league, should honour the contracts of players on teams operated by members of the Canadian league and not interfere with the regulation by the Canadian league

[Mr. Jelinek.]

of the recruitment and allocation of players within that league.

Fifth, the foreign team should undertake not to permit any game in which it participates in Canada to be broadcast in any area where such broadcast would, in the opinion of the Canadian league, adversely affect the gate, broadcasting or other receipts of a game in which two teams operated by members of the Canadian league are participating.

In this manner we would give the Canadian Football League, if we want to be specific and talk on football, the right to veto any particular team in any one city, rather than give the federal government authority to close the door on international competition. International competition has been the basis of all sports competition the world over. This government is now trying to stop that. It is trying to set a precedent with one sport. That has never before been seen in the world. In this manner also, Canadian professional sports would be protected to a greater extent than by totally banning international competition in a specific sport.

I said I would be brief and that I am embarrassed to be discussing football at this time, with all the problems we have arising from the inflationary situation. In closing, let me just say that, in retrospect, the Minister of National Health and Welfare should have closed his remarks in Regina last February with the following statement: "I know that you believe you understand what you think I said, but I am not sure you realize that what you heard is not what I meant."

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have read everything that has been written by all of the competing interests with regard to this debate and I have heard advanced various theories with regard to the motivation of the government in bringing forward this bill.

I want to say to the members of the government and the House that, as a member of this House, I carry into it no brief for either of the professional organizations involved which will either be the recipient of a benefit or a burden, as the case may be, from this legislation. However, I do carry a brief into this House for the people I have the honour to represent. I have heard from some of those people, and from what I have heard the opinion of those who have written or telephoned me accords with mine. That is fortunate. The opinion is that if ever there was an ill-conceived piece of legislation, and ill-timed in terms of the problems which face our country today, it is this.

Mr. Sharp: Then why don't you sit down?

Mr. Baker: I must say that I have been sitting in this House throughout this debate. I have been listening desperately to the government attempting to do indirectly what it wants to do directly, and that is to withdraw the bill by asking us to stop talking on it.

● (2020)

An hon. Member: Come again?

Mr. Sharp: How will you vote?

Mr. Baker: When a Member of Parliament sees a piece of bad, ill-timed legislation, he ought not to sit in his seat because some football player on the other side says he should. I did not come to this House to give what might be considered tacit support to ill-timed, bad legislation. I say to the government in all seriousness that there is nothing which indicates more clearly its lack of relevance with respect to the problems of the day than the pig-headed, wrong-headed effort it is making in connection with this legislation. Particularly is this so today, when I note that 2,000 employees of Air Canada have been laid off, inflation is rampant, and the postal unions are so disgusted with the archaic and dinosaur-like methods of the government in bargaining with the Civil Service that they are prepared to withhold their services. This is a time when the Postmaster General (Mr. Ouellet) should be directing his attention toward mediation, instead of publishing a stupid advertisement two days running which only inflames the situation.

That is typical of a government which has chosen to bring forward a bill of the kind before us, ignoring the national issues which are concerning our people. We do not intend to be party to that kind of irrelevancy and ineptitude. If ever there was a monument to government ineptitude, it is the present bill introduced at this time.

A great deal of reference has been made to the views of Mr. Russell Jackson, a Canadian who made his way in football without assistance from the government opposite or from any government. Mr. Jackson's name has been used in this chamber on many occasions. He put his opinion clearly when he said:

> I just think that if the CFL is too weak to face this kind of competition, we are going to lose it eventually anyway. If it can't compete without government legislation, then some other league, some other team such as the Northmen, or some other sport entirely, will knock it out.

That is a statement by a man who knows Canadian football. It might be pointed out again that the legislation before us will not help the Canadian Football League. Many reasons have been advanced in the course of the debate and I shall not repeat them. Not a single speaker from the government side, including the minister, has shown us how this legislation will help Canadian football. I am not prepared to take the government's word for it because this is the same government which told us there was a fuel shortage in Canada and then went on to make a wasteful purchase of Roumanian oil, after which we found out there was not a shortage at all.

The people I represent in this House say there are two real issues which concern us. First, there is the irrelevance of the government's action at this time. They say it is not proper, in the face of the urgent problems now before the country, that parliament should be dealing with football. I concur in that view. The second thing they say is that parliament has more important things to do.

An hon. Member: Right! So sit down and we will vote on it.

Mr. Baker: As a matter of propriety, parliament ought not to be injecting itself into the field of professional sport. That is the second consideration. They say the government does have a mandate with respect to amateur sport, a role to play in terms of helping to secure the participation of the greatest possible number of Canadians in sport and fitness programs. The appearance of this bill, and the pressure the government has applied, indicate how it has failed in carrying out that mandate.

There is a lot to be done in the field of amateur sport. All of us, I believe, have a feeling of gratification, a sense of obligation toward those who engage in the coaching of young players, and a sense of pride in the achievement of those who take part in amateur sports. Those who work with boys and girls, helping them to participate, are the unsung heroes of sport in Canada. These people are being neglected as a result of the government's preoccupation with a field in which it has no real reason to be active. Think of the shortage of playgrounds in Canada, the shortage of equipment, the fact that there are not enough arenas.

When I think of the great value there is in figure skating, soccer, lacrosse and hockey on the amateur level, and of the thousands of young people who are involved in these sports, and weigh this against the preoccupation of the Minister of National Health and Welfare (Mr. Lalonde) with professional sport, I begin to wonder how the priorities of the government are arranged. Where is its sense of relevancy? Where is its sense of urgency? I come to the conclusion that the government is out of touch.

Mr. Gillies: What is the position of the Secretary of State for External Affairs?

Mr. Sharp: I am not going to waste the time of the House.

Mr. Gillies: It is you over there who brought the bill in. You are caught with it anyway.

Mr. Baker: I, for one, intend to vote against this legislation, and I invite other members of the House who feel that important issues in Canada are being neglected to mark that feeling by their own votes. The other alternative is for members who have some influence with the minister to go to him and tell him it is not too late for him to withdraw this piece of irrelevancy. I do not want to disturb the hon. member for Nipissing (Mr. Blais) while he is reading his newspaper over there, but I do think that he, as a member who has from time to time made statements in this House on matters of importance and relevance, should be one of those expressing to the minister his concern with respect to the bill in front of us.

● (2030)

I commend, as did my colleague the hon. member for Vancouver South (Mr. Fraser)—

Mr. Blais: Mr. Speaker, I rise on a point of order.

An hon. Member: You were reading your paper; don't deny it.

Mr. Blais: Mr. Speaker, I was reading the newspaper in an attempt to find any report of intelligent remarks by the press gallery in respect of anything that was being said by the opposition members on this bill.

Some hon. Members: Hear, hear!

An hon. Member: Why don't you make a speech tonight?

Mr. Baker: I do not want to prolong the point, Mr. Speaker, but if the hon. member wants to read something I suggest he turn to the comic page where he might find something which is equal to the relevance of this bill in respect of Canadian context and conditions.

Before being interrupted by the hon. member for Nipissing (Mr. Blais) I was about to call attention to the speech made in this House by the hon. member for Greenwood (Mr. Brewin). I think that was one of the most thoughtful speeches I have heard in respect of the elements which are or ought to be the minds of members in respect of this bill.

That hon. member laid out six very important points which ought to be considered by hon. members, some of which I have touched upon. He said that this bill could not by any stretch of the imagination be construed as an attempt to defend anything cultural. He called that a phony aspect of the considerations of this bill. He said that this legislation would be futile in respect to protecting the Canadian Football League, which every member of this House wants to see flourish. The point is that this bill will not protect that league. He went on to say, and I think this is a most important part of his speech, that this government is denying to Canadians the basic right of viewing sports in the manner they wish.

If you look at the restrictive provisions of this bill you will find that they are restrictions which you cannot find in any other piece of legislation. All in all, the bill is bad. It is an irrelevant piece of legislation which will not carry out the object the framers of the bill would like everyone to believe it will carry out. The bill encroaches upon the rights of Canadians in respect of the field of entertainment in a way no other government has ever seen fit to do. The bill puts this parliament into a position where it is invading a field it has no right to be in.

As pointed out by the hon. member for St. Paul's (Mr. Atkey), there is a real question as to the constitutionality of the powers of this bill, and there is certainly a question as to the propriety of the powers it purports to give to the government.

Lastly, and perhaps most importantly, in the face of all the problems confronting this country, with people crying out for a reasonable choice of housing at a reasonable cost, people asking the government to devote its priorities to land banking in order to increase the supply of serviced land and to engage in a dramatic program of servicing acres of land so there will be adequate land for housing, in an age when the people of Canada are saying to this government that because of inflation they do not know where they are going to be next year and do not know whether labour contracts negotiated this year will be relevant, at a time when the whole system of bargaining in respect of the Public Service is breaking down and becoming irrelevant because it is slow, cumbersome and unresponsive to needs, at a time when the Minister of Transport (Mr. Marchand) has indicated his department is in difficulties in supplying hopper cars for the movement of grain in Canada, when his airline, for whatever reason, is not functioning and is tying up transportation, and at a time when post office workers have decided, rightly or wrongly, to withhold their services, we in this House are discussing football!

An hon. Member: You are delaying.

Mr. Baker: Let me say to the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Cafik) that the government which he supports sets the priority for legislation in this House, and if that government had its priorities right we would not have started to debate this bill. But having started this debate we intend to make sure that we do not become the unofficial lackeys of this government by doing what it has suggested.

Some hon. Members: Hear, hear!

An hon. Member: Let it come to a vote.

Some hon. Members: Oh, oh!

Mr. Baker: I am obviously getting home to some hon. members over there. I note that the hon. member for Ontario (Mr. Cafik) has suddenly broken his notable silence. Perhaps I have knocked a few apples out of his tree. Certainly he looks decidedly uncomfortable.

An hon. Member: We don't want to waste time.

Mr. Baker: I should like to hear his views in respect of this bill.

An hon. Member: Let's have a vote.

Mr. Baker: I would also like to hear from the hon. member for Eglinton, the Secretary of State for External Affairs (Mr. Sharp).

Mr. Cafik: Would the hon. member permit a question?

The Acting Speaker (Mr. Boulanger): Does the hon. member for Grenville-Carleton (Mr. Baker) agree to answer a question?

Mr. Cafik: I have a very simple question I should like to direct to the hon. member. I can understand the frustration of anyone on any subject, but if he believes there are other priorities—and I do believe there are other things more important than this—

Some hon. Members: Hear, hear!

Mr. Cafik: —would the hon. member recommend to his colleagues that we bring this debate to a conclusion by voting one way or the other?

Mr. Baker: Mr. Speaker, we have just had the first ray of light in respect of the attitude of this government. At last a responsible supporter of the government, the Parliamentary Secretary to the Minister of National Health and Welfare, has admitted for the record that there are more important things to debate than football.

Some hon. Members: Hear, hear!

Mr. Cafik: I rise on a point of order, Mr. Speaker.

Some hon. Members: Sit down.

Mr. Baker: Mr. Speaker, the hon. member is merely—

The Acting Speaker (Mr. Boulanger): Order, please. I will recognize the hon. member on a point of order.

Mr. Cafik: I should just like to point out that the hon. member is quite right in that I do recognize other priorities, as does the minister and this government, so let us get on with the bill and vote.

The Acting Speaker (Mr. Boulanger): I would suggest that this is not a point of order. I recognize the hon. member for Grenville-Carleton.

Some hon. Members: Question, question.

Mr. Baker: Mr. Speaker, there are other alternatives that could be put to this government, and I will do so at this point.

An hon. Member: They could resign.

Mr. Baker: Aside from resigning, they could withdraw this bill this evening, or they could table it.

Some hon. Members: No, no.

Mr. Cafik: Let a vote decide.

Mr. Baker: The government could withdraw or table the bill.

Mr. Cafik: Let parliament decide.

Mr. Baker: I am sure I speak for every member of the official opposition when I suggest that we would be delighted if the government would do either of the things suggested in order to bring on legislation to deal with the cancer of inflation within this country.

Some hon. Members: Hear, hear!

Mr. Cafik: Mr. Speaker, I would like—

An hon. Member: Make a speech.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Boulanger): Is the hon. member rising for the purpose of asking a question?

Mr. Cafik: Yes, Mr. Speaker.

An hon. Member: Why don't you make a speech?

The Acting Speaker (Mr. Boulanger): I understand the hon. member is rising for the purpose of asking a question. Does the hon. member agree to accept a question?

● (2040)

Mr. Baker: Mr. Speaker, I have already answered two questions in the course of this debate. If the hon. member wishes to make a speech then let him stand up and make a speech. Let us not have the member use subterfuge again to try to do indirectly what he is afraid to do directly.

Some hon. Members: Hear, hear!

Mr. Baker: The greatest contribution that has been made in the course of this debate, I must say, has been the sudden revelation that there are some people on the government side, though perhaps not on the treasury benches, who are prepared to admit there is something more important for this parliament to deal with. I am very grateful that the hon. member has indicated the difficulties there are on the other side of the House so that the public can be made aware of them. Let me say there are some things for which there can be feelings of concern by all members of the House.

As a member of parliament I am tired of receiving letters from constituents who ask me when the government intends to deal with inflation, when the government intends to deal with housing, when it intends properly to administer the public service legislation and when it intends to take a look at the whole question of transportation in this country. When are we to deal with all these important things? I say to this government it is its duty to bring forward this legislation. If the government brings forward sound legislation we will undertake to support it; but we will not stand idly by or sit silent while it does nothing but deal in irrelevancies. We give our pledge on that.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Boulanger): Order, please. It has been pretty noisy during the last few minutes. I know the football season is not here yet, but I suppose the hon. member for Nipissing is rising on a point of order?

Mr. Blais: Yes, Mr. Speaker. In view of the fact that there is agreement that there are other matters we could be considering, and in view of the fact that the hon. member is the House leader for the Tories, I wonder whether the question might be put now, Mr. Speaker?

The Acting Speaker (Mr. Boulanger): The hon. member for Grenville-Carleton.

Mr. Baker: On the point of order, Mr. Speaker, there may be some others who wish to speak on this bill, but I can give the House the undertaking that it is certainly not the wish of any responsible member of parliament to inordinately prolong discussion on this bill.

Mr. McKinley: I rise on a point of order, Mr. Speaker. The hon. member for Nipissing wonders why some members do not allow the question to be put. I wonder if he recalls that during private members' hour today, when he had a motion which he wanted to put, his own members would not allow that motion to be put.

The Acting Speaker (Mr. Boulanger): I guess now everybody has the right to the floor.

Mr. Blais: Mr. Speaker, the bill presented in private members' hour was so important that I understand a number of speakers who had indicated previous to private members' hour that they intended to speak were not reached until the hour had expired.

The Acting Speaker (Mr. Boulanger): Order. I think all hon. members have had a chance to play football games so let us see if we can now recognize the hon. member for York-Simcoe.

Canadian Professional Football

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in rising to speak on Bill C-22 I think I should first say that truth is indeed often stranger than fiction.

An hon. Member: God, I wish I had said that.

Mr. Knowles (Winnipeg North Centre): You said it the first time.

Mr. Stevens: We might take as an example last Thursday. The government was then faced with inflation running at 10.4 per cent per annum and with wage earners who had had their purchasing power eroded by 1.8 per cent in 1973. The government was faced with postal workers who were tying up the mail from coast to coast while airport firefighters were disrupting air travel at Canada's main airports. The government was also faced with 2,100 air controllers threatening what the air controllers call a total airline shutdown, which is similar to what 136 seaway pilots had succeeded in doing in respect to the St. Lawrence Seaway. There were reports of rising labour militancy across the land, including violence on the picket line with 400 Toronto food workers struck.

Yet on that Thursday, late in the evening the government chose, from among 17 items of government business that could have been debated, to ask parliament to debate this bill concerned with who should play football in Toronto, who should own the team that plays the game, and what league the team should be in. Mr. Speaker, in asking for a debate on the football bill the government had to move the matter from 12th position of priority to the first position of priority. The government had to move it ahead of items such as a bill to help control rising commodity prices, which the Minister of Industry, Trade and Commerce (Mr. Gillespie), if he were here I know would agree we have assured him will receive speedy passage in this House when the government introduces it. It had to be moved ahead of a bill to protect human health from contamination in the environment. This football bill had to be moved ahead of another one which might even have brought more competition into our banking system in this country.

Having decided to introduce the bill, after one hour and five minutes in which he explained the bill to the House the Minister of National Health and Welfare (Mr. Lalonde) then asked the House to pass the bill speedily with as few debaters as possible. Then the same Minister of National Health and Welfare, apparently a little worried that the bill might not pass, was very quick to claim that the matter was a "gut" issue, but of course not a matter of confidence. I found it very interesting that a minister introducing a bill would show so little confidence himself in its passage that he would hasten to say to members that, in his view, it would not be a matter of confidence if the bill should be voted down by members of the House.

When this legislation was first proposed, and indeed after the bill was introduced, I did not intend to speak on the matter since I felt it would be well covered by members from the government and the opposition.

[The Acting Speaker (Mr. Boulanger).]

● (2050)

I say that because I believe that many in this country enjoy football, and certainly I am one. I have attended Canadian football games in Ottawa, Toronto, Vancouver, Edmonton, Winnipeg and Hamilton; and I have attended many Grey Cup games, including some held in Hamilton, Ottawa and Toronto. I even attended that famous Grey Cup game when the Prime Minister (Mr. Trudeau), wearing his Dracula hat and cape, was present. It may be that that is the instance when it dawned on the Prime Minister that this thing called the Grey Cup promoted national unity.

But after listening to the Minister of National Health and Welfare (Mr. Lalonde) and after reading the bill I could see only two reasons why the government was advancing this bill as top priority. The first was that it seemed to me that they had decided that they must make some token gesture to indicate their concern with foreign investment or involvement in this country, and they felt that perhaps what might get the best press for them was to present this football legislation and shake their fist at the Yankee and say: Go home, Yankee, leave our football as it is.

The second reason I felt that the minister and his government were advancing the legislation was that there was vindictiveness towards those who were proposing to bring a new league into Canada and establish a new football team in Toronto. I say that because all of us here remember that only very recently another international football league played in Toronto, the Continental League. They had a team in Toronto, namely the Rivals. I do not recall this government or its predecessor uttering the slightest murmur that they felt that somehow that entry into the Toronto market was objectionable.

So I am suggesting that there are possibly only two basic reasons why this government is virtually using closure to try to get this bill through the House: one is the token objection that they wish to make toward foreign investment in this country; the second is the vindictive streak in this government toward the promoters of the foreign team.

Some hon. Members: Hear, hear!

Mr. Stevens: These are my preliminary views. I wanted to look up the history of football, so I went to the library and read two or three books on the Grey Cup and the CFL. I would strongly recommend that before the little trained seals across the way continue to support this legislation they read some of the history of our Canadian Football League and the Grey Cup itself. I think they might find it interesting to know that although we call it a Canadian game, in fact the game was derived from England. It evolved as a result of a league between McGill and Harvard. So right at its inception we find that it was in fact a Canadian-United States activity.

I also found that the Grey Cup was in fact made in England and exported here. I found that the Toronto Argonauts, who, as they say, are proud to play under the double blue, got the light blue from Cambridge and the dark blue from Oxford. So here we have what I would regard as not a truly Canadian sport in the sense that it

was developed and inspired by Canadians; it is a sport which in fact evolved in Canada from its predecessor in England, and which has subsequently been exported from Canada to the United States where they developed it still further to what is now known as the American game. I think we should all realize, first of all, that what we call Canadian football, about which the Minister of National Health and Welfare was so emotional, is in fact an evolving sport and one which will continue to evolve.

Having traced that background I think I should refer to what I regard as this government's token gesture. To do this I think it is only fair to review very quickly the extent of foreign ownership in this country.

If the government is indeed alarmed about foreign involvement in our business world and in our culture, surely it is cognizant of the figures made available under the Corporations and Labour Unions Returns Act which came out in March, 1974. Hon. members will note that the total assets of foreign controlled corporations in Canada were approximately $50 billion in 1970, and in one year they went up $4.5 billion to $54.5 billion. Then we find that the profits of the same corporations—I am referring to the corporations controlled by foreign interests in Canada—rose between 1970 and 1971 from $3.5 billion to something over $4 billion, an increase of $582 million in one year, over half a billion dollars. I think it is interesting to note that over $2 billion on that amount—$2.2 billion—was actually paid to the foreign owners of those businesses in 1971. This sum made up of $791 million in dividends, $523 million in interest, and $925 million in business services such as management contracts.

Let me summarize. In 1971, foreign controlled corporations in the non-financial industries in Canada, while they accounted for only 4 per cent of all the corporations in Canada in terms of numbers, represented 37 per cent of the assets, 44 per cent of the equity, 38 per cent of the sales, 46 per cent of the profits, and 47 per cent of the positive taxable income in Canada. To which foreigners am I referring? Specifically, the report points out that in 1971 total payments to foreigners in the United States was $1.599 million.

● (2100)

I have been referring to a Canadian publication on the extent of foreign ownership in the business world in Canada. I would draw attention once again to the fact that this publication only came out in March, 1974 and that the most up to date figures given were those for 1971. It is regrettable that in order to get more recent figures concerning foreign investment in Canada I have to turn to the International Economic Report of the President of the United States.

In his report of February, 1974 he gives the American version of what they are receiving from Canada. We find that in 1972 the investment income receipts in the American books from Canada are shown as $2 billion. On top of that are royalties received by the Americans of $.4 billion. In 1973—and I again emphasize these are American presidential figures because Canadian figures are not provided—the investment income receipts had jumped to $2.5 billion, another $500 million increase, and royalties stayed at the $.4 billion level.

I mention that bit of background, Mr. Speaker, because I suggest that this government has not done anything effectively to reverse the foreign ownership of industry in Canada. In fact, in introducing and speaking on this bill the Minister of National Health and Welfare (Mr. Lalonde) did not even know the name of the bill that his government passed concerning foreign investment in this country. If you check *Hansard* you will find that he referred to it as the "foreign policy review act" and took great credit for the fact that this was something that was somehow going to counteract foreign investment in Canada. The correct name is the Foreign Investment Review Act. I think that shows how lightly the cabinet weigh the various pieces of legislation that come before it. It may in fact be a freudian slip, that reference to the foreign policy review; undoubtedly their foreign policy does need review.

I have touched in a general sense on the impact of foreign investment in Canada but I should like to be more specific, Mr. Speaker. After listening to the debate on Friday I went home on the aeroplane to Toronto and for the first time in many years looked through a copy of *Reader's Digest*, that fine Canadian journal to which this government has given such favourable tax treatment in order to keep it in Canada.

Mr. Sharp: Did you read George Hees' article?

Mr. Stevens: In answer to the Secretary of State for External Affairs (Mr. Sharp), there was not only George Hees' article, but on the inside front page I found an article by none other than the hon. Minister of the Environment and Fisheries (Mr. Davis). I found it most interesting that the article was entitled "Understanding is Half the Battle". In it he recited various things that the *Reader's Digest* had done that he thinks are commendable. Specifically he says "I commend the magazine", and he concludes by saying that we must remember those ringing words of Maurice Strong, who said "There is 'only one earth'".

Mr. Speaker, surely it is an odd situation that we have a government that says that national unity is at stake if certain people are playing football in Toronto this year or next year, yet apparently feels there is no particular reason to change the favourable tax treatment for the American publication *Reader's Digest*. I have seen some balance sheets and sales figures of professional football teams in Canada. I know what they earn and I know what their sales are. *Reader's Digest* sales in 1973 were $28.5 million and their profit was $1,757,000 after tax. Their shareholders' equity of $5,534,000 is larger than the revenue of the entire league. I can assure hon. members that it is probably three times, maybe four times, the size of the entire league.

What can we draw from this odd and apparent contradiction? Why should the government be so concerned about who plays football while seeming to have so little concern about foreign ownership in this country generally and specifically about such things as *Reader's Digest*—which in fact is even commended for its fine activities in Canada?

Let me give the House another example of how one who comes from the general area of Toronto finds the priorities

of this government so odd. Some of us may have heard of the Process Church of the Final Judgment, which is often referred to as the Satanists. As we know, that church had its origin in the United States and its followers decided to come over the border. We did not see any bill rushed through this House to stop them. In fact, we found the reverse; they were able to pick up a LIP grant of $40,093. I would imagine, Mr. Speaker, that most members, like myself, sometimes stroll along the Sparks Street mall. If they do, they may be approached by one of the disciples of the Process Church. I would suggest they ask where they receive their greatest assistance in Canada. If any hon. member speaks to the same disciple that I spoke to, he will be rather startled to hear that it was the federal government that gave them their greatest lift in Canada with a LIP grant.

In short, Mr. Speaker, we have a government that sees nothing wrong with giving grants to a foreign religious cult that wishes to come into Canada, and which on the other hand gets up so tight that it asks the parliament of Canada, in face of all the other problems in this country, to give priority to a bill to decide who should play football.

I noticed that the hon. member for Winnipeg North Centre (Mr. Knowles) was hovering around me. He may wish to speak; I am not sure. Now dealing with sports, Mr. Speaker, I do not want to interfere with "Boom-Boom Knowles". There is an explosion coming, I understand. In fact, he has even told me to be careful what I say now!

Mr. Sharp: We are not worried.

Mr. Stevens: Mr. Speaker, I think it is pretty obvious why we have this bill before us at this time. In addition to the reasons I have mentioned I think this is perhaps a very easy meeting ground for the poor, tired old government that is so rife with indecision.

Mr. Sharp: Like the unity of the Conservative Party—tremendous.

Mr. Stevens: What better meeting ground for the left wing of the government, of which presumably the Minister of National Health and Welfare feels he is part, and the right wing of that party, members such as the Minister of Finance (Mr. Turner). Here we have a business proposition and a sports activity blending into one, allowing the right in that party to meet the left and advance something with some type of accord.

● (2110)

Let me be specific. I believe the government should not be giving the priority it is to this bill. We have more serious matters to deal with than a football bill.

Some hon. Members: Hear, hear!

Mr. Stevens: The government must accept full responsibility for what we are debating in this House at any time. If they wish to bring in meaningful legislation or, better still, if they would like to name an opposition day to test the confidence of this House, I will be the first to say let's get on with it.

Some hon. Members: Hear, hear!

[Mr. Stevens.]

Mr. Stevens: Second, I suggest the government has no place trying to regulate professional entertainment, which is all that professional sports is in Canada at the present time. I suggest that likely the bill before us is not constitutional. In this regard I agree with the excellent speech by the hon. member for Greenwood (Mr. Brewin). If the government thinks it is constitutional, exactly where do they get the federal power under the British North America Act?

There is a right for people to choose their own form of entertainment. It may be that, contrary to the government's contention, a Bassett knows what people in Toronto want more than a Lalonde from Montreal. It is no accident that CFTO, the television station, is the number one station for viewers in the Toronto area while the CBC ranks number five.

It was suggested—and surely the minister must have been laughing when he said it—that this bill ties in with national unity. I guess he had been watching the TV series "The National Dream". He referred to such things as the building of the railways. If this is the thread holding our country together, I suggest it is a very, very fragile union that we have in this country.

This bill does not do what the minister should be doing, that is helping amateur sport in this country. When I decided to speak on this bill, I spoke with Canadian and American football players who are now active in the Canadian Football League. I now have the firm conviction that the number one thing that is wrong with Canadian football at the present time is that there is not enough assistance to ensure that players right down to the lowest grades are given the opportunity to learn and play the game that is given those in the United States.

Without mentioning his name, one chap who is perhaps one of the leading players with the Toronto Argonauts told me he played the game in the United States from grade six, and that at the present time they have coaches in their public schools encouraging and coaching the American children to play football. That is how to learn the game. That is how we are so eminent in the world of hockey. If we wish to be eminent in football, it would be more practical for the minister to be suggesting that kind of legislation, rather than fretting over who is going to put on a sports spectacular in Toronto.

Although the point has been made, I think it should be made again that the Canadian Football League is not national. Its activity stops at Montreal. We should bear in mind that almost 25 per cent of the Canadian population lives east of Montreal.

I again refer to how somebody in the Toronto area may look at this. For example, my constituency takes in part of the region of York which would like to build a dome stadium. They have proposed a site and have plans to dig. They have not had one iota of encouragement from the federal government to get on with this development. Surely that is an interesting contrast with the $500 million the government has put up for the Olympics in Montreal. Dealing again with the Toronto situation, one of the reasons given by the federal authorities as to why we are not entitled to help for a dome stadium is that it might be used for professional football.

I have attempted in the few minutes available to me to touch on what I think are the pertinent points in this bill. I urge members to vote against the bill. I intend to do so. My party intends to do so. I can assure hon. members that given an opportunity, as has been outlined in our policy papers which were approved at our convention, we will bring in more meaningful legislation to help amateur sport in this country and to ensure that resource industry companies and companies in general will be restored in ownership to Canadians.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I rise to speak on this bill, not with the intention of prolonging the debate but to say some things that I think need saying.

This bill has stirred up a great deal of public controversy. Until the mail in this country stopped, this bill accounted for at least 10 of the letters I received a day, and for numerous telegrams and telephone calls both to my office here and my constituency office on the weekend at all times of day. This bill has stirred my people up to a great extent. It has wrought controversy throughout my constituency on both sides of the question. I will go into that controversy later.

This bill is very much like one we had last year in connection with capital punishment. It hits at the roots of people. It attacks the "gut" issues. Members opposite are afraid to talk about it. The hon. member for Ontario (Mr. Cafik) is afraid to talk about it, as is the hon. member for Vaudreuil (Mr. Herbert).

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Ontario is rising on a question of privilege.

Mr. Cafik: Mr. Speaker, if it is not asking too much in this House, individual members should behave with a certain degree of responsibility. I certainly am not afraid to speak about this. I have spoken about it across the country. However, I am prepared to vote on it, which is the very function we have in this House.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Blenkarn: Mr. Speaker, I should not comment on the activities of other members in this House, but if their mail is anything like mine, and I know it is, they have a duty to their constituents to say where they stand and why they are voting. This is not a clean yes or no issue. It is very complicated. It is an issue that strikes at the very guts of all of us. That is why we have to stand up and speak. That is why every member in this House should stand up. It is why this bill should be set aside until the situation in this country clears up a bit. We should not be talking about this bill at a time when we have an increase of 1 per cent a month inflation. The Post Office is not working—

● (2120)

Mr. Sharp: Well, sit down so that we can talk about those things.

Mr. Blenkarn: The bill should be deferred so that we can consider it dispassionately, so that members can air the feelings of their constituents and explain to their constituents what the bill is all about. We cannot be expected to vote on a bill without setting out the reasons why we voted and what it is all about. It is imperative that we analyse the feelings of our constituents. That is the least we owe them. They have the right to expect this of us as members of the parliament of Canada. It is not fair for an hon. member to hide behind the curtain, to refuse to speak. He cannot escape his responsibility by not voting or by keeping quiet because some party official or whip has been on his back.

An hon. Member: At least we are not split on this issue like you are.

Mr. Blenkarn: It is not an easy problem. It is one which raises the whole question of freedom. It is an issue on which members of parliament should stand up and be heard. A government which brings forward a bill of this kind, puts on two speakers and then says "Vote, vote, vote!" is not responding to the needs of the people of Canada as it should be required to respond.

There are two issue here, and they are in conflict. The first is the right of a free people to see what they want to see, to play what they want to play and to hear what they want to hear. The other issue involves the national unity of Canada and the extent to which football unifies the country. And it does unify the country. We cannot forget that there is a big brother south of the border. These are the two issues before the House and they must be spoken about. This is what parliament is for; parliament is a speaking place. Gut issues are before us, yet members say "Vote, vote, vote, vote!" That is no answer to their constituents.

I took a poll in my riding. I do that often through the mailing system we have. The questionnaire asked two questions: Are you in favour of (a) preventing the expansion of American professional football into Canada? To this, 44 per cent of my constituents said, yes, 32 per cent said no, and 23 per cent were undecided. Then I reversed the question. I asked: (b) Are you in favour of allowing American football into Canada? To this question, 39 per cent said yes, 37 per cent said no, and 23 per cent were undecided. As hon. members will appreciate, it is almost a 50-50 issue.

We get opinions in letters and telegrams from people right across the country, people who are worried about the identity of Canada, people who are worried about whether we are creating the kind of country Laurier talked about at the beginning of this century, people who are worried about the freedom of Canadians as individuals to do what they want to do—play a sport, listen to a sport, see a sport. These are gut issues, and that is why the country is divided. That is why members opposite have a duty to speak.

The question is: Do we need legislation to protect the Canadian Football League? When we look at the league we find that 80 per cent of the stars are American. It is rumoured that the ownership of at least one team may be American. It is rumoured that every coach in the league is American. The bill before us permits 45 per cent of the players to be American this year and 40 per cent next year. This is Canadian football and we have to make sure that Canadian football is protected.

This is not a positive bill, a bill which does something for Canadian football. It does nothing for Canadian football at all. This is a piece of legislation which says: If you play in a foreign league, you go to jail for two years. Football is an important national sport, but we must remember that it is only played actively as a professional sport west of the island of Montreal. As I say, it is a unifying sport, but is it so important that the government of Canada should be making rules to control it and not rules with respect to every other professional sport?

Is this a subject which should be looked at now, a time when economic exigencies are threatening the country, or should such consideration be deferred to a more apt occasion? Is it really necessary to make sure that the Northmen are thrown out of Canada on the grounds that if they were not, poor old Canada, and national sport in Canada, would disintegrate? I suggest the *raison d'être* of this bill will not stand up to serious examination.

● (2130)

The Toronto market is more than capable of supporting two professional football teams. After all, we have an affluent market of at least four million people and there are already many competing athletic events as well as other cultural activities taking place simultaneously in Toronto. The entry of the Toronto Northmen playing in a foreign league will not mean a thing to the market, any more than if we organized a new soccer team, a new lacrosse team, another hockey team, a professional basketball team, or even more professional tennis stars. This really would not matter because the market is far larger than any which could be satisfied by the Canadian Football League at the present time or in the foreseeable future.

This bill is not really going to do a thing for Canadian unity, but it will deprive the people of the greater Toronto and Ontario area of the right to look at what they want to see when they want to see it, or if they are prepared to pay for the ticket to see it.

When the minister introduced this bill he waxed long about the CPR as the national dream, about the CBC and how the Conservative party was responsible in the original instance for forming that corporation, and he talked about national unity and national identity. He did not mention the penalty of two years in jail when he talked about national unity in relation to these other national things.

What are we talking about here? We are talking about a football team. We are talking about one football team in one city competing in an international league. Perhaps this is just a continental league, but it is a league about which we are talking. What audacity to compare that with activities in Canada such as building a pipeline, a seaway, a railway, a radio network or the unity of this country! As I suggested earlier, that borders on the ridiculous.

This arrangement Mr. Bassett has with the WFL is an arrangement whereby he has the right to operate one team in the World Football League in Canada. He has given the minister the assurance that there will be only one WFL team in Canada. What the minister is suggesting is that the city of Toronto cannot support one football team playing in international competition, and that if that one football team plays in Toronto the gate receipts of the CFL will be so tremendously damaged that the whole CFL will fall apart and the Grey Cup will be used as an ash can. That is what he is saying. Does that not sound ridiculous when compared with the CBC, the CPR, the trans-Canada pipeline, the Seaway and all those things Canadians have accomplished through good times, bad times, depression and war? He says the CFL will fall apart if we have one team located in Toronto competing in an international league. He says the whole country will fall apart and national unity will be destroyed forever.

What about this international league? When people talk about professional baseball in this country they cheer the Montreal Expos because they play big league baseball in the big leagues. Canadians who are interested in big league baseball like to see the Montreal Expos play in other cities throughout the United States. We have a team playing baseball in international competition, so what would be wrong with our having a team playing football in international competition—and I emphasize, only one team in Canada? The minister says this is going to destroy the country; it will destroy Regina, wipe out Winnipeg and visit disaster upon Edmonton, Calgary and Vancouver. Such nonsense! Can Canadians not go beyond their borders and win games in New York, Atlanta and other cities in the United States, and perhaps even lose some as well? What is wrong with Canadians going into international competition? The hon. member for High Park-Humber Valley (Mr. Jelinek) spoke earlier about this.

This is the first time the government has said: Thou shalt not enter a league in Canada, competing internationally in any league in another country. That is what this bill is; it is a "Thou shalt not" bill.

Hon. members opposite suggest that we should keep quiet, not speak too often, let this bill come to a vote and pass quickly. They do not want to talk about it because they know in their very heart of hearts that this bill is not right and should not pass.

Mr. Alexander: Show me a Liberal with a heart. I don't know any of them.

Mr. Blenkarn: The part of this bill that bothers me most is Clause 6. If this was a bill designed to encourage Canadians by providing that any professional football team in Canada must have so many Canadians on its roster and no more than so many foreigners on its coaching or playing staff, I would not be quite so upset. This bill provides that any Canadian who plays for a team playing football in any foreign league in Canada as defined—and it refers to Canadian or American football—will be subject to two years in jail. That is the iniquitous part of this bill. If this bill, following its marvellous preamble, went on to show some method by which growing young Canadians would be encouraged to play football and be given more opportunity, that would be pretty good.

If this bill provided that the CFL must have teams in London, Halifax, Quebec City and Charlottetown, that might be a good thing too. But this bill provides nothing of the kind. This bill confirms the fact that the Canadian Football League is entitled to continue to have at least 15 American players on its roster, providing that is not more than 40 per cent of the authorized playing group. It does

not say anything about giving more opportunity to young athletes, and it does nothing to encourage amateur sports in Canada. This is a "Thou shalt not" bill, and this government is used to that kind of bill.

Last session when the matter of foreign control was raised this government produced the foreign control takeover bill, another "Thou shalt not" bill. Every time we on this side of the House suggested that there should be taxing incentives and better arrangements for banking facilities for Canadians to take over Canadian enterprises in Canada, hon. members opposite did not want any part of it.

● (2140)

This is a "Thou shall not" approach to Canadian identity. As a member of this party I say that if we are to build an identity in Canada we will never build it by two years in jail. That is the approach we have had from this government in connection with Canadian identity. We need a positive approach which gives Canadians encouragement to do things, to build Canada. There is no attempt to build Canada in a statute which prohibits and controls, which makes Canadians look inward, which provides that Canadians shall not compete in international competition. That is the nature of this bill and this is the reason it must fail. It does nothing for Canadian identity. It does not build up Canada. It is a two-years-in-jail bill. That the hon. member for Ontario (Mr. Cafik) should let that pass I am surprised.

Much has been said about whether this bill has constitutional validity. I have said before that I am only a country lawyer and do not know very much about this, but it strikes me that any sport that can be broadcast on the Canadian Broadcasting Corporation must not be a sport that is criminal in nature. So to ban the playing of that sport as a crime while at the same time allowing the broadcasting of that sport on a national television network owned by the people of Canada must perforce mean either that the government is full of criminals or that the sport is fine. So this bill cannot stand on the basis of the criminal law or the peace, order and good government provision.

Is there likely to be insurrection if this bill should not pass and the Northmen do in fact play? Are we to destroy peace, order and good government if we have football in Canada? Clearly not. There are two members on the government side who are law professors and one on this side, the hon. member for St. Paul's (Mr. Atkey). I am surprised the hon. member for Windsor-Walkerville (Mr. MacGuigan) has not stood up in this House and given a legal opinion in this case. The Minister of Justice (Mr. Lang), a former dean of a law school, has not given his legal opinion on the validity of this bill. Clearly the hon. member for Greenwood (Mr. Brewin), the hon. member for St. Paul's and a number of others have called into question the validity of this statute.

Surely it is incumbent upon competent people with legal talent on the government benches to say that they really believe concerning the validity of this statute. Yet we have not heard from them. They do not want to speak about it because they are pretty well convinced we are right when we say that, and they do not want to embarrass the Minister of National Health and Welfare (Mr. Lalonde).

The evidence is that there would be no damage to national unity in Canada as a result of the non-passage of this bill or as a result of the Northmen playing football in Canada. There is no evidence that people will really be injured, that the cities of Regina, Winnipeg and Calgary will fall apart. All we have is suspicion. All we have is an issue which is pretty small, which really does not go to the heart of what this House should be discussing at a time when we have the Post Office and the air line out of commission. This bill should be tabled by this government. It should be brought up again for future debate, but it should be tabled now so the government can get on with the urgent business of running the economy of Canada instead of messing around with football.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, it has been evident all day and all evening not only that the government want this debate truncated but that we know why they want silence. They have much to be silent about. They certainly have a desire to be silent about the way they have bumbled the economy of this country, bumbled the issue of the cost of living and now have bumbled this. But this can be seen in a tragic light when the Minister of National Health and Welfare (Mr. Lalonde) gives priority to a bill such as this at a time when there are so many things vital to the future of the Canadian people, so many things on which we would welcome legislation and direction from the minister and his colleagues. However, about these things he and they have been silent.

We wish, for example, that the Minister of National Health and Welfare would give us an opportunity to debate with him the present inadequate funding of medical research in this country and the way increases for the Medical Research Council are not even keeping pace with the cost of living.

We wish the minister would give us an opportunity to deliberate upon the inadequate funding of institutions that fight alcohol and drug abuse. The government takes in hundreds of millions of dollars in revenue from the sale of alcohol, yet provides only a token amount of this for education to combat it. We wish, for example, that the Minister of National Health and Welfare, would bring in a program on the subject and challenge of traffic fatalities, which are now threatening 200,000 potential years of lost life annually. We wish there were some presentation from the minister on what could be done to increase government funding for research in respect to heart disease, cancer, mental health problems, aging and many other priority items of the Canadian people. When the Minister of National Health and Welfare gives priority to a bill such as this we must think that he is now becoming the Mr. Bumble of Canadian politics. Here is another example of how this government has bumbled without leadership and direction in so many areas and so many challenges.

Who can believe in a government that produces legislation of this kind at this time? Indeed the only explanation that can be given is that this must be the creation of those so-called strategists who devised such incredible things as the 60 days of decision during the 1963 election and now have conceived this brainchild.

This bill was supposed to arouse political support for the government in the west and was supposed to give direction to the cause of nationalism. This bill has instead aroused an increasing number of Canadians against the government, and I think that is why throughout the afternoon and evening the hecklers, who are the substitutes for speakers on the government side, have been calling for a truncation of this debate. They are on the wrong side of the issue. The debate is embarrassing them, and that is why they want it to end. Ever since 1956 that party have been in favour of closure. Now they are trying to do it again. They want to put through this House a bill without adequate debate.

● (2150)

Some hon. Members: Shame.

Mr. Stackhouse: This bill is a demonstration of the arrogance of this government. It is a bill introduced by a minister who said in his opening remarks that this is a very real and emotional issue that we as a people care about deeply. But I say, hon. members opposite do not care about it deeply enough to debate it adequately.

Mr. Sharp: We want a vote.

Mr. Stackhouse: Many of them do not care deeply enough about it even to be in the House to debate it.

One reason why an increasing number of Canadians are aroused to oppose the government on this issue is that this bill is striking at what should be the basic personal freedom of every Canadian. There are so few areas of life in which the ordinary citizen has some control left that surely what he does with his spare time should be left to him. This is a free country for all. Surely it is a country in which the ordinary citizen will have at least the freedom to choose what football teams he can look at in his spare time. Yet, we have a government which is saying: "Oh, no, the ordinary citizen, especially the citizen in Toronto, will not have that freedom; it is the government that will decide that." In fact, the government is bringing in legislation that will determine that.

What has amazed me is the way this government, which over the past several months has said that there is absolutely nothing they can do to combat inflation, to regulate the price of housing or to help the ordinary citizen cope with the cost of living, on this issue finds that there is much they can do. On this issue the members of this government certainly have "muscle". They cannot do much about inflation, housing, and so many things that now confront Canadians, but on football, ah, that is where they are really big.

It is clear that this country may have a cabinet, but it does not have a government with a sense of priorities. If the government really had a sense of priorities, the last bill that they would want to bring in now is the one that they have brought before us for this debate. Surely they would have dealt in a realistic way with the problems that truly challenge us today.

I know that throughout the afternoon and evening members of the government have been urging an end to this debate because the debate embarrasses them. But we also know that because of this bill they have lost whatever

shred of confidence the public has in them. While they may, because of their party discipline and because of the alliance they have with the socialists, be able to ram this bill through when a vote is taken, they are certainly on the wrong side of this issue so far as public opinion is concerned, particularly in the Toronto area.

Therefore, in this debate we want to challenge the government to show a greater sense of priorities. They have said: Bring the debate to an end if you do not think it is really a vital issue. But the question I put to them is: If this debate had ended a few hours ago, would they have brought in something to deal with the problem of inflation or to deal with housing? Oh, no, they would simply have brought in some other time filler, which is what this bill has been. They would have brought in some other substitute for legislation, for the inaction that has characterized them.

So we say that if ever there is anything that justifies the lack of public confidence in this government as shown in the public opinion polls, and before long to be apparent at the election polls, it is this kind of masquerade, this kind of burlesque which the government has perpetrated on parliament and the people of Canada.

Some hon. Members: Question.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, before the House makes a decision on the second reading of this quite important bill I would like to take some time to say a word or two on whether or not the government is taking the right step in controlling entertainment. The question is not whether I as a young Canadian—

Some hon. Members: Oh, oh!

Mr. Horner (Crowfoot): —believe that football is a sacred sport or whether I as a somewhat handicapped young Canadian should be protected from entering into that game. I do not think that is the question. I do not think we should equate football, which needs greater protection for the young Canadian, with baseball, hockey or soccer. I think that we as Canadians have proven over the past number of years that we are able to participate fully in all major sports, whether it be hockey, soccer, baseball or football.

I was very interested to hear the minister remark that we do not have a professional baseball league. I thought back to the number of baseball games I played and the number of times I asked myself whether some time there could be a professional baseball league that I could break into. Then I thought of the city of Calgary which had attempted to establish a major professional league but failed to draw a sufficient audience to pay the salaries of the members of that league. Then I thought of the baseball tournaments in the province of Saskatchewan. There really are professional baseball tournaments in western Canada today. I thought of the Battleford Beavers, the baseball players that they hire from the United States to play in the Lacombe tournaments. Then I thought of the baseball teams from Moose Jaw, Sceptre and Unity, Saskatchewan, that came to play in the baseball tournaments in Alberta and took away top money.

May I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—CHARGE BY UNITED NATIONS SECRETARY GENERAL THAT CANADA ENGAGED IN BRAIN DRAIN OF DEVELOPING COUNTRIES—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, on March 19 I asked the Secretary of State for External Affairs (Mr. Sharp) to comment on the report of U.N. Secretary General Kurt Waldheim to the U.N. Committee on science and technology a report entitled "Outflow of Trained Personnel from Developing to Developed Countries". This report names Canada as one of the advanced nations benefitting from the migration of highly trained persons from the developing nations.

This problem, known as the brain drain, is of great concern to the United Nations, for the very persons best equipped to build up the poor countries of the world are often the ones who migrate. For example, in the five year period from 1968-1972, 2,178 Filipino nurses came to Canada, 450 doctors from India, 606 teachers from China, Hong Kong, and 1,601 teachers from the West Indies.

It is essential to take a responsible, global view of this problem. I welcome all immigrants to Canada, and I would not in the least interfere with the human right of anyone to migrate. But there are very large implications to this problem. As the Secretary General's report makes clear:

● (2200)

> The United States, the United Kingdom and Canada are receiving as a gift from developing nations a large cadre of trained persons whose education was expensive to the developing countries, and who contribute critically important medical services to the populations of the developed countries. It is not possible to arrive at any single figure representing the monetary gain to receiving countries. However, it is clear that the total gain for major receiving countries should be considered as being in the hundreds of millions of dollars per year.

Consider migrating physicians for a moment. Physicians can secure a higher income by migrating, even though they are on the average at the lower end of the income scale for physicians in the developed countries. The glaring paradox is that they move from countries where the need for their service is acute to countries much better supplied with medical personnel. Stated another way, a few relatively poor developing countries are devoting scarce resources to the costly education of a critically important professional group, many of whom migrate permanently to a few developed countries.

Migration of highly skilled persons is thus correctly perceived by some countries as a serious threat to successful development efforts. In short, many developing nations see large numbers of their trained persons contribute to the steadily growing output of the developed countries at a time when they are desperately needed at home.

All of this, says Dr. Waldheim, raises questions of the "equity . . . and adequacy of the developmental assistance programs of the richer nations." For the brain drain problem is but a symptom of the much larger problem of development of the developing countries. The vast numbers of talented people in all countries must be encouraged and helped to accept the challenges within their own countries. Solutions to the brain drain problem must be integrated in a renewed perception of international social justice. This integrated approach is essential to the attainment of peace, freedom and justice in the world.

We must ask ourselves if it is socially just for Canada to impose such restrictive immigration regulations as was done last February 21. Under these rules, non-sponsored immigrants to Canada will have to prove their talents are needed before being allowed in the country. By so closely tying immigration to manpower needs, does not the Canadian policy work against the interests of the developing countries in precisely the way Dr. Waldheim protested? Our policy inevitably discriminates against the non-white, non-industrialized, non-rich parts of the world, because the general population of these areas is excluded from Canada while the most highly educated are welcome. Thus Canada, like other western, rich countries, skims off those persons most essential to the modernization of their countries. This is what follows from having economic indicators dominate immigration policy.

In the immigration review now under way, Canadians are being asked the key question: "What are our international responsibilities?" Mr. Speaker, I urge the government and indeed all thoughtful Canadians to consider immigration and population policies in the framework of this larger question. The world is changing more rapidly than we can perceive and piecemeal answers are inadequate.

Affluent man has created more wealth than Croesus ever dreamed of, but at the expense of more misery than the world can bear. Hundreds of millions of people living in the developing countries of Asia, Africa and Latin America are caught up in conditions of deprivation that no set of statistics can begin to describe. The rich squabble over butter; the poor cannot even afford fertilizer. It is a scandal beyond belief.

The Secretary of State for External Affairs made an excellent speech before the special session of the United Nations General Assembly on April 11, in which he pledged increased Canadian aid in the areas of the developing world most in need. I congratulate him on that speech and I urge the government to contribute to the forthcoming World Congress on Population with this same large viewpoint. Not population problems alone, not immigration policies alone, not foreign aid and trade policies alone, will help the two billion people in 100 underdeveloped countries of the world, only an integrated policy of world development will meet this massive challenge. We must accept this challenge, and all of us in parliament should help Canada take a role of international leadership in removing the inhuman inequalities which exist today.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to congratulate the hon. member for Edmonton-Strathcona (Mr. Roche) for having raised this issue and for the excellent statement that he has made in support of the question that he asked the other day about the report of the Secretary General.

With much of what he said I find myself in agreement, but perhaps I might be permitted to make a few comments that I think will illustrate that the problem is somewhat more complex than can be seen at first glance.

As hon. members are aware, Canadian immigration policy since 1967 has been based on the principles of non-discrimination and respect for the universal declaration of human rights. We recognize the problem for developing nations of the so-called brain drain, but any restrictive action of developed countries against people emigrating from less developed nations would be difficult to implement, as it would be contrary to the spirit of the declaration, specifically article 13, paragraph 2, which states that everyone has the right to leave any country, including his own, and to return to his country.

In our own specific case, it would be contrary to our policy of non-discrimination. However—and this is the first point I would like to make—Canada does not actively promote recruitment of immigrants in developing countries, skilled or otherwise.

In the report referred to by the hon. member, the Secretary General warned against drawing simplistic conclusions about the so-called brain drain because of the many complex factors involved and because of the paucity of information available. A case in point is the fact that developing nations such as Mauritius are encouraging the migration of trained personnel, nurses in this case, due to unemployment. Yet this is considered to be a part of the brain drain.

A major part of the Secretary General's report dealing with reasons for migration focuses on problems of unemployment, under-employment and misemployment of trained personnel in the developing nations themselves. Another example cited in the report is the over-production in the developing countries of engineers with training not related to the needs of the country. So from the report it can be seen that the causes of the brain drain are to some degree inherent in the conditions of the less developed countries. In presenting his remarks tonight, I think the hon. member admitted that this is essentially a problem we are facing.

We have no wish here in Canada, with a very substantial program of development assistance, to undermine the value of our assistance by draining skilled personnel from developing nations. I say to the hon. member that if we were to welcome more people, even if our policy of immigration was less selective, we would not necessarily reduce the brain drain. People who saw an opportunity of coming to Canada to take preferred jobs, where they could get more money or where their training equipped them, would come as well as the others. Therefore, I do not think it is our selective policy that is producing the brain drain.

Like the hon. member, I believe we have a responsibility to try and improve economic and social conditions in the developing countries of the world. This is essentially the way of dealing with this problem, so that there are opportunities for educated people to stay at home and work satisfactorily.

[Mr. Sharp.]

• (2210)

[*Translation*]

AGRICULTURE—DAIRY POLICY, 1974-75—ASSURANCE THAT PRODUCERS WILL CONTINUE TO OPERATE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the Minister of Agriculture (Mr. Whelan) announced on March 29, 1974 a support and subsidy program for the dairy year 1974-75 and considering that this program does not meet adequately the producers' wishes and needs, I took the first opportunity offered to me, on April 1, to ask him whether he considered seriously that the new policy which guarantees only $8.50 a hundred weight of milk is an adequate response to the dairy producers requests and that it will be such as to invite them to remain in business and invite young people to carry on with this important sector of the farming industry?

Although the Chair considered this question very interesting, it was suggested that I was asking the minister to express a view which normally should be done on motions.

In view of this situation and the urgency of this question, I availed myself of the privilege granted to all hon. members to raise the question again at the time of adjournment.

Mr. Speaker, when I rose previously concerning this matter both in March and April of this year, I brought the seriousness of the situation to the attention of the hon. Minister of Agriculture and the Cabinet. I dare hope I have clearly substantiated the claims made by industrial milk producers which apply also to whole milk producers. In fact, the costs of chemical fertilizers, farm implements and labour, as well as a number of other factors are about the same for industrial milk producers and whole milk producers.

This is why, as spokesman for both, I wish to work on the improvement of their lots. I am aware that the minister or his parliamentary secretary is likely to reply that the lots of dairy producers has considerably improved over the past few years. I agree on this to a degree, but it must be said that production costs have increased considerably so that in 1974, the difference between production cost and cost price is wider than ever, which means the net income decreases.

The question is not to see whether the improvements brought about by one party have been better than those of some other party, which is of minor interest for the producer. Rather, we must take steps to give to every producer of industrial or whole milk his fair share of the national income. This is the objective we must meet.

Dairy producers clearly stated that the real production cost is more than $10 for 100 pounds, and that to guarantee profitability in this industry, the selling price must of course be higher than the production cost.

That is the problem, Mr. Speaker. During its ninth meeting, held from March 17 to 20, 1974 the Food Prices Review Board studied the problems of the dairy industry and its effects on both producers and consumers.

It stated that there are now serious reasons to worry about the income of a large number of producers in that sector, the present possibilities in the industry, and its

capacity to supply Canadian consumers adequately at reasonable prices.

To study the problems of the dairy industry, the board used a report prepared at its request by Professor MacFarlane. According to that report, the dairy industry must face the following problems:

a) the low income of producers and decreasing production in spite of subsidies;

b) a shortage of qualified labour and producers' difficulties in competing with non-farming job opportunities;

c) the current high cost of feed grains.

Those, Mr. Speaker, are the problems of the dairy producers. It is therefore not surprising that the country should fall short by 7 to 8 per cent in its dairy production and resort to imports to meet the needs of Canadian consumers, to the extent of some 50 to 60 million pounds of butter from January to April 1974, which situation has, to my mind, helped to add to the number of unemployed.

At this rate, we will import even more in coming years. But from where shall we import, since in other countries such as Australia and New Zealand, the dairy producers are experiencing the same problem? Yet, we have great potential in dairy production in Canada, particularly in Quebec and Ontario.

Recently, a dairy producer in Bellechasse won a prize as the owner of the Holstein cow that produced the most milk in the province of Quebec last year, that is 17,438 pounds of milk with 5.92 fat content. The owner of the cow is Mr. Alfred Boulet of the parish of Saint-François in Bellechasse, Quebec.

I would like to extend my most sincere congratulations to this young farmer and dairy producer who does credit not only to the Quebec dairy producers but to Canada. It is an honour for the member for Bellechasse to mention it in the House.

In closing, Mr. Speaker, I should like to say that we of the Social Credit Party have a very wise suggestion for the House and the Minister of Agriculture which would do justice to the dairy producers and consumers. It is that a discount on dairy products be established by the Canadian government and that the producers be compensated for this discount, which will benefit the Canadian consumer, by new credits created for this purpose by the Bank of Canada which, after all, belongs to the Canadian producers and consumers, and that these new credits be created according to the needs of the consumers and the industry's productive capacity. The producer will then be well paid and unfair advantage will not be taken of the consumer.

Mr. Speaker, this is a concrete suggestion which takes the needs of the consumers and the rights of the producers into account. There is no inflation or deflation involved, only scientific balance. This, Mr. Speaker, is the solution submitted by the Social Credit Party of Canada.

At the present time, our dairy production has a deficit of 7 to 8 per cent because we operate haphazardly. In recent months, we have imported from 50 to 60 million pounds of butter when our production capacity is sufficient to meet our needs.

What are we waiting for to act? The month of April is nearly over and May is coming up. What will then be the answer for June 1974 and the following months? That is the question put by producers and consumers to this government. What will be the answer in the present financial system? But for the Social Credit Party of Canada the real answer based on common sense is in line with the material possibilities of this century.

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I do not want at this time to discuss the adequacy of the amount of $10.15 mentioned in the hon. member's question because I feel his inquiry is about whether the incomes by milk producers will be adequate to promote sustained, and even increased, production.

I would like to insist that the price of $8.50 per hundredweight is a goal lower than the price a few producers will be receiving. Several major changes were made in the new dairy policy which will have a positive effect on production.

For example, producers receive the full subsidy of $2.30 per hundredweight for any production within the marketing quota and not only just on the subsidizable quota. The subsidizable quota per producer was increased to 900,000 pounds of milk and additional subsidizable quota is available in cases where two or more producers work as full time partners on a dairy farm. This is in addition to increases of 6 cents and 12 cents a pound in the support price for butter and powdered skim milk respectively.

The minister is quite aware of the need for additional steps to bring renewed confidence to industry. The purpose is to set up a program which will ensure a better cost-receipt balance to the producer while at the same time making that occupation attractive to younger people. For that purpose the Canadian Dairy Commission received terms of reference to consult with producers and other groups concerned to present to the government proposals likely to reach those goals, and work in that direction has already started.

[*English*]

GOVERNMENT ADMINISTRATION—REQUEST FOR ROYAL COMMISSION INTO INCREASING COST AND EFFECT IN FEEDING INFLATION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, on March 14, I asked the President of the Treasury Board (Mr. Drury) to consider a royal commission inquiry into the large and growing cost of government administration and the effect that such expenditures have in feeding inflation. He indicated he was prepared to consider my request. Tonight I hope to provide reasons that will encourage him to move further in the direction of an affirmative answer.

I think the time has come to examine the large, sprawling empire of government departments and agencies and to determine whether the existing structure is the most efficient vehicle for serving the Canadian people and identifying the changes required to perfect the system. I suggest we should start at square one and ask ourselves what role government should play in our society and whether

we have exceeded that function perhaps to the detriment of higher priorities.

The Minister of Transport (Mr. Marchand) has frankly told this House of the complex and difficult situation he faces. I ask you, Mr. Speaker, is the Department of Transport as it is now constituted an adequate vehicle for development and implementation of badly needed new policies to serve this nation? I suggest that we need the best available independent professional advice. This can be provided by a royal commission with broad terms of reference.

While I have the greatest respect for every committee of this House which deals with the estimates and expenditures of government, I believe the time has come to take a giant step forward in examining the total impact of government expenditures and new systems and methods that can streamline our operation and lighten the burden on the Canadian taxpayers. As a corollary to this, I believe we should examine the impact of government spending on the Canadian economy and its relationship to the inflationary spiral.

● (2220)

Since the royal commission on government organization, commonly called the Glassco Commission, reported in 1962 the $6½ million expenditure of that year has tripled in the 12 year interval to some $22 billion, as shown in the main estimates before us today. In the 12 years since the Glassco Commission reported some outstanding social legislation has been enacted, and federal government assistance to disabled and disadvantaged Canadians has improved immeasurably, both in its quality and amount. Indeed, in respect to disabled people, particularly the blind, and in respect to our senior citizens I find it easy to support the proposals of my colleagues in this House for even more generous treatment.

At the same time I believe we can make some real progress in identifying areas within each department of government which can and should provide a service for other departments of government, and avoid costly duplication, the tremendous expense of hiring outside professional and other services, and consulting with experts outside departments of government.

The total budgeted cost of outside consultants in all departments disclosed in the estimates is approximately $750 million, much more than to total expenditures of any of the maritime provinces. I believe also that the total structure of our government has become so complex and so unwieldy that the lines of authority from the minister to those in the lower echelons are strained to the utmost.

The ability of all departments of government to focus on any one problem in our economy, like that of regional disparity, leaves much to be desired. For example, the Department of Regional Economic Expansion has expended millions of dollars in Atlantic Canada with some degree of success in building the economy of that area. As DREE takes one step forward in establishing new industries, the lack of a cohesive and progressive transportation policy erodes its effect. The total amount spent by DREE on incentive grants since its inception is considerably less than the amount projected for the Mirabel Airport alone. The Auditor General's report should not be a once a year embarrassment to government. The function of this office should be a continuing service of remedial action.

[Mr. Howie.]

In department after department of government estimated expenditures climb. Current estimates before us now show that justice and administration of our courts has an allocation of $23 million. The RCMP budget will increase by $20 million to $125 million. The Food Prices Review Board budget has risen to $1.9 million, up 90 per cent over the last year. The CBC has increased its budgeted expenditures by 25 per cent to $298.8 million. The Post Office expenditure is up 17 per cent to $689.7 million. The Commissioner of Official Languages budget is up 36 per cent to $1.9 million.

It is imperative that every one of these expenditures receive the closest possible scrutiny, but the time allocated to our House committees to perform this function and the research facilities needed to dig into them are not sufficient to do the best possible job for the Canadian people. I feel that with the tremendous increase in the complexity of government organization since the Glassco Commission of 12 years ago, we need to examine our administrative process in the light of the vast improvements and changes that have taken place in business, accounting, policy auditing and computerization, thus ensuring that the total delivery system of government best serves the challenge—the Canadian people have given us.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the hon. member for York-Sunbury (Mr. Howie) has indicated the desirability of a royal commission investigation or inquiry into government operations with a view to doing really quite a wide ranging number of things. This suggestion is based on the assumption that, because the federal expenditure budget has very largely increased, there must be increases in duplication and inefficiencies. In fact, while total federal government expenditures have increased very largely over the past period, as he has indicated, to some $22 billion this year, if one looks at the estimates it will be found that slightly over 50 per cent of these expenditures are accounted for by transfer payments to provinces which administer programs. These have been the fastest rising of our total expenditures. He did not suggest that the royal commission should inquire into the provincial administration of these programs, but here is a very large area of expenditure.

Second, there have been substantial increases in other kinds of expenditure represented by direct transfers to individuals, such as the substantial increase in family allowance payments, in veterans' pensions and in pensions paid to the aged. All of these account for a substantial increase, but these are not programs where the efficiency of the administration is a substantial item of cost. Indeed, while in 1961 the cost of operations of the federal government, excluding transfers to other levels of government and excluding transfers to people, such as family allowances and old age pensions, accounted for some 10.2 per cent of the gross national product, today this share of the GNP accounting for services to a very largely expanded population in a variety of much more complex issues has declined from 10.2 per cent of the GNP to 8.9 per cent. One hopes that this percentage of the cost of operation, the overhead, will continue to decline. I suggest that this is

not evidence that a commission of inquiry of the range and nature that the hon. member suggests is needed.

I might also say in respect to lightening the burden on the taxpayer, which we all desire, that the burden is largely the consequence of legislation passed by the House increasing transfer payments to the provinces, the administration of these large social programs, and transfer payments to individuals, such as family allowances. This is where the increase in the taxpayer load has occurred.

There is just one specific item more that I would like to comment upon and then I will sit down, Mr. Speaker. The hon. gentleman mentioned that parliamentary committees do not have the time to look into these expenditures, and that in particular the cost of outside consultants has risen to $750 million. It is rather curious that the hon. gentleman should be proposing the seeking of advice from outside consultants because we cannot solve our own problems and at the same time complaining about this advice being sought. I should point out that in the $750 million, the largest single item is the payment made to the provinces for vocational training instruction rendered at federal government expense to the citizens of provinces.

The Acting Speaker (Mr. Laniel): Order, please.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I am rising on a point of order.

The Acting Speaker (Mr. Laniel): Order. I would like to point out to the hon. member that under the adjournment procedure there is no possibility to rise on a point of order. Should he have an important question to raise, I suggest he does so at the beginning of the sitting tomorrow afternoon.

Mr. Lambert (Bellechasse): Agreed.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Tuesday, April 23, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND ORGANIZATION

First report of Standing Committee on Procedure and Organization in both official languages—Mr. Lambert (Edmonton West).

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

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS—CONCURRENCE IN FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. R. Gordon L. Fairweather (Fundy-Royal) moved that the first report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Tuesday, April 9, 1974, be concurred in.

Motion agreed to.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS—CONCURRENCE IN SECOND REPORT OF STANDING JOINT COMMITTEE

Mr. R. Gordon L. Fairweather (Fundy-Royal) moved that the second report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Tuesday, April 9, 1974, be concurred in.

Motion agreed to.

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TRANSPORT

RAILWAY RELOCATION AND GRADE CROSSINGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact the Minister of Transport (Mr. Marchand) has now introduced Bill C-27, which concerns railway relocation and grade crossings, and in view of the fact many municipalities are holding their grade crossing plans pending passage of this legislation, thereby creating severe urban traffic problems, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That consent now be granted by this House for passage of Bill C-27 at all stages, without debate.

Mr. Speaker: This motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

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

● (1410)

[*English*]

ORAL QUESTION PERIOD

THE BUDGET

DATE OF PRESENTATION—IMMEDIATE DEBATE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance which he would never expect today. I should like to ask him whether he is now prepared to indicate the date on which he will bring down the budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, God willing, I expect to present my budget to the House of Commons at eight o'clock on the evening of Monday May 6.

Some hon. Members: Hear, hear!

Some hon. Members: Chicken!

Mr. Stanfield: Mr. Speaker, I should like to direct a supplementary to the government House leader. Can he assure the House that the budget debate will commence practically immediately after presentation and continue uninterrupted by other House business until the budget debate is completed and all question put?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the answer to the first question I think is yes, practically immediately, the next day if need be. As to the second part of the question, I have not considered it. I do not foresee circumstances at this point that would oblige us to interrupt the debate but I have always been somewhat skeptical about casting my bread upon the waters, especially in light of the question put by the Leader of the Opposition.

Oral Questions

BUSINESS OF SUPPLY

REQUEST FOR DESIGNATION OF OPPOSITION DAY THIS WEEK OR NEXT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, some ten days ago the government House leader refused to commit himself to an opposition day this week or next week but indicated it was something he might very well favourably consider as the time approached. Now that the time has arrived I should like to ask the government House leader whether he is prepared to allocate a day this week or next week as an opposition day in the House?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, in view of the budget itself and the nearness of its date of presentation I doubt whether it would be wise to distract the hon. gentleman by putting down an allotted day.

Mr. Speaker: Is the hon. member for York South rising on a supplementary?

Mr. Lewis: No, Mr. Speaker.

Mr. Speaker: The Chair will recognize the hon. member for Northumberland-Durham on a supplementary.

* * *

THE BUDGET

TIME OF PRESENTATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to ask the Prime Minister if he can now tell the House why the budget of the federal government will be presented only after all provincial budgets but one have already been presented—

Some hon. Members: Oh, oh!

An hon. Member: Go back to the bush league.

Mr. Lawrence: —at a time when we are looking for some initiative and leadership from the federal government? Will he also tell us why the federal government waited almost 15 months before making the announcement it made today?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member should recognize that in this House the government does not determine its dates according to provincial decisions. We make our own decisions.

* * *

CONSUMER AFFAIRS

INCREASE IN RETAIL BEEF PRICES—ACTION BY MINISTER—ALLEGED UNWARRANTED PACKING COMPANY PROFIT MARGINS

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It arises from reports that retail beef prices will go up anywhere from 12 to 30 cents by the end of this week despite the fact that prices being paid to beef producers as recently as yesterday have not been rising. What steps is the minister taking to prevent these retail price increases, and what assurances will he give the House that no unjustified increases will take place?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my information that there were some increases in the price of cattle during the week of April 15 to 19. I am having further inquiries made. Our action as the government will follow as a result of the information we have, particularly any reports from the Food Prices Review Board.

Mr. Grier: I might say that the minister only needs to check the livestock commodity price index reported daily in the press to get the information he appears to be seeking.

Mr. Speaker: Order, please. Will the hon. member please ask his supplementary question.

Mr. Grier: May I ask the minister whether he is investigating the allegations which are being made by the Cattlemen's Association that packing companies are taking advantage of uncertainties in the present beef situation to raise their profit margins and their prices to the retailers to unwarranted levels?

Mr. Gray: I am having that aspect looked into and I particularly welcome any findings of the Food Prices Review Board in this area.

Mr. Grier: The minister has frequently referred to the findings of the Food Prices Review Board in regard to beef prices. Can he advise the House when the long-awaited report of the board on beef prices is expected to be published?

Mr. Gray: I will be happy to check into that and advise the hon. member as soon as I have the information. I understand that the board is meeting on April 25 and it could be that the result of this meeting will be the report in question.

* * *

[*Translation*]

FINANCE

SUGGESTED MODIFICATION OF INTERNATIONAL MONETARY SYSTEM TO CURB INFLATION

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

Because of indications that the international monetary system is a cause of inflation in all industrialized countries, can the minister tell us whether he intends to put forward concrete measures to protect the Canadian economy against the detrimental effects of this system in order to enable Canadians to control their own economy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think this subject could be discussed during the budget debate.

Mr. Caouette (Témiscamingue): Mr. Speaker, I wish to ask a supplementary.

Could the minister tell the House if he looked into the speech made by Dr. Otmar Emminger, Deputy Director of the Central Bank of West Germany, who recognized that the most eminent experts consider now the international monetary system as the ideal inflation-producing machine. If so, can the minister say if he has taken measures to stop the havoc wrought by this machine?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I did not examine the speech of Mr. Emminger. However, at a meeting of a national banks committee for the revision of the monetary system, some suggestions to curb world inflation have been brought forward. I will send a copy of that speech to my hon. friend from Témiscamingue.

* * *

[*English*]

CONSUMER AFFAIRS

INCREASE IN RETAIL BEEF PRICES—REQUEST FOR INTERIM REPORT BY FOOD PRICES REVIEW BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to the one asked by the hon. member for Toronto-Lakeshore and it is directed to the Minister of Consumer and Corporate Affairs. Yesterday the minister indicated that he was seeking further information on the increases in retail beef prices. Has the minister now obtained this information? May I ask the minister whether, in view of the urgency of this matter, he has consulted the chairman of the Prices Review Board to see if an interim report can be made available to the Canadian public?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, my staff has been in touch with the board in this regard. The inquiries which are under way are well advanced but not yet completed. I will pursue my hon. friend's suggestion further.

* * *

● (1420)

THE BUDGET

INQUIRY WHEN ECONOMIC REVIEW WILL BE TABLED

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is also to the Minister of Finance who has finally announced the long overdue budget date. In light of the fact the Economic Review of the Department of Finance was tabled on April 25 in 1972 and April 12 in 1973, will the minister indicate to the House when the latest review will be tabled?

Hon. John N. Turner (Minister of Finance): April 29, 1974, Mr. Speaker.

Mr. Jelinek: The Minister of Finance stated that the delay in the introduction of the budget was due to the complexities of the latest round of oil price negotiations. In light of the fact that both Alberta and Saskatchewan have already presented their budgets, an indication that there was awareness of the benefits and burdens of the latest oil price negotiations, why has the minister consistently delayed the introduction of the federal budget which the whole country has been awaiting for so many months?

Mr. Speaker: Order, please. This is argument which perhaps might be useful during the budget debate.

* * *

BUSINESS OF SUPPLY

PROPOSED CONSIDERATION OF ESTIMATES ON ALLOTTED DAY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the government House leader. In view of the lengthy delay in presenting the budget and in light of the fact the government fears to allow an opposition day to the opposition parties, will the government House leader now take into consideration the proposition I made to him a few days ago about estimates and bring estimates back into the House in order that the Prime Minister, the Minister of Finance and their colleagues can be challenged and hopefully impeached for their high misdemeanours against the people of this country?

Some hon. Members: Oh, oh!

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there has been no delay in bringing forward the date of the budget. In fact, the contrary is the case. The hon. member will have full opportunity to move amendments on that day or the day after if he wishes. In the meantime, if he would consult with his colleague, the opposition House leader, I would be glad to consider a way by which we could allow estimates to be considered on an allotted day. However, I am not going to go beyond that in terms of providing an opportunity to challenge, except on the main financial policies of the government.

* * *

[*Translation*]

POST OFFICE

POSTAL WORKERS' STRIKE—MEASURES TO ASSURE DELIVERY OF SOCIAL SECURITY CHEQUES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to put a question to the Postmaster General.

Can he give the House the assurance that, throughout Canada, cheques for unemployment, old age security pensions, veterans' pensions, welfare allowances, family allowances, will not be delivered late? If not, what specific steps will the government take?

Hon. André Ouellet (Postmaster General): Mr. Speaker, of the four million family allowances cheques which

have been mailed, over 3,400,000 have already been delivered. With regard to those that have not, extraordinary arrangements have been made locally to ensure that the recipients will get their cheques. I cannot say publicly what those arrangements are; this the hon. member will surely understand. However, I shall be pleased to tell him privately what they are.

Moreover, I wish to advise the House that, as for all other cheques, the officials of my department are keeping close day-to-day contacts with those of the Department of Supply and Services.

I wish to remind the hon. member that the old age security pension cheques will not be delivered before the end of this week, so that we will be able to take, in their respect also, the steps which may prove necessary in case the postal conflict has not been settled before the end of the week.

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

Could the hon. minister assure the House that these arrangements will apply to rural districts as well? They may apply to urban districts, but could he assure the House that the cheques will be distributed also in rural districts throughout Canada?

Mr. Ouellet: Yes, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Brandon-Souris for a supplementary, then the hon. member for York South and then the hon. member for Charlevoix.

POSTAL WORKERS' STRIKE—POSSIBILITY OF EARLY SETTLEMENT—CONSIDERATION OF POSITION OF CODERS AND SORTERS BY MANPOWER COMMITTEE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my supplementary question is for the Postmaster General. In view of the growing public concern over the total collapse of Canada's postal service, what assurance can the minister give us of an early settlement through the efforts of the mediator?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I would like to remind the House that Mr. Taylor who has been asked to discuss with the parties involved to find a solution stated during the luncheon hour while the two parties interrupted their meeting that the purpose of those discussions was to find some means to end up the illegal strike now under way. According to Mr. Taylor, there is always hope of an early settlement.

I would like to remind hon. members, especially those of the official opposition, to be patient and responsible enough to enable Mr. Taylor to do his work without encouraging by hasty statements the workers to carry on their illegal strike.

[*English*]

Mr. Dinsdale: In view of the fact this whole mess has been created because the Postmaster General has failed to activate the manpower committee provided for under the collective agreement signed last March, as his contribution to a reasonable solution is the hon. gentleman now prepared to state publicly that he will activate that committee and refer the critical issue of discrimination between coders and sorters to the deliberations of that committee as provided under the collective agreement which he has ignored up to the present time?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have already publicly stated that I hoped that the two parties would find some factors to solve the problem within the manpower committee. I am pleased to see that the hon. member has finally understood it.

[*English*]

Mr. Speaker: Order, please. The Chair undertook a moment ago to recognize the hon. member for York South.

* * *

ENERGY

REQUEST FOR RECONSIDERATION OF RATE OF COMPENSATION TO OIL COMPANIES TO ACHIEVE SINGLE PRICE ACROSS CANADA IN LIGHT OF INCREASED PROFITS

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. I was originally going to address it to the Minister of Finance but I gather he has ascertained that God is willing for him to tell the House what he may do and say in the budget on May 6. I should like to put this question to the Minister of Energy, Mines and Resources. In view of the increase in the profits of Imperial Oil in the first quarter of this year of more than 100 per cent over the same quarter last year, which amounts to a profit of $1 million per day, as much as Canada spent per day in the last war, and this on the basis of $4 per barrel oil rather than the increased price, may I ask whether the government is now ready to reconsider the rate of compensation to those oil companies that is now promised to them in order to have a single oil price across Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think the government's view would be, in view of the fact that there is more than one company operating here and more than one company that does not have western producing properties as the company in question does, that any change in this regard should be dealt with by fiscal measures rather than by changing the compensation program.

Mr. Lewis: May I ask the minister whether the government would then consider, which can surely be easily done, a difference in compensation between the multinationals like Imperial, Shell and Gulf that have made immense profits and those companies that do not have oil properties in the west instead of paying the huge amount of roughly $1½ billion per year to corporations that have made immense profits on the $4 per barrel price and will have astronomically larger profits on the $6.50 or $6.70 per barrel price?

• (1430)

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman asked me to consider that, and I will.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

APPLICANTS' CLAIMS UNDER CONSIDERATION—PAYMENT OF ADVANCES BY QUEBEC WELFARE AUTHORITIES

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to direct a question to the hon. Minister of Manpower and Immigration.

Because of the postal strike, special measures have been set up to ensure delivery of unemployment insurance cheques. But those involved in a decision delaying the administration of unemployment insurance could get cash advances from the Quebec social welfare plan. Is the minister now aware that pursuant to a directive originating from district offices in the province of Quebec, all offices are prohibited from advancing moneys to unemployment insurance beneficiaries at grips with the commission?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe the hon. gentleman is referring to a routine precaution or caution which was sent out with regard to cases of unemployment insurance in dispute. I can assure the hon. member that we are quite prepared to take emergency measures to look after particular cases of hardship, particularly those arising from delays in the issuance and delivery of cheques due to the postal strike.

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FEDERAL-PROVINCIAL-MUNICIPAL AFFAIRS

POSITION OF GOVERNMENT ON PARTICIPATION IN TRI-LEVEL TASK FORCE STUDY OF PUBLIC FINANCE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the fact the Canadian Federation of Mayors and Municipalities yesterday in its presentation to the federal government protested that it was experiencing opposition and an impasse with regard to the tri-level process, will the minister now state unequivocally that the government will participate in a tri-level task force study of public finance to develop the concept of tax sharing that the municipalities have long been pleading for?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I indicated yesterday that I think we have the very enthusiastic support of the Federation of Mayors and Municipalities. We also, as a government, indicated our complete support for the holding of a third national tri-level conference this year or early in 1975. I indicated that decision by the federal government to the provincial ministers responsible.

Mr. Roche: Mr. Speaker, I can only conclude, and I am trying to interpret, that the minister's answer was yes. It was not very clear. That is why I asked for an unequivocal statement. I now ask the minister, what factors led to this change in federal policy since at the national tri-level meeting in Edmonton last fall the minister warned the municipalities that if they persisted with their request for a task force to study tax sharing it would wreck the tri-level process. Was not the federation yesterday protesting against the impasse when it met with the government?

Mr. Speaker: Order, please. I have to interrupt the hon. member. I suggest that it is not in order to ask the minister to indicate what factors led to a decision. This kind of information would normally be given to the House by way of a statement on motions.

Mr. Roche: Mr. Speaker, I have to rise on a point of order because it is very important to the municipalities and to the House to obtain a clear position from the government as to what it will do with regard to the study on tax sharing. The federation came before the Progressive Conservative Party today because they wanted to make a presentation to the next government of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Roche: My point of order is that the federation told us that the government had said yesterday that it would receive their brief very favourably. I direct my question to the Prime Minister. Will the Prime Minister now give us a clear, firm statement that the federal government will participate in a tax-sharing study on a tri-level basis?

Mr. Speaker: Order, please. I am not sure whether the hon. member had a point of order. He has asked a different question. I suggest that his first supplementary was not in order. Perhaps the Prime Minister could reply to the hon. member's redrafted supplementary, following which I will recognize the hon. member for Calgary North who also has a supplementary.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer is that we will. We want to proceed with the study which was agreed to by all parties at the last tri-level conference. There was agreement there to undertake a study. We repeated yesterday to the mayors and municipalities that we are in favour of that study. We hope the official opposition is in favour of it. We know that some provinces are trying to drag their feet, but we want the study to go forward.

POSITION OF GOVERNMENT ON HOLDING OF REGULAR TRI-LEVEL CONFERENCES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question. As the municipalities seem to be starving for lack of proper financing and as Mr. Bird, on behalf of the Canadian Federation of Mayors and Municipalities, asked for regular tri-level conferences to assure that municipalities of various kinds, urban and rural, get an equitable share of the taxes collected by the federal government at that level,

will the Prime Minister assure the House and the people, and particularly the municipalities, that there will be regular and meaningful tri-level conferences?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I can give that assurance so far as this government is concerned. The hon. member probably realizes that some provinces do not seem to be as enthusiastic about the process as we are, but it was a federal initiative of this government. We are very much in favour of it. We think it would be much better for the municipalities than the priorities for tomorrow conference proposed to them by the official opposition, which is really a meeting between the federal and provincial governments at which the municipal governments are not one of the levels of government participating.

Mr. Speaker: The Chair will recognize the hon. member for Calgary North for a supplementary, then the hon. member for Esquimalt-Saanich and then the hon. member for Greenwood.

Mr. Woolliams: Mr. Speaker, from the Prime Minister's answer I assume that he is in agreement with the statement made by the provincial government of Ontario that they would share on the basis of dollar and dollar and that he is in accord with that kind of financing.

Mr. Trudeau: Of course not, Mr. Speaker. The hon. member is talking about a subject completely different from the one he raised in his first question. His first question was about tri-level conferences. Now he is talking about fiscal sharing arrangements. He should get his questions straight.

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EXTERNAL AFFAIRS

NEW CANADIAN PASSPORT—INQUIRY WHETHER SYMBOLS OF CROWN TO BE ELIMINATED

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Is it true that in the design of the new Canadian passport the Canadian coat of arms which contains the Crown and other royal symbols is to be eliminated and, in addition, that the design removes the special exhortation to Her Majesty's representatives round the world and in her name to give aid and comfort to those who hold this document and seek such assistance?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have not heard of any of these suggestions.

REPORTED MASSACRE OF CIVILIANS BY PORTUGUESE COLONIAL TROOPS IN MOZAMBIQUE—REQUEST FOR REPRESENTATIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In light of the recent confirmation by a group of Portuguese officers of the earlier accounts by Catholic priests of the massacre of civilians by Portuguese colonial troops in Mozambique, will the Secretary of State for External Affairs take the opportunity to repeat to Portugal, an ally of Canada in NATO, our abhorrence of the repression of the remnants of the Portuguese colonial empire in Africa and will he urge Portugal once again to grant freedom to the independence movements in these areas?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on the first part of the question, I have no independent confirmation of the reports on the radio this morning. I should like to say, however, that Portugal clearly must be held responsible for any such atrocities committed by their forces against innocent civilians in those African territories. I am happy to repeat two statements I have already made. First, I have urged the Portuguese foreign minister, and I will do so again whenever I have the opportunity, to negotiate with the liberation movements for the independence of the colonial territories. I would remind the hon. member that in the United Nations we voted in favour of a resolution calling for the establishment of an impartial and responsible commission to inquire into reports of massacres in the Portuguese territories.

● (1440)

Mr. Brewin: In posing my supplementary, Mr. Speaker, I should like to tell the Secretary of State for External Affairs—

Mr. Speaker: Order, please. The hon. member should ask a question rather than tell something to the minister.

Mr. Brewin: I will do so, Mr. Speaker, but the minister should look at the Manchester *Guardian*—it is a liberal newspaper, "liberal" with a small "l"—and he will find it contains a report on this matter. My question is this: will the minister go beyond what he has said and raise this matter publicly in NATO which purports to be a defender of human rights? Will he consult with the other allies in NATO to ensure that NATO is used as an instrument to deal with this affair?

Mr. Sharp: I would not give an undertaking to raise this issue publicly in the NATO forum. In the first place, it would not be public; NATO meetings are not in public. Again, an effort to raise issues of this kind in a NATO context has been made and it has been uniformly non-constructive and has only led to long and futile debate. However, we are very much concerned about these reports and we shall be consulting with our allies.

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THE CANADIAN ECONOMY

REQUEST FOR INTRODUCTION OF LEGISLATION TO DEAL WITH INFLATION AND HOUSING BEFORE PRESENTATION OF BUDGET ON MAY 6

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question is directed to the Prime Minister. Will the right hon. gentleman undertake to introduce legislation having to do with inflation and housing in the interval between the present date and May 6 when the budget is to be

brought down so that we may get on to dealing with these problems which are bedevilling people in urban Canada?

Right Hon. P. E. Trudeau (Prime Minister): That, indeed, is one of the reasons we are hoping to use some legislative days before the budget to introduce important legislation against inflation—

Some hon. Members: Football!

Mr. Trudeau: We hope the House will permit us to get on with these measures very soon.

MORTGAGE INTEREST RATES—REQUEST FOR STATEMENT ON GOVERNMENT'S PLANS

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my supplementary question is directed to the Minister of Finance. On April 19 I pointed out to the Prime Minister that the unsettled interest rate situation had destroyed the entire mortgage market in metropolitan Toronto and I asked the Prime Minister to have you, sir, make a statement on motions about the mortgage market. Would you now—

Mr. Speaker: Order, please. Would the hon. member direct his question to the Chair.

Mr. Blenkarn: Would the minister now make a statement on motions as to the interest stance so that mortgage companies can get on with the business of lending to private builders, or will the government make private representations enabling the mortgage market to know where it is going so that some houses can be built in this country?

Hon. John N. Turner (Minister of Finance): I think I had just better work on my speech for May 6.

* * *

[Translation]

FINANCE

POSSIBILITY OF LOANS BY BANK OF CANADA AT ADMINISTRATIVE COST TO MUNICIPALITIES, SCHOOL BOARDS AND PROVINCIAL GOVERNMENTS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to put a question to the Minister of Finance.

Will his May 6 budget put forward a valid answer, off the beaten track that led us to inflation, to solve investment problems in the public sector in Canada, for municipalities, school boards and provincial governments, through loans granted by the Bank of Canada at administrative costs?

Hon. John N. Turner (Minister of Finance): I take note of the question, Mr. Speaker, but the hon. member should not get impatient.

[English]

SOCIAL SECURITY

FAMILY ALLOWANCES—REVIEW OF REGULATION AFFECTING ENTITLEMENT OF CERTAIN ORPHANED CHILDREN

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I do not want to distract him from protecting underpaid football players in Canada. It has to do with a matter I raised five or six weeks ago. Has he had an opportunity to review the regulation under the family allowances legislation under which orphaned children are struck off entitlement to allowance on the death of both parents when an estate of more than $1,600 a year is left?

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker, this matter has been reviewed and we are examining various possibilities of amending the regulations so as to improve the situation. However, this process is not yet completed.

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CONSUMER AFFAIRS

BEEF PRICES—LENGTH OF TIME LAG BY PROCESSORS IN IMPLEMENTING REDUCTIONS AND INCREASES

Mr. William C. Frank (Middlesex): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. I can well understand his need to consult with his colleagues on occasion. As beef processors claimed a lengthy time lag between producers and consumers when beef prices to producers were declining but an extended time lag does not seem necessary when the reverse is taking place and prices are rising, has the minister ordered an immediate investigation into this specific circumstance and, if not, will he undertake to do so?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): This is an aspect I am looking into in line with answers I have given to other hon. members.

BEEF PRICES—ACTION TO PROTECT PRODUCERS FROM BLAME FOR INCREASES

Mr. William C. Frank (Middlesex): I should like to direct my supplementary to the Minister of Agriculture. Since it now appears that beef producers are once again to be the whipping boys in relation to the current rise in the consumer price, and bearing in mind that the biggest weekly supply of Canada beef reached the Toronto market last week, may I ask the minister what action he is taking to protect producers and prevent them from being blamed for yet another display of fancy footwork by the food distributors?

Hon. E. F. Whelan (Minister of Agriculture): In reply to the hon. member I would say that the facts speak for themselves. The market shows there has been no tremendous increase in the price of beef to the beef producers of this nation. The statistics show there are 37.5 per cent more meat products in storage in Canada at this time than

a year ago and there is no basic reason at all for the price of beef to be increased by 20 cents a pound as some are suggesting.

Some hon. Members: Hear, hear!

Mr. Whelan: The hon. member can tell that to his friend from St. John's East.

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AIR TRANSPORT

AIRPORT FIREFIGHTERS' STRIKE—POSSIBILITY OF APPOINTMENT OF MEDIATOR

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. I have just received a press wire and I hope Your Honour will give me a bit of leeway. It states in part:

A union spokesman in Montreal says the federal airport firefighters are expected to end their two-week strike later today even if a nation wide vote rejects the latest federal offer.

The union spokesman said the firemen would report to work on one condition, namely, that a mediator be appointed immediately to reopen negotiations. He said—

Mr. Speaker: Order, please. The hon. member asked for leeway but, really, he should attempt to ask his question without quoting the document to which he has referred. The hon. member will, of course, be given all possible leeway because this is an important matter.

Mr. Alexander: I had to give the President of the Treasury Board some indication of what the press wire said. Since the firefighters have stated they will go back to work, as I understand it, in half an hour under certain circumstances, can the President of the Treasury Board give the House an assurance that he will pursue this matter and see to it that a mediator is appointed forthwith?

Hon. C. M. Drury (President of the Treasury Board): I am glad to give an undertaking to pursue the matter in any way that is likely to lead to the cessation of this illegal strike.

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REGIONAL ECONOMIC EXPANSION

REQUEST FOR PAYMENT OF GRANT TO MICMAC FISHERIES DEVELOPMENT CO-OPERATIVE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is also prompted by a wire but I will not read it. I should like to take the House from Mozambique to Eskasoni, Nova Scotia. My question is directed to the Minister of Regional Economic Expansion. Is the minister aware of a commitment of funds from his department for Micmac Fisheries Development Co-operative Limited engaged in oyster farming, funds which to date have not been forthcoming? If the minister is not familiar with either the project or the commitment, will he be good enough to look into the matter and make a report? As he well knows, coming from Newfoundland, time is of the essence where a project of this nature is concerned.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): As to the second part of the question, I shall be pleased to look into the matter immediately. My recollection is that I did receive a representation with regard to the catching of what I believe were described as baby oysters by this group. It is probably the same one, and action is being taken on it.

* * *

● (1450)

FLOODS

PREVENTION MEASURES BY TOWN OF LUMSDEN, SASKATCHEWAN—POSSIBILITY OF FEDERAL FINANCIAL ASSISTANCE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of the Environment in relation to the reply by the Prime Minister yesterday to the hon. member for Assiniboia. What are the other ways, referred to by the Prime Minister, by which the town of Lumsden can receive federal assistance in the heroic efforts its people are making to prevent their town from being flooded?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, federal financial assistance is available to the provinces and through the provinces to the municipalities for all works of a temporary nature and for all outlays in the nature of compensation. In other words, temporary works such as the dykes now being built and sandbagging are subject to the formula for cost sharing.

* * *

AIR CANADA

ALLEGED LAY-OFFS OF EMPLOYEES IN VIOLATION OF COLLECTIVE AGREEMENT—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Transport I should like to direct my question to the Prime Minister. As Air Canada has laid off some 4,800 employees and these layoffs have been labelled as a complete violation of the collective agreement, what action will the government take to rectify the violations of the agreement by Air Canada management?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on behalf of the Minister of Transport I would like to say it is true that there has been a lay-off of over 4,000 employees. This is an issue which has arisen before during Air Canada strikes. It has been discussed at length by the company and the various unions. We understand that the unions involved can follow the grievance procedure provided for in the collective agreements. However, Air Canada does not feel it is in violation of any provisions of the collective agreements.

Mr. McKenzie: Mr. Speaker, as there is a difference of opinion between Air Canada and the unions, will the government request Air Canada management to call back the employees who were wrongfully laid off?

Mr. Guay (St. Boniface): Mr. Speaker, I will bring the second question to the attention of the minister.

* * *

FINANCE

INCREASE IN INTEREST RATES BY BANK OF CANADA—EFFECT ON HOUSING COSTS EXPECTED BY GOVERNMENT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Prime Minister who last Friday took responsibility for the decision by the Bank of Canada to increase interest rates and thereby mortgage rates and indicated that this decision was made following consultation with the government. At the time the decision was made by the government to allow the Bank of Canada to increase interest rates, what effect did the Prime Minister expect this would have on the cost of housing? In other words, would it cause housing costs to go up or down?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not indicate that this particular decision was taken after consultation with the government. I did repeat what the Minister of Finance has said, that the policy of the bank is in general accord with that of the government, and that the governor of the bank had, indeed, as he always does, informed us of the action he was going to take.

Mr. Speaker: Order, please. I bring to the attention of hon. members that we have just about reached the end of the question period, but perhaps we might have one or two additional questions without supplementaries, with the co-operation of hon. members, of course.

* * *

AIR TRANSPORT

AIRPORT FIREFIGHTERS' STRIKE—POSSIBILITY OF APPOINTMENT OF MEDIATOR

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to direct my question to the President of the Treasury Board and it is somewhat supplementary to one asked earlier. The President of the Treasury Board has now given a clear indication that if the firefighters return to work he will appoint a mediator. I would ask him to repeat that because this, of course, is all the assurance they want. Can he give us some indication whether or not an agreement has been ratified yet, or when he might know?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am sure the hon. gentleman is aware that under the collective bargaining process a mediator is sought with the consent of both parties to the discussions. At the present time the Treasury Board has a settlement with the union, and it would be difficult to see what role a mediator would play.

Mr. Forrestall: Mr. Speaker, they need the minister's assurance. Are you withdrawing it? Give it once again.

* * *

AGRICULTURE

PROVISION OF ADEQUATE SUPPLY OF FERTILIZER

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Since the minister some months ago assured the House that there would be an adequate supply of fertilizer for all parts of Canada this year, can he assure the House at this time that there will be an adequate supply of fertilizer and also an adequate supply of chemicals for use this summer?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we do realize that there are some problems still existing in distributing fertilizer to areas throughout the country and that there will be some shortages in some parts of the nation. There is an increase in the production of fertilizer; in western Canada, for instance, it is 68 per cent more than two years ago, so it is away up there. Nitrogen production is away up in Canada. We have met with the chemical industries that are supplying different chemicals and understand they have found other sources in other parts of the world and, according to the information we were given about a week ago, they hope to be able to meet the demands for all of Canada.

* * *

THE MINISTRY

USE OF GOVERNMENT AIRCRAFT BY PRIME MINISTER FOR TRIP TO ONTARIO CENTRES

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Prime Minister arising from his announced trip beginning Thursday to certain centres in Ontario, including the Ontario Liberal Party annual meeting in Sudbury. Will he tell the House whether he will make use on this trip of any aircraft belonging to the Department of Transport or the Department of National Defence and, if so, what factors have led to this method of spending public funds?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, just like the Tories who flew back to their ridings last week on DND aircraft, I intend to—

Some hon. Members: Oh, oh!

Mr. Cossitt: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. I understand the hon. member is rising on a point of order. If it does not take too much time I will see the hon. member for Winnipeg North Centre.

Mr. Cossitt: On a point of order, Mr. Speaker, I directed a question to the Prime Minister on a matter of concern to

many Canadians, and I do not feel that the question should be answered by a non-answer. Is the Prime Minister the hon. member for Sudbury? That is where he is flying in a departmental aircraft. I think that this kind of answer to the question is arrogant, out of order and is an affront to parliament and to the Canadian people.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I see you have finally found a use for that guy.

An hon. Member: He has lots of Liberal experience, John.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. The hon. member for Winnipeg North Centre.

* * *

AIR TRANSPORT

REQUEST THAT TREASURY BOARD MAKE EVERY EFFORT TO REACH SETTLEMENT WITH AIR TRAFFIC CONTROLLERS BEFORE STRIKE DATE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. In view of the fact the air traffic controllers in their collective bargaining with the Treasury Board have followed the law at every point, and in view of the fact they have given two weeks' notice of their date for a legal strike, will the President of the Treasury Board assure the House that the board is making every effort during this two-week period to reach a just settlement with the air traffic controllers so their strike will not be necessary?

An hon. Member: There goes the budget.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, that, with the help of the mediator, is our firm intention.

Mr. Speaker: Order, please. Is the hon. member for Saint John-Lancaster rising on a point of order?

Mr. Bell: No, Mr. Speaker, I want to ask a question but it will keep until tomorrow.

Mr. Speaker: If the hon. member feels his question might keep until tomorrow, we will call orders of the day. Is the hon. member for Wellington-Grey-Dufferin-Waterloo rising on a point of order? Perhaps he should be recognized first and then I will call orders of the day.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Thank you, Mr. Speaker. Actually I rise on a question of privilege which relates to the question I asked the Prime Minister. While I appreciate the fact you are very anxious to move on to other matters, the fact is that I asked the Prime Minister a question which he did not answer and at the same time he inadvertently misled the House. I think he should at least be given an opportunity to correct the mis-statement he made to the House. I have in mind the fact that on page 1581 of *Hansard* for last Friday the Prime Minister is reported as having said:

> The long and short of it is that the governor of the Bank of Canada decides what the interest rate will be but in consultation with the government—

● (1500)

While he was busy debating the question I had asked him the Prime Minister said to the House that in fact there was consultation about the interest rate with the government, and I think he should be given an opportunity to clear up any misconception which might have been created.

Mr. Speaker: I am not sure whether the Chair should allow the Prime Minister to answer a supplementary question. The question raised is hardly a question of privilege. However, if the Prime Minister wishes to do so he will be recognized for the purpose of replying to the hon. member's question.

Mr. Trudeau: Mr. Speaker, I thank the hon. member for giving me this opportunity. I would refer him to my answer of that day and the reference I was making to the answers of the Minister of Finance. What I indicated was that the Minister of Finance had given a very good description of the relationship between the governor of the bank and the Minister of Finance. The essence is that the governor of the bank has to have a policy with which the government agrees, but there is not day by day consultation on every matter on which the governor of the Bank of Canada decides. However, it is the practice that before increasing or for that matter decreasing the bank rate he will advise the Minister of Finance and in this case I am quite certain he did so.

GOVERNMENT ORDERS

[*English*]

CANADIAN FOOTBALL ACT

PROTECTION AGAINST FOREIGN ENCROACHMENT

The House resumed, from Monday, April 22, consideration of the motion of Mr. Lalonde that Bill C-22, intituled Canadian Football Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, when I began my remarks shortly before ten o'clock last night, I had referred to what I thought was a rather misleading statement by the minister when he said we have no professional baseball in Canada and that, therefore, he and the government would not necessarily have to be concerned about baseball. We have many semi-professional baseball teams across the country. Attempts are being made to establish leagues in Canada. The main difficulty in respect of baseball in Canada is in attracting people to watch the game. This has been a severe problem in the city of Calgary where I know many people have attempted to

establish a semi-professional league. At the present time the game does not have sufficient drawing power to attract great audiences. However, it might do so some day. We might be able to entice Americans to come up here to play baseball and thereby encourage Canadians by providing them with an opportunity to learn from the best there is in the business. This is one aspect of football. Over the years we have encouraged American players to play football in Canada so that we could learn from them, the best in the business. Many of our young players have gone to United States colleges to learn to play football and then returned to Canada. It is true that a few remain in the United States to play football there.

I was quite disappointed when I read the speech of the hon. member for York West (Mr. Fleming). I had thought he was a long-time admirer of the former leader of the Liberal party, Mr. Pearson. However, it seemed to me that he was preaching for a cause which was not necessarily football but rather a personal cause within the Liberal party. Certainly Mr. Pearson, well known by many people to have been a great admirer of sports, would have been very hesitant to put his stamp of approval upon the minister's legislation. But this government, of course, is doing a number of things the former Liberal government would never have done.

The hon. member for York West stated that he had received communications from the various mayors across Canada. He did not include Mayor Drapeau of Montreal among those. The minister, in closing his speech during the debate, said that this bill will go to the committee and that the committee will be at liberty to call all the witnesses it wishes. Well, in respect of the Bill C-18 concerning oil, the committee was told there was a desire to get the bill back into the House the next week and, therefore, it was hardly possible to call witnesses. This question perhaps has been better aired and maybe witnesses would be prepared to appear before the committee on Health, Welfare and Social Affairs to discuss the pros and cons of the Toronto Northmen operating in Toronto or in Buffalo or in Seattle. Surely, among the witnesses who should be called are the COJO people from Montreal or Mayor Drapeau, because Montreal generally gets what Montreal wants. We should know exactly what it wants so that we can support or not support this bill from the proper outlook one might form here in Ottawa.

Let us take a look at football itself. The Canadian game of football was originally called rugger. An article which appeared in the *Globe and Mail* for April 17 says that rugby football originated in England. This game has been changed and somewhat modified. We have adopted the American rules. We took the forward pass and we used American imports. Even the scoring system was changed to correspond with the system in the United States. A touchdown originally counted for five points, but we increased it to six points to correspond with the value of a touchdown in the United States. It is said in this article that the west was the first to use American imports. It goes on to mention Fritz Hansen. I knew Fritz Hansen but did not know he was an American. Certainly, many Americans have come to Canada to play football and have remained in Canada.

The minister has no precedent for this particular piece of legislation. He mentioned that the Grey Cup game is a great national event for all Canadians. It has been said that this event stimulates an interest in sports, that it has become symbolic of athletic competition because it brings east and west together and thereby contributes to the unity of the nation. If the minister wants to bring together east and west he could make a contribution to the eastern part of Canada. He does not seem to be doing anything to encourage the playing of football in the maritimes. He does nothing to subsidize a team in St. John's, Newfoundland. That is where hockey is presently taking over. The people love the game. I am sure there are many people there who would like to play football and have the benefit of the salaries paid by the CFL or the WFL. I do not see Mr. Lalonde giving any help to teams in St. John's, Halifax or to any other Canadian team.

The minister goes on to say that without denigrating the value of free enterprise, even its most vocal proponents would concede that government must be prepared to intervene on occasion to protect the legitimate interest of all Canadians. Then, it is stated that various actions have been taken by the Canadian Government to control the operations of numerous aspects of the private sector, such as in banking, foreign investment, broadcasting, and communications. Well, it is nice I suppose for the football players to realize they are part of that eminent group of bankers, broadcasters and communicators, but certainly we must ask what we are doing for the young Canadian who wants to play ball and get paid the best money possible. Recently reference has been made in the newspapers to the Toronto Northmen signing three players from the Miami Dolphins. In addition, however, they signed up a Canadian boy named Stevenson from Edmonton. I do not think the Edmonton Eskimos could pay him enough. Who would say that young Stevenson should not accept more money from the Toronto Northmen? I do not believe any thinking Canadian would blame Stevenson for taking more money from the Toronto Northmen to play in that league. Why should he not do so? His athletic career will last only a few years and he should get the money while he can.

Mr. Lalonde made a few erroneous statements—

Mr. Speaker: Order, please. I am sure the hon. member knows he should refer to hon. members either by their constituency or by their official position in the government.

Mr. Horner (Crowfoot): I am sorry, Mr. Speaker. I was referring to the Minister of National Health and Welfare. He made a number of erroneous statements. Apparently the minister said on a radio program that the World Football League would go after CFL players even if the Northmen were allowed to operate in Canada, and the World Football League would probably set up teams in Montreal and Vancouver. The Minister knows full well that he has had an offer of a written guarantee from the Toronto Northmen to the effect that if they are allowed to operate in Toronto they will honour the CFL contract, and will in no way attempt to raid the CFL, except, when a contract on a player's option was available.

● (1510)

The minister also knows full well that if the Toronto Northmen were allowed to operate in Toronto the government would then have the determination as to whether or not there would be another world football team operating in Canada because Mr. Bassett has that franchise and is prepared to turn it over to the government or to the CFL, whichever the government felt would be better. The Northmen have also offered to make payments for the next ten years that will equal the payments the Argonauts have made into the equalization fund in 1973.

It has been said that the Regina team sorely needs these equalization payments. If one wanted to look at their books one would find that their operation has been rather a success financially. I am not saying that they are as well off as they would want to be, nor am I saying that they are rolling in cash, but they are far sounder as a financial enterprise than are the Montreal Alouettes. The Canadian Football League has sent every member of the House their blue brochure which outlines the average payments of the Argonauts which have been $55,000. I do not think that $55,000 divided into eighteen will make or break the Canadian Football League. The people in Regina to whom I spoke on this matter said that their big problem is to fill Taylor field with spectators. We will fill Taylor field with spectators if we provide them with a good brand of football and if the economy of the local citizens allows them to pay the price of the tickets. I do not think they will have any trouble maintaining the Regina football team. If the economy worsens so far as grain prices are concerned, Taylor field might have difficulties. If the Regina team does not find successful replacements for their all star quarterback and their running back, then they may have trouble filling Taylor field.

But it will not matter what happens in Toronto because Mr. Bassett and the Northmen have also promised not to televise the games of the World Football League anywhere in Canada. That is a bigger commitment than they are prepared to make if they have to move to Buffalo. If they move to Buffalo, CTV already has a contract with them to televise their games in Toronto. The amazing thing is that even though the Toronto Northmen will be operating in Buffalo, the fact they are owned by Canadians will allow compliance with the Canadian content rule of our broadcasting system, so their games can be broadcast in Canada if they are forced to move out of Toronto. It seems to me that it will be more detrimental to filling Taylor field in Regina if I, or a person in or near Regina, can sit at home and watch the World Football League on television. It may not be a Canadian team, but it will be owned by Canadians and may have Canadian players on it, so we may be more content to sit at home and watch that game than pay the price of a ticket to watch a game in Taylor field.

So it seems to me that Bill C-22, rather than helping the Canadian Football League, is in fact doing it harm. It will be detrimental to the Canadian Football League if the Toronto Northmen have to move out of Canada. If they are allowed to remain in Canada, it may be difficult for the Toronto Argonauts, but if there is no broadcasting of the games in Canada the other teams will not hurt, provided the Northmen live up to their commitment that they will make the equalization payments the Toronto Argonauts have made. The book I have here says that last year the Toronto Argonauts paid $50,000 in equalization payments, and the average payment has been $55,000. I do not think the Northmen will quibble about the other $5,000, but they are serious and they will have a team on the World Football League. The World Football League will become an empire.

If they are forced to go to the United States then, as they have said publicly, they will openly raid the CFL, and the CFL will be in severe danger. There will be far more Stevenson's who will opt to go for the higher money. Stevenson, from Edmonton, had a perfect opportunity; he was breaking into professional football. Born in Edmonton, he went to the United States to learn how to play the game. He was offered big money and went for it. There will be all kinds of American players now playing in CFL who will, in fact, be offered contracts and no attention will be paid to their existing contracts. Jack Gotta, the former coach of Ottawa Roughriders, has stated that he would not mind having five members of the Grey Cup champions, the Ottawa Roughriders, on his team in Alabama. I suppose he would be prepared to pay somewhat more than they are getting up here, and he knows exactly what they are getting here having been their coach. If we want to help the CFL in Canada, then every member of the House should defeat this bill, but if we want to kill the sport and kill the hopes and aspirations of many young Canadians who believe that through sports they can achieve their fame, then we should support this bill.

The Minister of National Health and Welfare has never been much of an athlete or he would not have put this bill before the House. I know nothing of his past but I judge the man by his attempts to stifle sports in Canada and I am very disappointed in his attitude to that matter.

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

Some hon. Members: Question.

Mr. Speaker: All those in favour of the said motion will please say, yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Lalonde) which was agreed to on the following division:

● (1520)

(Division No. 7)

YEAS

Messrs.

Allard	Barnett	Bégin (Miss)
Allmand	Basford	Benjamin
Andras	Béchard	Blackburn

Messrs.

Blais
Blaker
Blouin
Boulanger
Breau
Broadbent
Buchanan
Caccia
Cafik
Caouette (Témiscamingue)
Caron
Chrétien
Clermont
Corbin
Corriveau
Côté
Cullen
Danson
Davis
De Bané
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Fox
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Langlois
Laniel
Laprise
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Marceau
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Nelson
Nystrom
Olivier
Orlikow
Ouellet
Paproski
Penner
Peters
Portelance
Poulin
Railton
Reid
Richardson
Roche
Rompkey
Rooney
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Whicher—118.

NAYS

Messrs.

Alexander
Alkenbrack
Arrol
Atkey
Baker
Baldwin
Bawden
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Blenkarn
Boisvert
Brewin
Caouette (Charlevoix)
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Darling
Dick
Dinsdale
Ellis
Fairweather
Forrestall
Fortin
Frank
Fraser
Gillies
Godin
Grafftey
Grier
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Harney
Hees
Hellyer
Higson
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
La Salle
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacKay
Madill
Marshall
Masniuk
Matte
Mazankowski
McCain
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Neil (Moose Jaw)
O'Connor
O'Sullivan
Patterson
Reilly
Ritchie
Rondeau
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—92.

Bill read the second time, and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

● (1550)

EXPORT AND IMPORT PERMITS ACT

AMENDMENTS RESPECTING EXPORT OF NATURAL RESOURCE PRODUCTS AND LIMITATION OF IMPORT OF FARM PRODUCTS

Hon. Robert K. Andras (for the Minister of Industry, Trade and Commerce) moved that Bill C-4, to amend the Export and Import Permits Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, in introducing this bill for second reading, it is my intention to outline the basic reasons for proposing the amendments to the Export and Import Permits Act as set out in the measure before us. As I am pinch-hitting for my colleague, the Minister of Industry, Trade and Commerce (Mr. Gillespie), who will be returning tomorrow from a trade mission, I shall confine my remarks to the fundamental objectives of the bill and try to be as brief as possible. We can go into detail while in committee to whatever extent may be necessary.

Under the terms of the Export and Import Permits Act, the Governor in Council may establish a list of goods called an "export control list" whereby the export of any article can be made subject to control for certain purposes as specified in section three of the act. The first objective of the bill is to add the following two purposes to those already set out in section three:

to ensure that any action taken to promote the further processing in Canada of a natural resource which is produced in Canada is not rendered ineffective by reason of the unrestricted exportation of that natural resource;

to limit or keep under surveillance the export of any raw or processed material which is produced in Canada in circumstances of surplus supply and depressed prices and which is not a produce of agriculture.

Under section five of the same act, the Governor in Council may also establish a list of goods, called an "import control list", whereby the import of any article may be made subject to control for certain purposes as specified in that section.

The second objective of Bill C-4 is to add the following purpose to those for which imports can be made subject to control:

to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that act.

The third objective of Bill C-4 is to repeal section 27 of the Export and Import Permits Act setting out the expiry date of the act.

The first point I would draw to the attention of the House is that, apart from the deletion of the expiry date, the proposed amendments constitute enabling legislation. The fundamental concern of the government in respect of both the proposed amendments is to establish further purposes for which products can be placed on the export control list to ensure to the maximum extent possible that proper economic advantage is derived from raw or processed materials produced in Canada.

The object of the amendment to enable the Governor in Council to place items on the export control list in order to promote further processing of a natural resource produced in Canada is self-evident from the wording. The amendment will provide one of the means which may be needed to promote the processing of resources in Canada in cases where such processing can be internationally competitive and consistent with sound industrial structure. This is not to imply that the most desirable or the most effective way to encourage the processing of resources is by introducing export controls. Quite the contrary. The government's general approach is to focus on constructive co-operative tools such as multilateral trade negotiations, taxation policy, existing programs of industrial support, consultation with industry and the foreign investment review process. Nevertheless, it is conceivable an occasion might arise when, despite such positive efforts or in conjunction with them, it might be necessary to make the exportation of some natural resources subject to control if further processing in Canada is desirable and is to be achieved.

The object of the proposed amendment to limit or keep under surveillance the export of raw or processed materials produced in Canada in circumstances of surplus supply is to establish a provision which can be used, if needed, to ensure that proper economic advantage is derived from raw or processed materials produced in this country. Occasions may arise when Canada possesses a particular material in abundance, as well as an influential place in the international market with respect to its price. In such circumstances, over-supply from Canadian sources could result in reducing prices or holding them at an inappropriately low level having regard to such factors as the capital invested in production, the long term need, and the future value of the material involved. In this situation, various steps to promote appropriate pricing might be possible; for example, international or national co-operative marketing arrangements. However, one advisable step might be to make the material in question subject to export control for a time. The proposed amendment in respect of material in surplus supply would make it possible to initiate such action and to do so with a promptness which would yield best results.

Hon. members will have noted that agricultural products are excluded from the amendment dealing with materials in surplus supply. The reason is that there are no situations involving products, other than those already under the control of the Canadian Wheat Board, in which Canada would have the necessary strength in world markets to influence the price of a commodity through unilateral export restriction.

At this point, Mr. Speaker, I should like to turn to the proposed amendment aimed at establishing an additional purpose for which imports can be made subject to control. The amendment is as follows:

to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that act.

As hon. members know, the Farm Products Marketing Agencies Act, which became law in 1972, allowed for the creation of national farm marketing agencies to promote strong, efficient and competitive industries having due regard to the interests of producers and consumers. To date, such agencies have been established to deal with eggs and turkeys. Under the act, agencies have the power—in respect of eggs and poultry only—to determine quantities which may be marketed in interprovincial and export trade by setting production or marketing quotas.

● (1600)

It is possible that in future a supply-management program of this kind could be undermined, on occasion, by an influx, or the threat of an influx, of low priced products, particularly from other countries. Therefore, it is being proposed to permit the application of import controls, if required, to support the operation of national supply-management programs for eggs and poultry. This is not to imply, of course, that it would be the intention of the government, if it did decide to apply import controls on eggs or poultry for a particular period, to attempt to insulate the Canadian market for these products for long-term trends in international prices.

One point to which I should like to draw the attention of the House is that, if this amendment is enacted, it does not mean that an agricultural product will be automatically added to the import control list because a supply-management program is being implemented under the Farm Products Marketing Agencies Act. In fact, if the authorities concerned under this act believe that a particular product should be added to the import control list to complement a particular supply-management program, they will have to make a specific recommendation to this effect. Then, the government will, of course, examine the case and decide whether or not to recommend to the governor in council the desired addition to the import control list, as well as establish the duration and conditions under which import controls will be exercised for the particular product or products in question.

Finally, Bill C-4 proposes the repeal of Section 27 of the Export and Import Permits Act which states that "This Act shall expire on the 31st day of July, 1974". The act, which was enacted in 1947, has been repeatedly extended. The last extension, which established the existing expiry date, took place in 1969.

It is proposed to repeal Section 27 since the inclusion of an expiry date in what is, in effect, ongoing enabling legislation, is, first, inconsistent with the fact that the act was intended to implement various international commitments, as well as complement other acts of parliament

which are not subject to expiry dates; and, second, leads to unnecessary administrative expense both for industry and government departments, as well as introduces an element of uncertainty in private companies' export sales efforts on long lead-time delivery items in contracts with certain potential purchasers. As hon. members appreciate, the repeal of Section 27 would simply mean that the act's continued existence is at the pleasure of parliament.

Canada has various ongoing international commitments that are implemented under the Export and Import Permits Act which are not subject to expiry dates corresponding to the limited duration of the act, the time and extension of which I just described. These include export control commitments in respect of military equipment and strategic supply; controlling trade, for instance, with Rhodesia in keeping with the United Nations' resolutions on Rhodesia; implementing international commodity control commitments, for example on cocoa; and administering cross-border arrangements with the United States to facilitate Canadian trade. The act is also used on an ongoing basis, as required, to complement action initiated by agencies named in Section 5(*b*), that is the Agricultural Stabilization Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act, the Agricultural Products Board Act, and the Canadian Dairy Commission Act. None of these five acts contain an expiry date. In addition, the Export and Import Permits Act is used on a continuing basis for implementing import controls which are deemed necessary as a result of recommendations to the government made under the Anti-Dumping and Textile and Clothing Board Acts.

In referring to the various other acts for which the Export and Import Permits Act may provide complementary support, perhaps I should mention at this time that the act does not, of course, include any provisions, nor are any provisions being proposed, whereby items are automatically added to the import control list or export control list at any time as a result of action initiated under any other act. When items are added or deleted from the import or export control list, the government takes and must continue to take a decision in each case having regard to its international commitments and the recommendations which may be made to it by departments, agencies or boards, as well as whatever other significant circumstances prevail at the time.

I might add also that the Canadian Dairy Commission Act is the only act of the group of five named in subsection 5(*b*) for which the Export and Import Permits Act is being used to provide complementary support at the present time. In this connection, 10 products are on the import control list: Animal feeds containing more than 40 per cent of non-fat milk solids, butter, certain butterfats, cheese of all types, dry buttermilk, dry casein and caseinates, dry skimmed milk, dry whole milk, dry whey and evaporated and condensed milks.

The inclusion of an expiry date in the act leads, as I said, to unnecessary administrative expense for industry and government departments. For example, it is customary practice to issue export permits covering a six-month period to reduce the work of applying and issuance to a minimum. However, once the act approaches its expiry date, as is the present situation, this economizing of effort cannot be achieved so that additional applications must be filed and processed this year.

Another example is that it is customary to issue certain export permits for periods of one year for aircraft replacement parts in cases where companies have specific ongoing commitments to export items on an urgent rush basis in order that aircraft will only be grounded for a minimum length of time but, during the calendar year in which the act is due to expire, the business of arranging these special permits must be done twice. The same situation does exist, as a matter of fact, in respect of approximately 400 special calendar year export permits which have been issued to logging and pulpwood firms. Similar difficulty is being encountered on the import control list side in respect of shirts, where approximately 65 importing companies are involved.

An expiry date in the act can also introduce an element of uncertainty in private companies' export sales negotiations with potential purchasers, particularly in countries which are on the area control list. State-trading countries are accustomed to obtaining export permits and, indeed, in most cases, require that a permit be issued to cover a long-lead delivery item before completion of a final sales contract. Cases have arisen, however, where it has been impossible to issue an export permit for long lead-time items since delivery was scheduled after the expiry date of the act.

Therefore, industry and government obviously have been required to go to considerable lengths in such instances to provide as much reassurance as possible to potential buyers, short of a definitive commitment, that export permits will be granted. Since it is hoped that Canadian exports of long lead-time, advanced technology products will expand to state-trading nations, it would be useful to reduce administrative impediments and irritations in dealing with these potential customers to a minimum.

For these reasons I hope that hon. members will join with me in recognizing the urgency of dealing with these matters and, hopefully, will give prompt passage to the bill.

Hon. Paul Hellyer (Trinity): Mr. Speaker, this bill is received with somewhat mixed emotions. It gives to the government a very substantial increase in its arbitrary powers, which has in fact the potential for consequences which are far beyond those that might appear inevitable in the short-run or on cursory examination. Curiously enough, the vehicle for this new broad range of powers is the Export and Import Permits Act, envisaged primarily as an act to protect the vital interests of Canadian security from a defence and security standpoint. One wonders if it is a sign of the times, based perhaps on the experience of the Arab world in using a resource, namely oil, as a strategic weapon, that we now consider raw materials in that sense or is it merely a question of expediency that an existing act is being used for the purpose of obtaining new powers with objectives far removed from those associated with the main purport of the original act.

● (1610)

The proposed amendments have the effect of introducing economic dirigisme with somewhat nationalistic overtones. Clause one will permit the cabinet to restrict the export of any natural resource produced in Canada if national policy requires the further processing of the product in this country. In addition, the cabinet would be permitted to restrict the export of raw or processed material other than agricultural products in circumstances of surplus supply and depressed prices.

On the agricultural side the cabinet, in addition to the powers already explicitly provided in the act, will be able to limit the import of any article under the Farm Products Marketing Agencies Act similar to articles produced or marketed in Canada where the quantities are fixed or determined under the act. With the general objective of increasing the extent of processing of Canadian raw materials in Canada it is difficult to argue. This is a view which is widely held. I think Canadians are tired of being hewers of wood and drawers of water. They feel we should have a greater participation in the processing of our own raw materials. This is a perfectly legitimate aspiration of Canadians. There are many examples one can think of.

Uranium, for instance, is a natural resource which obviously will come into increased demand around the world. It is a rare commodity in the sense that it has such a vast power potential. It is, in fact, one of the great resources of the world. It can be used as a trade-off to other power sources. It will have a profound effect not only as an alternative to the burning of fossil fuels, for example, but consequently as an economic limitation of a sort to the pricing of other energy sources. It has often been suggested that we should enrich uranium in this country and take advantage of the tremendous increase in value added that that would entail. It has also been suggested we should refine more of our oil in Canada and should export, to the extent that we do export oil from this country, a higher proportion of refined and finished products, thereby ensuring a greater return to Canadian industry and greater opportunities for Canadians to participate and thereby benefit from the higher technology and techniques involved.

Some of our entrepreneurs are doing the same thing in respect of lumber. We are now developing at a very rapid rate trade in pre-fabricated houses which are being exported to France, Japan and elsewhere. One could make a case for the encouragement of a greater degree of processing of these materials, including Canadian lumber, in this country. Of course, another example where we have long complained that United States markets were not available to us to the extent they should be, is in the field of fine papers from our forest products. These are merely indicative of the types of processing opportunities which are available to us as Canadians.

There is a long list. I have not attempted to enumerate in any exhaustive way the wide variety and scope which is available to us, but have merely indicated that there are areas where we could increase the extent of processing in Canada, and consequently benefit in a very material way from the availability in this country of the vast natural resources we have. I suggest this is an area which deserves perhaps more study than we have given it, and that we should undertake as a matter of urgency a study of the areas in which Canadian value added could be achieved, with a minimum of capital investment and a maximum return to Canadians. The whole question of resource development is a very controversial one, in respect of our renewable resources less so than when one discusses the non-renewable resources. When it comes to renewable resources I think the principles are fairly widely accepted. The principle of course is that we should manage our forests, our fisheries and our farms in such a way that we are able to optimize the yield on a sustainable basis. It is just a matter of common sense that we introduce policies that will give us, on a long term projection, the maximum yield which can be obtained without destroying the basis of the annual harvest.

We have much to learn in these areas. Our forest management techniques although quite excellent in some areas are perhaps not as good as they could be. I am sure that hon. members who are particularly interested in the fishery would say we have much to achieve in this area, including the development of international agreements which will not only enable but require our partners in the world to use the discretion necessary in order to maximize the yield on a long-term basis. But in these areas there are some established principles. The principles are really those I have stated, a maximization of the long-term sustainable yield.

When it comes to the question of non-renewable resources the determination of what one might call the best interest is not so easily made. Extreme positions range all the way from a full-speed ahead type of unlimited exploitation on the one hand, to an attitude of leave the resources in the ground for future generations and only use what is immediately required in Canada by Canadians, on the other hand. These are the extreme positions. I would suspect, as is ordinarily the case, that some middle ground would make the most sense for Canada. I urge the government once again to consider the desirability of cost-benefit studies in these areas. Seldom have I heard—as a matter of fact I have never heard—a discussion of this very important question based on sufficient information as would answer the question whether it is in Canada's long-term interest to accelerate exploitation of certain resources and to use the yield from those resources to repatriate the ownership of Canadian equities in many areas, including manufacturing facilities, as against the inevitable appreciated value of the resources if left for exploitation at some future time. I do not say that the answer to this question will be a categorical one but I do say that any good manager—and certainly this would apply in the present case in so far as a government of Canada is concerned—in order to make the decisions which are in the best interests of Canada should have that information available to him.

● (1620)

So, it would be very worthwhile without any further delay to have some top notch economist work out the long term benefits of Canadian equity ownership of industry, for example, and to compare what the yield would be to Canadians as consumers and as taxpayers by following different courses, whether they would realize the most benefit from an accelerated exploitation of some limited

part of those natural resources available to us or whether, in fact, an elongated repatriation of Canadian ownership of the equities in some of our major companies and a delayed exploitation of our resources would make more sense. I cannot say and I do not know, but I have the feeling that it might be in Canada's interest to try to earn some extra foreign currency in the short run and to use some of the proceeds for the enhanced participation by Canadians in the management, control and direction of their own industrial future. But I would like to have the information made available in such a way that the whole question could be studied objectively and that rational decisions, rather than merely seat of the pants and subjective decisions, would be taken.

I hope the government will use its good offices to move in this direction and to obtain this information because at the moment we just do not have a set of clearly defined goals which would make it possible for the government to administer this act as I am sure they would wish. We should have clearly stated objectives. We should have some sort of industrial strategy. I realize that there are limitations in preparing an over-all blueprint and that successive ministers of trade and commerce have come to the conclusion that it is impossible to lay down a set of rules which are immutable, and I do not quarrel with that judgment. I think it would be very difficult to have one document which would state the objectives in all areas and in such a fashion that there was very little room for negotiation or discussion, but I do think that we could have far more definitive goals than we have been given so far.

The Minister of Industry, Trade and Commerce (Mr. Gillespie), if he were here, I am sure would agree, if not publicly at least privately and in his own heart, that we have not yet managed to come to grips with the necessity of establishing national goals to the extent that the average Canadian entrepreneur, taxpayer and voter can say: these make sense and at least we know what it is the government is trying to achieve and therefore we are in a position to participate in a more meaningful way in the achievement of those goals.

So, I would hope that these studies could be done on an urgent basis, and that based on the studies and on the dialogue that would ensue from them it would be possible upon their completion to develop a better defined industrial strategy or, if you prefer, a better defined set of industrial goals for Canada, and that these could be clearly stated in such a way that they would be understood by all because in the present situation a lack of a real strategy is a substantial liability to commonsense decision making.

Even with a clearly defined set of goals the government, as the minister introducing the bill today has suggested, has to operate in this area with some discretion. The act, in addition to the capability that it has of being used explicitly in some cases, has another value which must be appreciated, and that value is the leverage that it gives to the government of Canada to use moral suasion in some circumstances in order to achieve results without actually passing regulations. I know that ordinarily Canadian suppliers try to look after their Canadian customers as a matter of priority, but I also know that there are occasions when export prices are high and when the temptation is great to try to take advantage of those export markets. Sometimes in the shuffle Canadian requirements can be neglected or overlooked in the short term.

Such a case occurred earlier this year when the small independent newspapers of Canada found themselves with insufficient supplies of newsprint. I think that this was a perfect example of the minister's use of moral suasion in a circumstance where probably that was the best way to attack the problem, merely to say to the industry that the government would expect the industry, without telling them exactly how it should be achieved, to ensure that the needs of the Canadian consumers were met as a matter of first priority, and that this commitment would be expected of them. I, personally, feel that this is a legitimate use of power by the government, but it has the responsibility to see that Canadian users of materials have first opportunity to have their needs met and that perhaps this legislation will enhance in some small way the ability of the government to make sure that the needs of Canadian producers and industries of various kinds have their needs met without at the same time the need to pass a lot of regulations.

On the agricultural side, if the amendment to the act is intended to fulfill the pledge in the Speech from the Throne, then of course it falls far from the mark. I would say it fell short of the mark by at least a country mile. It only applies to those products controlled by the Farm Products Marketing Agencies Act. As the minister has stated, this is a very narrow list and, subject to correction, I believe it would only apply to eggs and poultry. I hope that this amendment will not at any stage be used to apply pressure on the farmers of Canada to extend the scope of the Farm Products Marketing Agencies Act. I think this would be an abuse of power, and I would caution the government not to follow that course.

The farmers of this country want a fair trade, and I know that in many cases, such as in the case of the small fruits, for example, problems do arise, often because Canadian farmers are jeopardized by the importation of large quantities of American fruit which come at the tail end of the American production season. When that happens, unfortunately Canadian farmers have often found themselves in a situation where government action was too little and too late.

I well remember one of my first cabinet meetings many years ago when the strawberry producers of my native county of Norfolk were threatened in just this manner. The season was just opening in Canada. It was a time when the Canadian strawberry producers would normally be able to benefit from reasonable prices for early produce. They were, in fact, inundated by American imports which represented the tail end of the American production season. Thus, the Canadian producers were robbed of a fair opportunity on the domestic market. This type of problem has come up periodically in respect of cherries and other farm produce. Inevitably, the complaint has been failure of the government to act quickly.

● (1630)

I hope the government will learn to respond to this kind of legitimate demand from the Canadian agricultural community in an effective manner and not in the process

apply pressure, direct or indirect, to extend the scope of the Farm Products Marketing Agencies Act beyond that which is required or determined by the farmers themselves. They should not be subject to subtle pressure from the government or the civil service which may have its own ideas as to how things should be done.

Finally, I think the minister has made an acceptable case for the deletion of the expiry date of the act. I think its original inclusion was related to the cold war and the hope the day would come when it would not be necessary to have this kind of legislation on the books. In those circumstances, it should have a periodic review by parliament. With the kinds of powers now being asked for, and the extension of the scope of the act as to what is really an economic dirigisme, it would seem proper that the act be accepted as a permanent piece of legislation and given a fair trail. It should of course be subject to amendment at any time in the normal way, but without the consequent problems that arise from statutes with a specific expiry date.

We will support this bill, Mr. Speaker, notwithstanding the far-reaching consequences. We reserve the right in committee to examine in detail some of the more profound and possibly far-reaching consequences that are difficult to really come to grips with at first glance. At the same time, we think these powers are probably a legitimate extension of government in the present context and we will go along through second reading to the committee stage.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to pick up the point with which the preceding speaker concluded his comments. He referred to the fact that the act to be amended by this bill originally came into being to deal with the armament trade. I think that is highly symbolic of the kind of situation in which Canada finds itself, whether it is governed by the Liberal party at the federal level or the Conservative party. We do not have an act directly, primarily or fundamentally concerned with resource development which is in force at the federal level. Instead, we are gradually inching our way toward some kind of resource management policy by means of amending an act that was originally passed to deal with trade in armaments. This is symptomatic of the kind of resource management we have had in Canada for many years under the Liberal government and for a brief period under the Conservative government since world war II.

What we have in Canada in terms of resources is a situation where our country is rich in resources but poor in policy. We have wealth and poverty together, poverty of ideas and programs, but rich in potential. I do not think there is another country that has allowed its resources to be plundered in the systematic way for short-range financial gain that we have permitted in this country. What has happened has been that the federal governments of Canada have taken a very short-run view. They have looked at the resources of northern Ontario, and it is interesting to note that the minister who introduced the bill is from northern Ontario, as well as similar kinds of mineral deposits in part of the prairies and from the rich resource province of British Columbia, and allowed them to be sold to the highest bidder on the world's markets.

[Mr. Hellyer.]

This action provided jobs in the short-run at a faster rate than would otherwise have been the case. I think that point must be acknowledged. However, that is the sole virtue for such a policy.

Since world war II, more jobs have been created as a result of that policy than would have been the case had we adopted a sensible resource management policy which was concerned with the long-run development of Canada as an independent trading nation, and diversified the foundation of its economy by having a much higher percentage employed in the manufacturing sector.

I want to briefly outline a basic shift in policy that is required. I am speaking in terms of the general objectives of this bill. I am under no illusion. This bill in itself only deals with this question in the most peripheral way. None the less, one can take the opportunity of indicating that we really need a much broader bill, one that goes far beyond the details of this one in terms of implementing the general purpose to which the minister alluded at the outset.

The minister said that the purpose of this bill is to give manifestation of the government's concern. He said there should be a proper management of resource export policy to ensure, and I am just summarizing his words, that maximum or proper economic advantage come to Canada. That is precisely what has been neglected in the past. It has been a short-term policy rather than long-term. It is precisely the stated objectives of the minister's speech that we should be concerned about in terms of the future of Canada, especially future generations of Canadians.

What we need is a full implementation of the steps that have so far been partially implemented by this government in the life of this parliament, that is a full fledged commitment to a two price system in terms of our natural resources. We now have a two price system for agricultural products and we have a two price system for oil. We got the latter grudgingly from the government of Canada in the middle of last December. But this has had distinctly important advantages for Canada in the short-run and in the long-run. I will come back to that in a minute, Mr. Speaker.

• (1640)

What we need, and I want to assert this now, is an extension of the two price system beyond these two commodities, to a whole range of other commodities. I will list some of them before I suggest in a general way what the benefits would be from such a program for the people of Canada. I should like to suggest that such a two price system, one for export and one for import, be applied to energy resources—oil, natural gas, coal, uranium and hydroelectric power. In metals it should include copper, lead, zinc, gold and silver; in non-metallic minerals, gypsum, salt, asbestos, phosphates; and forest products, including lumber.

What we need at the federal level is a natural resources marketing board in each of these areas, that would take as its basic objective, the need to establish a two price system; one for Canada and Canadians and one for world exports.

Mr. Hellyer: That is the Russian system!

Mr. Broadbent: I heard an interjection from somewhere saying that is the Russian system. I am not at all sure that in detail that is the Russian system. But apart from a lot of negative aspects of that society, if they have the kind of system that I am about to detail, I think it is a remarkably good idea. Just because it is in effect in a fundamentally totalitarian society like the Soviet Union, whose basic negative components all in this House would reject, is no reason we should automatically conclude that they might all be wrong. I understand, for instance, that the Soviet Union has developed good medical techniques for operating. I am certain that even certain Conservative members of parliament if they needed brain surgery—and someone has said that some of them do—would not reject techniques that were originated in the Soviet Union!

That digression aside, Mr. Speaker, I should like to go on. First of all, in terms of dealing with inflation, we want to be able to protect Canadian businessmen as well as Canadian consumers. We want to ensure that when world demand for our natural products is increasing, the price that is established at the world market level may not be the price paid to Canadian producers for that portion of the product sold to Canadian consumers. This applies directly to a number of petrochemical products.

A businessman from Montreal telephoned me about three weeks ago. He was concerned that he could not get a certain product because the multinational corporation in Canada which controlled its production was shipping it all to the United States. In this case it was not simply a matter of price, but of getting the commodity at all. As a result, part of that enterprise is going out of business and those consumers who were buying the product will no longer get it. The kind of control of resources which I have suggested would ensure that Canadian needs were met, and that related to that the price established in world markets need not be duplicated in Canada but that lower prices could be made to prevail in Canada where the natural resource is located.

The government recognizes this principle in its oil policy, as a of which they have developed, and I think sensibly, a two price system for oil: one that will meet the needs, in some sense, of the oil producing provinces to get world prices for their products and also to ensure that Canadians who have natural resources are not charged the higher world price level. So, there is that benefit. We get lower prices in terms of natural resources for Canadians and, second, we ensure that Canada's needs in terms of supply are met.

The third point I want to make is worth elaborating at greater length. It is my view that developing a two price system of this kind for natural resources in the areas I have outlined would provide the best foundation for building a competitive secondary industry in Canada. This is a much better system to ensure that Canadian secondary industry has access to commodities that we have in this country at lower prices, simply because the product is located in this country, than trying to build secondary industry either on the basis of higher tariffs which simply build in inefficiency and protect firms that are not innovative or this is the alternative approach that has been used by this government trying to encourage the development of industry in Canada by having absurdly low taxation levels in the corporate sector. I repeat the point: making sure that Canadian businesses have access at lower prices to Canadian resources is the best way of ensuring that we can get a manufacturing industry under way that is competitive, in world terms, in Canada. That is why an overall national strategy is essential in terms of dealing with natural resources. It is much better than a tariff policy and is much better than reducing corporation taxes to ensure an industrial growth for Canada.

Let me give an illustration from an area of the economy that I am particularly concerned about because it is in my constituency. I refer to the automotive industry. As a result of action taken by this government, we have had a significant reduction in corporation taxes to manufacturers in the last few years. This has affected my constituency directly, as it has affected many other manufacturing constituencies. But have the benefits of the special tax concessions really amounted to much? In introducing the measure the Minister of Finance (Mr. Turner) said that he wanted three things: he wanted to improve our trade and manufacturing; he wanted to increase jobs, and he wanted to see the benefits of reduced taxes passed on in the form of lower prices to consumers.

In every aspect of manufacturing, and particularly but, not exclusively automobiles, the minister's stated objectives were failures. In terms of improvement in trade, the fact is that in 1973 our manufacturing deficit increased to $6.4 billion. This is up from a deficit of $4.9 billion in the previous year and $3.7 billion in 1971. In other words, one of the objectives of reducing the corporate taxes, namely, to increase trade in manufacturing, failed. We continue to have a mounting deficit in manufacturing trade. The corporate tax reduction did nothing to alleviate that trend which is many years old and is continuing. In terms of increased employment, the fact is that in manufacturing there was an increase of some 6 per cent in jobs last year. During the same year employment in sections of our economy concerned with trade went up by 6.2 per cent and in construction, by 9.6 per cent. Again I say that the corporate tax reduction approach did not necessarily bring about any great increase in the number of employed, because in those sectors where the tax reductions did not apply, namely trade and construction, the sectors just mentioned, there was a greater increase in employment than in those sectors where the tax reduction did apply. So, the objective of the Minister of Finance (Mr. Turner) does not seem to have materialized.

● (1650)

I hardly need to elaborate on the theme of price reductions for consumers. Our inflation rate now approaches the highest levels of other western economies. There has been no reduction in price. By following the route favoured by this government, that of reducing corporate taxes for the manufacturing sector of our economy—and I will not document cases because that has already been done many times by members of the NDP—you bring about increases in profits. Profits in the corporate sector are now at their highest since the Korean war. Clearly, that approach does not work. Reducing the corporate tax simply benefits those who control the corporations. That action gives them higher profits, but does not produce any net benefits which could not be exceeded by other meas-

ures relating to other aspects of economic policy. I have just discussed those.

If we want to ensure the development of our economy, we do not need lower taxes for our corporations, nor higher tariffs to protect the inefficient; we need measures to make sure that industry in Canada will have access to our resources at prices lower than those available for the manufacturers of the United States, Japan, France and West Germany, who now purchase great amounts of our natural resources.

Let me give an example of what this means in the automotive industry. At present, a large proportion of bumpers for automobiles on both sides of the Canada-U.S. border depends very substantially on the production of Canadian nickel which comes from northern Ontario. At present, on the Canadian side of the industry we are witnessing many lay-offs because of the cutback in the production of certain automobile models in the United States. If we were to say to Canadian producers, "You can get your nickel at a lower price, establish it in Canada, than American producers can," that would mean that our firms which will compete in Canada with United States firms for contracts will be in a much better competitive position. That, it seems to me, is what can be done in almost every other aspect of Canadian manufacturing. We could give our manufacturers that sort of advantage on the basis of the resources existing in Canada. Let us not give them artificial protection by means of tariffs; let us not protect them artificially by means of lower taxes which bring negative effects for the rest of the population.

Let us give them an advantage that is appropriate in a country rich with natural resources. I gave the foregoing illustration on the basis of what I know from having studied that industry directly. If you provide nickel to Canadian producers at prices lower than you provide it for American producers, the result would be an increase on this side of the border of some thousands of jobs. The stated purpose of the bill is to give the federal government greater control over resource policy and to ensure that maximum economic benefits will accrue to Canada from resource management. Let me conclude my observations on the bill by saying that an over-all two price system such as I have just suggested for natural resources is absolutely essential. The bill, unless supplemented and fortified by such a national policy, would be almost totally useless in meeting its stated objective. It would look fine in print; it would sound splendid when ministers made speeches about it around the country; but, in terms of bringing positive benefits for the people of Canada, it will be entirely without substance.

I want to add one final point. If we establish over-all control over the export of natural resources, if we regulate the amounts of non-renewable resources in particular which can be shipped abroad, we can, at the federal level, control the rate of depletion of our non-renewable resources. We also need that kind of policy in Canada, a policy which has not been brought in because of the commitment made by the present and previous federal governments to create the greatest number of jobs in the shortest time. If we implement the kind of over-all control over natural resources which I am suggesting on behalf of my party, we would ensure for future generations in Canada a continuing number of jobs based on important Canadian resources. Further, they will not simply be jobs in our mines and forests; they will also be jobs in our cities and towns, in the manufacturing centres.

[Mr. Broadbent.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please; it is five o'clock. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Scarborough East (Mr. Stackhouse)—finance—statement of minister concerning level of corporate profits and necessity to pass on cost increases; the hon. member for Selkirk (Mr. Rowland)—publishing—intention of Houghton-Mifflin to expand into Canada—government position; the hon. member for Southwestern Nova (Mr. Haliburton)—post office—proportion of employees working on mechanical sorting devices recruited from within service.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

FEDERAL TRANSPORT COMMISSION OF INQUIRY ACT

MEASURE TO ESTABLISH COMMISSION

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved that Bill C-109, to provide for the constitution of a federal transport commission of inquiry (impartial investigation of transport accidents) be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the bill before the House has been brought forward at my initiative. Similar bills have been brought forward in the three preceding Parliaments. The bill flows from the concern felt not only by myself, but by the transportation industry in general and particularly by the aviation component. It represents an attempt by some of us to bring Canadian legislation and thinking into line with that of the rest of the international community. We are talking about the removal of any possibility of conflict when legislation requires regulatory bodies to conduct investigations arising within the parameters of the very regulations for which those bodies are responsible.

● (1700)

The need for action in this area is urgent, and the degree of urgency is increasing with the passage of time. I do not wish to burden the House unduly with statistics, but the number of train accidents—incidents, perhaps—is running well in excess of 4,500 annually. In 1970, there were 787 accidents involving trucks. In 1972, there were 1,429; the number had almost doubled. The same trend is noticeable in the case of registered aircraft—500 accidents in 1969 and 715 in 1973. Even a cursory review of the statistics will show a similar trend in all the media of public transportation where federal jurisdiction is involved. The number of marine fatalities continues to rise. In 1969, over 400 vessels were involved. Well over that figure was recorded in 1973. What is obvious from all the statistics is that we should be more concerned than ever about the manner in which we proceed with the investigation of these accidents.

My files continue to grow as correspondence flows in from all segments of the transportation industry as well as from the travelling public who, after all, must look to parliament to produce legislation which will make their travel, whether for business or pleasure, as safe as possible. Moreover, we should ensure that when accidents do happen the circumstances lend a little more knowledge to the governing bodies concerned, so that eventually travel can be made safer. Of even greater importance, the investigation of these accidents should be free from any possibility of conflict of interest.

We talk about conflict of interest. In this connection let me point out that the Air Accident Investigation Branch of the Ministry of Transport is responsible for NOTAM. I see the parliamentary secretary in his place across the way. I suggest that this is not what is required in the interest of safe travel and efficient safety and accident investigation in Canada. I shall not refer at length to the bill in my name which has been before the House for a considerable period; I have been through it on a number of occasions, after all, but I do wish to read into the record the explanatory note which accompanies that bill. The measure is entitled "An Act to provide for the constitution of a Federal Transport Commission of Inquiry (Impartial investigation of transport accidents).

The purpose of this bill is to establish a permanent but impartial commission of inquiry to investigate transport accidents which are within federal jurisdiction. Under present laws, many of these transport accidents—perhaps resulting in loss of life—are investigated by the federal body which is responsible for making and enforcing the rules under which the transport operated when the accident occurred. There is an obvious conflict of interest in such cases.

The commission I propose in this bill—and I note that this proposal has received the widest possible support from the various transportation sectors in Canada—would have exclusive but selective authority as against any other federal body to investigate all accidents resulting in death, injury, or property loss involving any transport under federal authority. However, the commission need not exercise this authority in cases where it felt the public interest would be sufficiently served through an investigation by the appropriate federal regulatory body, that is, in cases where the federal body would not be impeded in its investigations by a conflict of interest.

I go on to suggest in this bill that the commission should also have authority to investigate safety standards and practices and to recommend changes. I propose, further, that the commission should report its findings and recommendations, if any, to parliament so as to provide opportunity for public debate. Provision is made also for any person whose conduct or judgment becomes an issue during the investigation to appear and be heard, or, in the event of his death or other disability, to have his interests represented by a person appointed by the commission.

The application is as broad as possible. It covers transport by rail, by air, by water, by pipeline in the course of moving bulk material from one province to another or beyond the limits of any one province, by motor vehicle and so on. This will mean consideration of the Railway Act, the Aeronautics Act and the Canada Shipping Act in addition to other legislation. I think it is understood that we are dealing here with transportation involving a connection between two provinces. Since the philosophy is sound, transport by aircraft, ship or motor vehicle used by Her Majesty in the right of Canada is also covered, the implication being, of course, that accidents involving modes of transport owned by the several government departments, including the Armed Forces, the RCMP and other somewhat separated Crown agencies like the CBC, should be included.

I think it is important to review this principle for a few moments. The area of precedent that comes to our attention is that other western countries, for example the United Kingdom, have separated this responsibility for regulatory authority, if you will, from the investigative responsibility. The United States started to take this very firm step 10 or 12 years ago and finally separated the responsibility totally about eight years ago, in fact in 1966. Australia is now moving very rapidly in this direction, but Russia and France continue to hold out, although France is in the process of looking very seriously at the validity of such a move. Virtually all western nations have moved toward the removal of any possibility of conflict of interest, but Canada, as I have indicated, remains certainly alone on this continent in not having done this.

● (1710)

I do not think this is because we fail to recognize the importance of this. I do not want to be political about it and perhaps I should be generous to our good and charming parliamentary secretary, as I know he is somewhat in sympathy with this proposal, by suggesting it is because we have not found the useful vehicle or means for doing so. I hope that in the minister's review of the needs of his department in respect of reform he will find high on that list of recommendations to his colleagues in Cabinet a procedure which will remove this responsibility to an independent commission. It is time to end the uncertainty that we create in this manner in the minds of our friends in other nations, as well as in Canada, in the various sectors of the transport industry.

I should like very much to see the substance of this bill referred to the Standing Committee on Transport and Communications. We sought in the past to have this subject raised in the committee. We would like to hear evidence, and hear what the various sectors of the transport industry have to say about this. I have been somewhat surprised in the last three, four or five years that the government has not acceded to even this simple step. We

have ample precedent in this House for referring the subject matter of a private member's bill, without referring the bill itself, to standing committees for investigative work. I hope that out of this debate, and perhaps as a prelude to the minister's efforts within his own department, such a step could be considered. I feel strongly about this, as most members of the House are aware. I am encouraged, by contact with various sectors of the transport industry, in my belief that any attempt by the minister to bring forward such a bill designed to achieve the desired aim and principle, will receive nothing but the widest possible support, as it certainly will from this side of the House.

I think the government does recognize its fallibility in areas such as this, as I think any government would. Again I am encouraged by the minister's comments in the House the other day in response to questions I raised. At the time I felt I should ask a supplementary question in connection with an accident involving a DC-8 at the Halifax International Airport, specifically dealing with whether the minister did not then feel it was time to move in this direction. The minister was kind enough to reply, and I quote from page 1227 of *Hansard* from April 8, 1974:

> Mr. Speaker, when I spoke in the House a few weeks ago I think I mentioned that I would favour an independent board in such cases, and that whenever a new policy was introduced this would be part of it.

What I am concerned with today is the word "when". I am concerned with the delay in getting on with what the minister indicates will hopefully be a series of reforms including this one, but we do not know when that will be. We may have an intervening general election, in which case there would be no delay whatsoever. You will have it in front of you very shortly under the order of government bills along with, I am sure, a virtually parallel list of reforms in the ministry of transport.

All that I really seek to do here, through the medium of a private member's bill such as this, is to transfer the professional and technical expertise from the responsibility of the ministry of transport to another body so that as time passes there can be no question of conflict. I would ask of this commission that it report to the House through some other minister, perhaps the Minister of Justice (Mr. Lang), but that is unimportant, and that it do so in order that the Canadian travelling community using various transportation modes will know there cannot be any possibility of repetition of the examples we have seen. I will not repeat them as they are a matter of *Hansard* record. Rather I would cite only one, and that I refer to briefly, being the situation in which we have seen individuals enter the service of government in the ministry of transport, maturing and advancing in that service, winding up heading different sections of the same branch. In this situation, we would have one responsible for regulation and one responsible for investigation.

We have in front of us, now still unresolved, a situation in which we caused two highly professional and competent men who have known one another for all their lives to be pitted against each other and in conflict. This resulted from permitting a situation to happen in which it is very clear that in part the regulatory authority failed to do something that the investigative authority had to uncover. Honourable men would do this and I am not suggesting that the honourable thing was not done. What I am suggesting is that we do not need to impose upon our public servants in this particular area of transportation accidents, regulation, investigation and so on, the burden of this type of conflict.

I note with some satisfaction that there are others in this Chamber who would like to comment on this matter. I hope the parliamentary secretary can shed some light on the intention of his department, at least in respect of the philosophy of such a move as this. I would ask hon. members if they could exhibit some agreement in respect of this matter by finding some way of referring to the Committee on Transport and Communications the subject matter, if not the bill itself. I thank the House for its understanding and patience during my remarks on this matter for probably the twenty-third time since I first introduced it.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to commence my remarks by congratulating the hon. member for Dartmouth-Halifax East (Mr. Forrestall) for the continuing interest he has shown in this House and elsewhere in promoting safety in transportation. He has undoubtedly devoted a good deal of his time and energies in the preparation of this bill and as a result deserves, in my opinion, a great deal of credit. Possibly in not too long a time we will give him that credit for the dedication he has shown in promoting the idea. The hon. member also has been responsible for publicizing the inherent danger of possible conflicts of interest in accident investigation in Canada, a process which is always helpful in molding public thinking and engineering the climate of change. While the hon. member has publicly advocated a change in investigation and report procedures, the government has been quietly behind the scenes reviewing the advisability of a somewhat similar change. I will say more about that at a later stage.

● (1720)

At this stage I should like to make clear that I am not an opponent of the idea embodied in this bill. I think, however, the matter has not been looked into to a sufficient degree at this time to convince me that the time is quite yet ripe to proceed with the commission of inquiry to investigate transport accidents, or indeed that the method of appointment and operation of the commission of inquiry as set out in the bill is the best one.

The idea of creating some type of accident investigating body responsible for investigating accidents in all modes of transportation coming within the jurisdiction of the Parliament of Canada has been under consideration in the Department of Transport for more than a year. On instructions from the Deputy Minister of Transport, a study has been initiated within the public service to study the pros and cons of the idea of creating an independent body, and a report following the study has been submitted to the Minister of Transport (Mr. Marchand). The study was participated in to some degree by representatives from the air, marine and railway administrations, and from the surface administration. The actual report was prepared by an official on loan from the Department of Justice. This official held a number of meetings and travelled to Wash-

ington to interview officials of the United States National Transportation Safety Board. The official also interviewed representatives from the United States Department of Transportation so that he would have the benefit of representations from the department responsible for regulating the modes of transportation as well as from the members of the independent board.

As members may be aware, in the United States a reasonably independent board has been set up and has been functioning for some time somewhat along the lines of the commission of inquiry envisaged by Bill C-109. I can say quite frankly that there appears to be mixed views concerning the efficiency and usefulness of the board which is in operation in the United States as compared to the methods of accident investigation employed in that nation prior to the creation of the independent board, although the general opinion appears to be that the board is a moderate success. The officials also reviewed accident investigation procedures in the United Kingdom. I should like to emphasize that they went elsewhere.

I think it will be apparent to hon. members that the agencies responsible for the regulation of the various modes of transportation must have a continuously up-to-date knowledge of accidents which take place in the mode for which they are responsible. It is, therefore, not only desirable but also essential that each mode maintains some degree of accident investigation capability. At the present time the only qualified and trained air investigators are employed within the ministry of transport in the air administration. Similarly, the only trained and technically qualified railway accident investigators are in the employ of the Canadian Transport Commission. The marine administration has up to the present time maintained a three-man special accident investigation section with duties restricted to that particular activity.

The immediate creation of an independent federal transport commission of inquiry could very well result in the creation of a body which would be totally unable to obtain the necessary qualified staff to carry out its duties. One result of this possibility could be the retention of unqualified or incompetent persons to carry out a function on which the basic day-to-day safety of every member of the travelling public might depend. On the other hand, the newly created commission of inquiry might be able to attract the majority of the existing personnel from the various administrations. This could well result in at least temporary short-staffing, causing deficiencies in the continuation of the regulatory process. It therefore appears desirable, if not essential, that before proceeding with the creation of any independent accident investigation entity, a thorough review should be completed which would establish the optimum size of the commission and the level and number of supporting staff which would be required and the inter-relationship between the investigation entity and its staff on the one hand and the regulatory organizations on the other hand. If a good deal of care is not taken in this area, the government may well find itself faced with a situation in which there is a total duplication of personnel in the administrations and on the staff of the commission of inquiry.

Another interesting point which hon. members might wish to consider is the possibility that the independent accident investigation board might itself conceivably be in a position involving conflict of interest. It might be possible, for example, for the commission of inquiry to investigate an accident and through inadvertence or inexperience or incompetent staff overlook the actual cause of a number of fatalities in a particular mode of transportation. This failure on the part of the commission of inquiry could very well result in the commission being reluctant to divulge the real cause of the fatalities in due course because the revelation of the cause would at the same time demonstrate to the public the commission's earlier incompetence. The point I am trying to make is that it is very difficult, if not impossible, to remove every element of conflict of interest in every situation. The best that can be accomplished it seems to me is to keep conflict of interest situations to the minimum.

In making these remarks I have not referred to the situation in the case of surface transportation other than railways. This omission results, as hon. members well know, from the fact jurisdiction of this House over highway transportation is considerably limited by the constitution. We have adopted safety standards for automobiles and some components and there appears to be considerable federal jurisdiction to ensure that manufacturers provide reasonably safe vehicles for the public's use. There is considerable doubt, however, whether there is any federal jurisdiction to ensure that intervening agencies do not render unsafe the vehicle which was originally safe. Accident investigation in the highway field is usually done by provincial organizations and, in particular, by the police. The surface administration in the Department of Transport, and in particular the motor vehicle safety division is, however, taking an increasingly active role in this area. It is expected that the operations of the motor vehicle safety division will increase as time goes by as the investigation of individual highway accidents sometimes reveals design deficiencies which do not come to light in any other way.

I notice that Bill C-109 appears to obligate the proposed commission of inquiry to investigate all accidents in modes of transportation coming under the jurisdiction of Parliament where the public interest so requires.

● (1730)

I think there will always have to be some degree of selectivity in the investigation of accidents. As I pointed out earlier, railway accidents occur on an average of one a day and aircraft accidents occur with a regularity of almost two a day on the average. We are also painfully aware of the fact that accidents on the highways occur with even greater regularity. The creation of an organization and staff sufficient to investigate all of these accidents could be expected to bankrupt the public purse. I am advised that every air accident is investigated, at least to some degree, even if the investigation only involves the filing of a report by the person having knowledge of the incident. Perhaps consideration should be given to the setting up of some procedure or directing personnel to review reports of incidents and accidents which come to the knowledge of the regulatory officials or accident investigators, with a view to carrying out a more detailed investigation if anything appears to be amiss or if the public interest appears to make this desirable.

In this regard I am advised that even before the study to review the possibility or advisability of creating some type of independent accident investigating board the air administration was already considering a proposal to set up an accident review board which would consist chiefly of persons other than Department of Transport officials. This development need not await legislation.

As I stated earlier in my remarks, I am not at this time unalterably opposed to the principle embodied in Bill C-109. In fact, I support the principle. On the other hand, I am not sufficiently in favour of the bill to support it. The principle being advanced is in fact a very good one, but I think it is desirable, before proceeding with such a measure, to have available and to give full and adequate consideration to an analysis of all the factors involved. Because whatever body we set up will be of a permanent nature. This process is now taking place and some type of proposal, similar in principle to this bill, should be forthcoming without too much delay.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I would like to compliment the parliamentary secretary on his remarks, but I would also like to point out that many of the matters he brought up would be better discussed in committee. With respect to finding qualified people for an independent inquiry board, we could arrange interviews and we might even import people from other countries.

I have been quite anxious for some time to speak on this important bill presented by my colleague, the hon. member for Dartmouth-Halifax East (Mr. Forrestall). Bill C-109 would provide for the formation of a federal transportation committee of inquiry to investigate transport accidents. Such an impartial committee has long been needed in Canada and would be especially valuable right now in view of the many problems created by this government's disastrous transportation policies. The Minister of Transport (Mr. Marchand) has admitted that transportation in this country is in a state of chaos and has promised many changes and a vast re-organization of his department. When this will come about is anyone's guess, but personally I am not optimistic.

My scepticism regarding the government's intention to revamp and revitalize transportation in this country is based upon my own experience with the Department of Transport over the past 18 months. During this time I have done virtually everything I can in an effort to alert the minister to the many serious problems involving Air Canada, especially at Dorval where the air maintenance base is located.

I have repeatedly called for a full scale investigation into the Dorval operation. I have written letters to the minister and to the president of Air Canada. I have spoken to the press and have held a press conference. I have spoken numerous times in this House, and I have travelled to Dorval and reviewed the situation with the employees there, with many of whom I am in constant touch. Yet to my knowledge none of my charges concerning the problems with Air Canada at Dorval have been investigated, and if by chance they have, the investigation has been conducted intra departmentally and in secrecy.

My colleague is correct when he asserts that there is a serious conflict of interest here. Even though Air Canada is a Crown corporation, it is still a case of the Department of Transport or Air Canada investigating itself. Thus, there is a very real need for an independent federal transport committee of inquiry to investigate any and all accidents relating to transportation in Canada. Such a committee could also investigate certain charges and allegations made by individuals and unions concerning the safety of our transportation modes. Only through an independent body such as this could the people of Canada be guaranteed proper and credible investigation into transportation accidents in Canada.

I am positive that such an impartial committee would, upon investigating the deteriorating Air Canada situation at Dorval, discover that the problems there relate directly to air line safety. These problems include overstaffing in some departments and understaffing in others. While overstaffing results in extra costs through duplication, understaffing often results in failure to comply with MOT regulations. This fact has serious implications in regard to safety. Then in addition outdated systems which are responsible for much inefficiency are in widespread use; equipment is not performing properly, attributable to poor servicing; basic training in rules etc. for employees is poor, and many are unaware of MOT standards, requirements and general procedures; and little effort is made by officials to obtain MOT required manuals or old out of date manuals which would acquaint and familiarize employees with particular subjects.

This brief list is far from exhaustive. There are numerous other instances of incompetency and inefficiency. The alarming fact, however, is, as I mentioned, the possible safety hazards incidental to such an arrangement.

Generally, this is the situation at Dorval today, a situation which I have endeavoured to bring to the minister's attention. I should also point out that I have not been alone in the effort to acquaint the Department of Transport and Air Canada with the current state of affairs. Many individual employees and several unions and associations, the most notable being the Canadian Air Line Employees Association, have also tried to draw attention to what they see as a dangerous situation with regard to safety. For example, a recent bulletin of the regional shop committee customer service at Dorval stated that, because first level Air Canada supervisors are concerned only with running a schedule operation, they are, like other Air Canada employees, forced to discuss problems at the second level of management. One problem these men would like to discuss is safety. Their collective agreement clearly specifies that management is responsible for initiating and monitoring all practices necessary to ensure the safety and health of employees as well as the safety of all equipment. But the regional shop committee at Dorval has had to deal with second level management and supervise many safety policies themselves.

As well there is the September, 1973 letter, sent to Mr. R. J. Thatcher, director of maintenance quality at Dorval, from eight inspectors. The letter is a critical one, presented by the men with the aim of achieving a much more effective inspection program at Dorval's unit and support shops. It contains an exhaustive list of areas where radical

changes are needed so as to maximize Air Canada's maintenance operations and minimize safety risks. To my knowledge, no heed has been paid to the suggestions of these inspectors. Why? Because Air Canada investigates itself. It is called conflict of interest.

With regard to specific safety dangers and accidents relating to Air Canada at Dorval, I can discuss many, but a few will suffice. Most recently there was the serious incident on March 26 involving flight 526 from Quebec City. While climbing at 14,000 feet this DC-9 aircraft lost cabin pressure. Only 40 per cent of the oxygen masks on board were operational. This is absolutely inexcusable. Fortunately the aircraft landed with no injuries to the passengers on board. It turns out that this plane was only 26 hours off its "A" check. Air Canada conducts its layover checks at Dorval after a plane has flown some 50 hours. So what went wrong? Unfortunately, we will never know. However, with an independent commission investigating such incidents and reporting to parliament, the public would know.

● (1740)

As things are now, the public is misled by Air Canada on incidents concerning safety. After I brought this matter up in the House, the freshman president of the air line, Ralph Vaughn, had the gall to deny that the just mentioned incident ever occurred. He actually said, and I quote:

> We have found that these charges have no basis in fact and it is unfortunate that Mr. McKenzie continues to make these allegations.

However, these are not my allegations. Rather they are the facts as stated in the daily aircraft performance summary sheet issued by the maintenance branch at Dorval. Also the Minister of Transport (Mr. Marchand) admitted in committee that there was an oxygen problem on flight 526. So there is a conflict between the minister and Mr. Vaughn.

Another incident involving Air Canada safety which was hushed up by the air line concerns their L-1011 aircraft, a jet which has been, according to Air Canada, performing far below the goals set by the manufacturer. On May 19, 1973, Air Canada flight TO20 was forced into an emergency landing after a fire on board. Upon investigation it was discovered that the number one engine had two boroscoping ports open and that the fire was caused by hot gases blowing on to the engine fire wire from the open boroscoping ports. Fortunately once again there was no major accident or injuries, but think of what could have happened, Mr. Speaker. Your guess is as good as mine concerning what Air Canada and the government have done to prevent such an incident from happening again.

Then there are the incidents concerning five Air Canada flights which occurred between January 24 and February 22 of last year. Flights 296, 634, 625, 238 and 280 flying on January 24, February 13, February 15, February 19 and February 22 all did so at tremendous risk to their passengers. A March 22, 1973 daily aircraft performance summary issued by the Dorval maintenance branch stated that in all cases the engine push/pull control cables, with the exception of aircraft number 709, were in various states of distress ranging from moisture in assembly and lack of lubrication on the cables to worn cables and deterioration of teflon linings in the conduits. The summary also said that these things went unnoticed "as a result of a breakdown in the routine C-3 maintenance check." This in turn was due to the fact that job tickets were not issued for the work. Why? Nobody knows except perhaps Air Canada.

These, then, are but a few examples involving Air Canada and safety at Dorval. Incidents of this nature seem to occur now daily on our public air line and I am quite sure similar things happen to and on our other transportation modes. We simply must have some sort of federal commission to investigate these and other incidents, whether it be Air Canada, CP Air or another air line that is involved, and whether it be an air, rail, ground or water transportation accident or incident.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the purpose of Bill C-109 as set out in the explanatory note is to establish a permanent and impartial commission of inquiry to investigate transport accidents that are within federal jurisdiction. The explanatory note further suggests that under present laws many transport accidents, sometimes resulting in loss of life, are investigated by the federal body that is responsible for making and enforcing the rules under which the transport operated when the accident occurred. It is suggested that there is an obvious conflict of interest in such cases. It seems to me that the statement contained in the explanatory note setting out the reasons for the introduction of this bill could stand some analysis.

It is true that in the case of railway accidents, as an example, a good deal of the regulation of the railways is done by the railway transport committee of the Canadian Transport Commission. The same commission normally investigates railway accidents and attempts to determine their cause. It may be an over-simplification, however, to suggest that because an entity regulates a mode of transportation it is in a conflict of interest position when it investigates an accident involving that mode.

It can be argued, I think with a considerable degree of justification, that the regulatory agency needs to conduct accident investigations to determine what changes in its regulations may be necessary or desirable in the interests of safety. Although the personnel involved in this type of responsibility are human like everyone else, it is probably safe to say that they are dedicated to the objective of insuring that the mode of transportation for which they are responsible is as efficient and, in addition, as safe as human ingenuity can be expected to provide. In an area in which it is very difficult for anyone to maintain any degree of secrecy, it appears highly unlikely that the railway transport committee could, even if it so desired, hide from the public's knowledge the fact that a railway accident resulted from some deficiency in the railway transport committee's regulation of the railway industry.

In the case of other modes of transportation, for example the air mode, the regulatory agency is organized in such a way that there is no responsibility, direct or indirect, of the air investigation branch to the portion of the air administration which is responsible for the act of regulation of the air industry. In fact, the accident investigation branch and the regulatory portion of the administration are independent from each other and independently report

to one public service official who, in turn, is responsible to the deputy minister and on up the line through the minister to parliament. It can be argued, as a result, that there is really no direct conflict of interest at the accident investigation level. There is no reason why the accident investigators should not feel free to recommend what they wish and to make whatever findings they wish arising out of any particular accident.

While the suggestion has been made that there is a conflict of interest situation in existence in the various modes of transportation coming under federal jurisdiction, I do not know of any case in which it has been specifically alleged that the facts giving rise to an accident have been hidden from the public view or in which recommendations have been altered in order to protect any regulatory body or personnel. It may very well be, therefore, that the suggested conflict of interest does not exist to any extent, or if the possibility of conflict of interest does exist, there may be very little chance that in practice injustice to the public may result. By the same token, I know of no concrete evidence to suggest that the regulatory process suffers to any degree as a result of the present method of investigating accidents in the various transportation modes.

I think it might be of some value to hon. members if I give a very brief summary of the actual procedure which is followed in the investigation of accidents which occur in each mode of transportation coming under federal jurisdiction. I will start with the air transportation mode.

At the present time, there are presently registered in Canada approximately 13,000 aircraft. The registration of aircraft is growing at the rate of 10 per cent per year. These aircraft are involved in an average of between 600 and 700 accidents per year; and the accidents to which I refer are those which meet the International Civil Aviation Organization's definition of accidents. This definition includes accidents which result in substantial damage to aircraft or serious injury or death to a passenger. The air administration maintains a roster of trained accident investigators. Canadian accident investigation experts enjoy the opportunity and privilege of developing their expertise in co-operation with their counterparts in the United States. Both Canada and the United States provide their investigators with the same manuals and standards for use in accident investigation.

● (1750)

The considerable number of aircraft accidents in Canada resulted in the creation of teams of accident investigation experts which are available in the various air regions in Canada. In the case of very large accidents, a plan which is in continuous existence and which has been adopted by the International Civil Aviation Organization is brought into play. Under this plan trained investigators head up each element of a team of investigators in an attempt to investigate and determine the cause of the accident. In this regard the Aeronautics Act has been amended to give full recognition and powers to accident investigators, such as the right to interrogate persons, to enter premises, and to inspect.

Information and materials supplied to accident investigators are maintained on a confidential basis and this confidentiality has been supported by the courts. The purpose of the investigation is to promote and maintain safety, not to assign blame for the accident to any individual or groups of individuals. The creation of major accident investigation teams is an important development because it makes it practically impossible for the Crown or for public servants to hide the action of their own regulators or personnel should they be guilty of wrongdoing. When a major investigation team is set up the team leader and the heads of the various groups are the only personnel from the Department of Transport who are involved. The rest of the investigators come from a number of sources, including the air industry, universities, research laboratories, aircraft manufacturers and the like.

In the case of major accidents it is the practice for the Minister of Transport (Mr. Marchand) to appoint a person to conduct a public inquiry into the cause of the accident. In practice the person appointed is invariably a judge with long experience in the courts. The reports of the various components of the accident investigation team are then adduced as evidence in an open hearing before the judge and the witnesses are available for cross-examination by interested parties. The report of the judge is almost invariably made public, and the report is usually made the basis for whatever changes in the regulatory process may appear desirable as a result of the judge's findings. Less important aircraft accidents are not, of course, given the same treatment as more serious accidents, but even then a careful investigation is carried out and in due course the accident report is made available to the public.

Marine accident investigations are carried out under the authority of the Canada Shipping Act and reports are made to the Minister of Transport. Shipping accident investigations consist mainly of preliminary inquiries which are held in camera, followed, where the circumstances appear to justify it, by a formal investigation which is held in public. The marine administration at the moment employs only three persons, whose sole responsibility is the investigation of marine accidents.

Under the recently enacted shipping casualty reporting regulations, all ships, as opposed to only Canadian and British vessels, are now required to report casualties in Canadian waters to the nearest coastal radio station, which reports are passed to the appropriate region for action. Upon receipt of such a report in any region, a marine surveyor is detached from his normal duties and dispatched to carry out an investigation, his report being passed to the marine investigation section in Ottawa for assessment and any recommendations considered necessary regarding follow-up action.

The field officer appointed to hold a preliminary inquiry is usually a nautical surveyor, and he may be supported by engineer and/or hull surveyors. Only in cases of major casualties is an officer of the marine investigations section sent to investigate. Where no other action is considered necessary following a preliminary inquiry, a summary report of investigation is prepared for release to the public on request.

Preliminary inquiries in the marine field are held in camera, each witness being interviewed separately with no one present other than his counsel, should the witness desire to retain counsel. The witness is informed that he

has this right. Every effort is made to encourage full and frank statements, each witness being afforded the protection of the Canada Evidence Act.

Formal investigations of marine accidents are conducted in four main categories of accidents. The first category is where the casualty is one giving rise to a considerable degree of public concern—that is, where the public confidence in the mode of transportation is at stake. The second category is where the casualty has resulted in some major loss of life, either to passengers or to crew. The third category is where the minister has been unable to determine by the normal investigative process what the casualty was all about. And the fourth and final category is where the casualty may involve lessons or practices which the Minister of Transport may wish to bring to the attention of the maritime industry.

While the Canada Shipping Act empowers the Minister of Transport to appoint any officer of the government of Canada to be a commissioner to hold a formal investigation, the practice has been to appoint a member of the bench in the same way as judges are appointed in the case of aviation accidents. In addition to the commissioner, assessors are selected and appointed by the minister to assist the commissioner in technical matters which may arise in the course of the public inquiry. The conduct of formal investigations is governed by the shipping casualties rules made under the Canada Shipping Act.

The investigation of railway accidents is covered by sections 225 and 226 of the Railway Act. Under the existing requirements, railway accidents must be reported immediately and the Canadian Transport Commission maintains an office that is open 24 hours per day to receive such reports. Following receipt of a report, a district inspector is immediately dispatched to the accident scene. The district inspector's report and any information provided under section 225 of the act are privileged and cannot be released except with an order of the Canadian Transport Commission.

In carrying out accident investigations, the inspector has all the powers of a court. On average, the railways have one accident per day. Thirty per cent of the accidents are caused by motor vehicles colliding with the sides of trains. Of these accidents, 80 per cent take place at protected crossings and 50 per cent take place in daylight. In 1968 an amendment was made to the Railway Act requiring trains to carry reflective markings on their sides but there was no marked improvement in the accident rate. A public inquiry is usually held by the Canadian Transport Commission in the case of major accidents with the objective of finding the cause of the accident and trying to avoid a recurrence. As in the case of the other modes, the purpose of the investigation is not to find fault.

The Acting Speaker (Mr. Boulanger): It being six o'clock, this House stands adjourned until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

EXPORT AND IMPORT PERMITS ACT

AMENDMENTS RESPECTING EXPORT OF NATURAL RESOURCE PRODUCTS AND LIMITATION OF IMPORT OF FARM PRODUCTS

The House resumed consideration of the motion of Mr. Andras (for the Minister of Industry, Trade and Commerce) that Bill C-4, to amend the Export and Import Permits act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I am pleased to see this bill being debated. I hope it represents a new commodities policy which will govern the export and import of raw products. I want to talk about a commodities policy, and I hope, by bringing in this bill, the government is facing the realities of the present day. We must recognize what Canada is, what our role has been, and what it is our potential to become.

We learned at school how trade in this country was originally developed by the fur trade. Our people trapped animals and sold furs to the markets of Europe, where they were made into articles of valuable clothing. After that we began cutting timber. In Ontario, the white pine and the oak were reserved for Her Majesty's ships, and large rafts of timber were floated down the Ottawa river, to be exported to foreign markets where the wood was manufactured into useful products of greater value. That has been the history of Canada. We have exported from our soil iron ore, coal, nickel, copper, zinc and asbestos. From our forests we took lumber, turned it into pulp and shipped it to foreigners in other countries, there to be processed into higher valued articles of ultimate use. In truth we were labelled a nation of hewers of wood and drawers of water. That has become almost a cliché when describing Canada's role.

In the seventies we are faced with a new concern. New mining machinery, manned by one or two men at the most, is capable of tearing out whole mountains of ore; new shovels can load unit trains which can quickly haul the resources of this country almost untouched by human hand, to foreign lands. Very little employment results for Canadians. The upshot is that we are exporting the lifeblood of the nation without getting any of the real advantages from those raw materials.

● (2010)

What we have seen as a result is a flight from the small towns, from the remote places in the country, to the cities. We have seen unemployment rising to a high of 17 or 18 per cent in Newfoundland, unemployment of almost unbelievable proportions in the northern parts of the prairie provinces among the Metis and the Indians there. Yet from those very areas of Canada we have shipped out by boxcar loads, by pipe line, by unit train and by large trucks the very lifeblood which could make those areas grow and prosper.

We all know that manufacturing industries in this country are no more than 75 per cent efficient on an average compared with equivalent operations in the United States.

Yet today we see a foreign exchange rate that indicates that our dollar is worth $1.04 on the market in comparison with the United States dollar. If we were classified according to the efficiency and productivity of our manufacturing industry, our dollar in relation to the United States dollar would probably be worth not more than 75 cents. A great deal of the problem is caused by our willingness to pour out the raw resources of this country to the markets of the world unprocessed and untreated, raw resources that a hungry world, a world dying for unprocessed raw products of our forests, soil and farms, so easily consumes. We have all seen or heard of the brown-outs in New York. We have all heard of factories in other countries closing because there is no energy available to them. What we do here is pollute our rivers, our streams and our air to produce raw materials for someone else's factories, hydro-electric power for some one else's air conditioners.

It is about time this government, or any government which is to govern the country during the seventies and for the balance of the century, showed concern about the resources at our disposal. We sold coal to Japan at one time because we could not sell it anywhere else, and we sold iron ore to the smelters of the United States because we could not sell it anywhere else. We have sold our pulp and pulp logs to other countries because we could not sell these materials anywhere else. We have discounted our lumber and sold it cheap because we could not sell it anywhere else. The reality of 1974 is that the world is starving for the raw commodities we can produce. Anyone, even Simple Simon, could sell pulp in today's world. Simple Simon could sell wheat to a hungry world. Simple Simon could sell iron ore and coking coal to starving smelters in Japan. Anybody could sell to the people in New York City a little extra electricity, especially when they have a brown-out and the air conditioner is not working because there is no power.

It does not require any imagination to sell our raw materials in the world of 1974. Anyone can do so, and that is exactly the problem. The raw commodities of this nation have been bid up and bid up. The consequence is that our dollar stands at $1.04 in comparison to the United States dollar, when on the basis of productivity, on the basis of manufacturing efficiency, it should be considerably less, possibly 75 cents.

I hope the minister in presenting this bill is putting forward a new policy with regard to commodities. I trust when I vote for this bill, as I intend to do, that this is what the minister has in mind—that we shall not just give away our resources, holus bolus, as in past years. We should be selling beef, Kobi beef, not feed grain; we should be selling J-cloths, not pulp; we should be selling steel, either in billets or in some other way, not iron ore and coking coal. What we need is a new commodities policy. We must look after the interests of the people of this country objectively.

In the past, Canadian producers have produced without any guarantee that they could sell their products. We have seen the price of wheat fall as low as 60 or 70 cents on the black market in western Canada, way below the cost of production. We have seen paper mills very close to going bankrupt because they could not sell their products. We have seen oil producers come begging on hands and knees to Ottawa for a chance to sell their oil on the Canadian market, and they have been turned aside because somewhere along the line some of us Canadians could buy the same product cheaper from another country. We have sold iron ore from British Columbia. We have raped whole mountains of ore. We have built railways and ports at government expense and sold that ore at prices below the cost of production. Indeed, at one time the financial statement of McIntyre Mines looked like a disaster. I don't blame producers today for saying: "When we had the product and wanted to sell it, you would not buy; now there is a world shortage we intend to get every penny these products will fetch. We have been diddled in the past, but now its our innings."

● (2020)

It is time we made a reanalysis of the nature of the economy of Canada in terms of commodities. It is time we looked at things not only from the producer's point of view and the consumer's point of view, but from the point of view of long-term national interest, and developed a fair commodities policy. I should like to spend a few minutes illustrating what I mean by a fair commodities policy as I see it in this country today.

First of all, this nation must analyze in terms of commodities what we can produce as a nation effectively and cheaply, or at least as cheaply as any other country in the world. Having made that analysis we must determine that those basic commodities which we can produce cheaply or as cheaply as anyone else in the world are Canadian commodities.

Secondly, we must determine that those Canadian commodities hold a monopoly position on the Canadian market, so that when there is a surplus of cherries in Oregon they cannot be dumped on the Toronto market, driving prices down and hurting our producers. Or if there happens to be an offhand surplus of beef on the Chicago market, we must see that they cannot dump it in Toronto, putting our livestock producers out of business. If there is a surplus of steel in Sweden, they cannot be permitted to dump it on the Canadian market and put our steel producers to the wall.

Let me talk about surpluses for a moment, since commodities represent a big part of the picture in respect of the economy of this world in 1974. I say to you, Sir, that if bread was 10 cents a loaf I doubt that you would eat one more slice than if it was a dollar a loaf. The truth of the matter is that price increases do not materially affect the demand for commodities until or unless there is a competitive product. The truth of the matter is that it takes an enormous increase in the price of commodities to reduce the demand and, in the converse situation, it takes an enormous decrease in the price to increase the demand.

It has been well said that less than a 1 per cent surplus in the production of copper on the world market will drive the price below the cost of production, whereas less than a 1 per cent surplus on the market will increase the price three or perhaps four times.

Mr. Whicher: The same applies to beef.

Mr. Blenkarn: The same applies to beef and to wheat and to barley and to corn and to potatoes. This basic

theory applies to all the basic commodities we produce as a nation. What this country must do for the producer is to make sure that at all times we will be the final banker of last resort for commodities. This may mean that as a nation we will have to build some storehouses in which to put aside some commodities in times of surplus, allowing them back on the market in times of deficit; but we will bankroll on the basis of the efficient producer's cost of production.

We have done that in Canada already, it is now new. Not very long ago when the uranium industry seemed likely to collapse in this country we paid for the stockpiling of uranium at $8 a pound. Today the price of uranium is $20 a pound. Not long ago, and indeed for some 10 or 12 years, we financed the gold mines in order to keep them in business. Some of that gold which we bought from these mines, taking into account the subsidies to the mines, probably cost us $40 or $45 an ounce. It may have even cost us $50 an ounce. But look at the price of gold today. It is very close to $200 an ounce, so we as a nation did not lose anything. Indeed, this was probably the finest investment the government has ever made.

Some hon. Members: Hear, hear!

Mr. Blenkarn: So in terms of bankrolling commodities, this is the type of approach a large commodity producing country must always look at.

Lastly, Sir, in times of excess world demand or excessive high prices we must consider a two-price system. We must look at the situation and make sure that those in Canada who manufacture and convert commodities into usable goods in society are able to buy the raw materials at a price on which they can operate in order to produce and sell.

As an aside, I suppose that might have something to do with the inflationary situation we have in Canada. I do not think a commodities policy is essentially an inflationary policy, but it has certain side effects on the inflation situation. The government suggests that inflation is a world problem, and consequently throws up its hands and says nothing can be done about it. The truth of the matter is that Canada is perhaps the greatest contributor to world inflation, because we have allowed our raw materials to escalate in price on world markets. Countries like Great Britain and France have had to pay the kind of premium prices we in Canada demanded. We have put inflation into their economies, and stupidly we have even put it into our own economy.

As a result of this stupidity the price of pulp and paper has doubled in Canada, yet we export 66 per cent of all the pulp and paper we produce. Indeed, we control the pulp and paper markets of the world. We have allowed the price of that commodity to double in our own economy because we have said we will sell to Canadians at world prices. Thus Canadians have brought inflation into their own markets for their own commodities, and this has probably been the greatest contributor, aside from monetary policy and government expense, to the inflation in this country.

I did not intend to talk about inflation tonight, but I suggest that a commodities policy which was sensible would have very materially reduced the cost of living for all Canadians. We would not now be talking about problems in respect of feed grains, the excessive cost of feeding animals and all the rest of it, with everything going higher and higher, had we adopted a sensible commodities policy.

One of the basics to a commodities policy is a quota system, and that is permitted under the amendments to this act. This would enable the government to set a quota on the production of raw materials exported from Canada. I suggest that is very much like the policy of the Progressive Conservative party of the province of Ontario under the late George Drew, when the province banned the export of pulp logs, and later under the late Leslie Frost, who banned the export of pulp.

Mr. Baker: And built an industry.

Mr. Blenkarn: Yes, and built an industry here. We could build an industry in respect of every processing operation of raw material. I should like to point out to the hon. member who interjected that two-thirds of all the pulp produced goes into the making of paper, and one-third of all the pulp produced in this country is exported from Canada as pulp.

● (2030)

You cannot eat pulp, you cannot drink it, you cannot wear it and you cannot live in it. You can use it to manufacture something else, however. Yet one third of the pulp produced in this country is exported in the raw state, none of it from the province of Ontario. Here is a situation where it is high time a federal government concerned about employment and about opportunity stepped in. Recently we had a two-price situation in respect of oil. While I am not particularly impressed about the use of export tariffs to control the export of raw products—and I intend to say more about that later—the oil we export from Canada goes to refineries largely in the Chicago area. Those refineries turn our oil into anti-freeze which is put in tin cans. They turn it into gasoline which is put into pumps. They turn it into chemicals and nylons. Yet we continue to export raw crude to those refineries.

Clearly it should be the policy of this government, if we are to export oil, that this oil should be exported as oil in tin cans, or in the form of gasoline, or as chemicals, or as pantyhose and that type of thing. We should not continue to export our raw crude, our raw butane and our raw chemicals. We should get down to the business of exporting finished products that every society demands. I had this brought home to me once by my father when he was dealing with the Japanese and importing commodities into Canada. You will recall, Sir, the fancy printed scarves the Japanese made out of silk with embroidery along the edge. These were sold as a package. I asked him: "Why do you not buy the silk in rolls and embroider it here?" He said: "Son, the cost of silk scarves packaged and shipped from Japan is exactly the same price as a roll of silk unprinted, untreated and unpackaged".

What was happening in respect of the Japanese in that case is exactly the type of activity a government interested in industrial development should take on as a pattern in Canada today. Is there any reason we should not sell steel at the same price as we sell the makings, the iron and the coal? Is there any reason we should not say that we will sell Kobi beef at the same price as the calves and the

grass? We can say that if they want to raise beef, look after it and slaughter it, that is all right, but they can buy Kobi beef here already packaged.

Is there any reason that we should sell lumber and not pre-cut homes with furniture for them at the same price at which we sell our lumber? The same applies to pulp. We can say that we will sell it at the same price as toilet tissue and J-cloths. That would be using the raw product of Canada developed in its best fashion for the markets of the world.

I hope the minister, in using these controls that will be given to him under this legislation, will use them in that type of discretionary fashion. I realize it is not possible to have one blanket law covering all commodities. The situation in respect of each commodity is slightly different. In respect of some it may be drastically different. That is the reason it would be very difficult to spell out exactly what should happen in respect of every commodity covered by the Export and Import Permits Act. I suggest the minister should follow that approach, look at things and say that we will reduce the quota of raw product exported from Canada and demand of our customers that if they want the raw product they must buy the finished. We should organize the trade of Canada so that the price product of the raw will be the same price as the manufactured. In this way we could build a decent society and as a nation get what we deserve from the raw products of our soil, our farms and our mines.

Some people may say that the cost of what I am talking about is pretty enormous, that it includes subventions and the bankrolling of producers. It may include significant tax changes in favour of manufacturers or processors. Some of these are approved of and some are under attack by members of the New Democratic Party. I say that as a nation which can afford $3 billion for unemployment insurance and manpower surely we can afford to say that work is beautiful and that Canada is worth working for, that it is worth using the resources to make ourselves grow as a nation. Canada has huge advantages in 1974. The world is crying for raw products. The only thing that can be done with a raw product is manufacture it, and if people are crying for the raw product they will take the finished product. It may not be as easy to sell the finished product as the raw product, but only if we take advantage of our position will we as a nation be able to grow and be a nation which the Leader of the Liberal party said will be our destiny in the twentieth century.

I fervently hope that with the passage of this bill the government will use its ability, initiative and the advantage Canada has as a nation to make this country grow. While I have grave doubt as to the managerial ability of the government, surely even simple Simon can sell raw products in this world today.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the bill which is before us today is long overdue vis-à-vis the industrial development of Canada. It is designed basically to do two things. It is designed to give power to the government to restrict the export of our raw material unless processed in conjunction with government policy. Secondly, it gives the government the power to control the export of any surplus raw material we have in Canada selling at depressed prices. I think both things are commendable. I believe both are long overdue.

There are a couple of matters I should like to raise of concern to me. The first is that the government should use this policy once it is adopted, because for all too long in this country we have been exporters of raw material and importers of manufactured goods. We have been a hinterland economy responding to the whims and wishes of multinational corporations and United States entrepreneurs. We export most of our raw materials to the United States and we import manufactured goods. Canada imports more manufactured goods than any other industrialized nation in the world and that is why a bill of this sort should be part of an industrial and economic policy to develop Canada for the future. We must see it in that light, not as a solution but as a step toward developing a nation that is regionally balanced and has a rational economic policy, a nation that is in control of its own economic destiny. I hope that this bill will move us a long way in that direction.

● (2040)

Because of the fact that we are an exporter of raw materials, that we have had a very high unemployment rate, and the extraction of raw materials is capital intensive rather than labour intensive, we have built into our economy a high level of unemployment structurally. A bill of this sort, taken together with another more comprehensive policy, will go a long way toward getting rid of some of the structural unemployment in our economy.

The former member for Duvernay, Mr. Kierans, stated in the House a number of times that a $100 investment in the extractive industries would probably provide about $5 to $6 worth of wages, but that a $100 investment in the manufacturing or processing industries would probably provide wages of about $25 to $30. Despite those facts, over the years we have had a government that has pursued a policy that has given incentives to the mining, gas and oil industries to extract their resources from underground and ship them across the border to be processed elsewhere. It is about time that that policy was changed for the benefit of all Canadians.

This bill in itself is very subjective. I hope that this government does have some policies regarding the processing of raw materials in this country, but I realize that in many ways the bill must be subjective because all commodities are different and cannot be treated the same. For example, it might be to the advantage of Canada in some areas not to do too much smelting because of pollution problems. But those are things that can be taken on balance if we have a comprehensive industrial and economic policy. Those things would be part of that policy.

Another thing that we should consider in the upgrading and processing of raw materials is regional balance. This is missing in the bill before us today. The bill gives the government the power to insist that producers of raw materials manufacture them in this country in the national interest; but it says nothing about where that processing should take place. For all too long most of the manufacturing has been concentrated in the golden horseshoe in southern Ontario, in Montreal and in Vancouver.

When this bill reaches the committee stage we should take a serious look at amending it so as to give the government the power to direct where the manufacturing, processing and upgrading should take place. There is no reason why the petrochemical industry should not be located in the prairies, primarily in Alberta but also in Saskatchewan. That is where the raw material is. Why can there not be more upgrading of the raw material in the prairies? Why can there not be more processing of nickel in the Sudbury area? Why does Sudbury have to be an exporter of nickel, the hinterland of the south or of American cities? We should amend this bill to give the government power to direct that processing be done in the region where the material is produced in its raw form.

In looking at the development of resources in this country we should also consider the establishment of a two price system for many of the basic resources we have in Canada. I do not see any reason why some artificially high world prices should influence the price of our commodities. We in Canada are very fortunate to possess most resources. We have iron ore, nickel, copper, potash, hydro electric power and many other resources which are necessary for any nation. Indeed, we have almost any resource that one can think of. The only thing we do not have is a tropical climate and some of the tropical foods that are produced in such a climate.

Since we have these resources, and since abroad such resources as oil are sold at artificially high prices, we should consider a two price system in Canada. If we had a two price system for basic commodities such as oil, lumber, iron ore, lead or zinc—we have it for copper, wheat and oil—we would make our industries more competitive because we could sell their products at a lower price than can our competitors, such as Japan, western Europe and the United States. We would also be providing more jobs since manufacturing is labour intensive. We would help fight inflation because we would be importing less inflation from abroad. We would have a better grasp of our economy and we would be able to do more regional planning.

Those are some of the advantages which a two price system for basic commodities would provide. This has to go hand in hand with some export controls and with greater public investment in some of the resources of this country. I think that could be done. A national development policy is something that Canada needs desperately.

In the Toronto *Star* issue of yesterday the lead editorial came out in favour of a two price system for some of the basic commodities to which I have referred. I should like to quote four of five short paragraphs from that editorial. It reads:

> Canada has one of the world's largest deposits of potash and is self sufficient in oil, two of the basic ingredients in fertilizer. But because of shortages in the U.S., Canadians will pay 20 per cent more to make their flowers and vegetables grow this year.
>
> Canada is one of the world's great growers of evergreen trees. Because of world demand, primarily in Japan, the home handyman has to pay 20 per cent more for a sheet of plywood made from them than he did last year.
>
> We produce far more white beans than we consume. But because anchovies disappeared for two years from the waters off Peru, an acute shortage of protein material developed. Canada's white beans, a protein substitute shot from $11 to $60 a hundredweight last year.
>
> All these are instances where developments outside Canada caused large price increases for goods that are abundant within our borders.
>
> More and more, Canadians wonder whether there isn't some way to escape this kind of externally produced inflation, by having one price for Canadians and a higher price for exports.

I think that the view expressed in the editorial of the Toronto *Star* is a valid one. We produce an abundance of some commodities for which world prices are artificially high. The Minister of Finance (Mr. Turner) says that we would be unfair to our trading partners and would be inviting retaliation if we had a two price system. I do not buy that argument because I say that we would be selling those commodities at world prices; we would not try to get a higher price than other producers in the international market. All we would be doing is developing an industrial strategy for Canada, an economic strategy and a development plan that would help control inflation, produce more jobs and make our industries more competitive. These are important considerations in discussing the bill before us.

One last thing that I want to mention is that in upgrading our resources in Canada we should take a look at our taxation system which favours the development of capital intensive extractive industries over the development of processing and manufacturing. I will give the House one or two examples. I have here some corporation taxation statistics, series 1965-70, which are very revealing about the gifts and handouts made to the extractive industries. The profits of the metal mining industry in that six year period before taxes amounted to $3.165 million. On that income before taxes they paid federal and provincial corporation taxes on only 10.8 per cent. I think that is grossly unfair. Certainly it would be grossly unwise to permit this to continue in planning and developing a rational economy in this country. During the same period of time, the gas and oil companies paid taxes on only about 5.7 per cent of their profits while the ordinary Canadian, the retail merchant, the farmer and others, paid tax on everything they earned.

● (2050)

In closing, I support the bill before us, but I strongly suggest we cannot look at it in isolation. It should be part of an over-all development plan for this country, an industrial economic strategy that would make this country the greatest by far of any nation in the world.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a few words on Bill C-5. This bill, as far as we can see, is quite important.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System—I am mistaken, Mr. Speaker, it is rather Bill C-4, an Act to amend the Export and Import Permits Act. I quote:

> Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:
>
> 1. Section 3 of the Export and Import Permits Act is amended by adding thereto, immediately after paragraph (*a*) thereof, the following paragraphs:

Mr. Speaker, the regulations on imports affect a great number of citizens, especially Canadians and we would like to export as much as we can, but we are now realizing

that our domestic consumption must increase, because exports do not alter our national economic conditions.

Mr. Speaker, for instance, if in 1974 we produced for $125 billion, consumed and exported for $75 billion of this production and exported for $25 billion of the $75 billion that was consumed in the country, if we exported for $25 billion of our production and re-exported for another $25 billion, this does not affect at all the national total of $125 billion of production in Canada. Exports, even though they are very important, do not solve the basic problem of the economic situation that we now face.

Mr. Speaker, exports and imports must balance and, when there is a difference between the two, this affects the value of currency. For instance, if we export to the United States more than the United States export to us, they will have a favourable balance with us. At the present time, for instance, the Canadian dollar is worth maybe 3 per cent more than the American dollar. This depends on the exports.

If the opposite happens, Canada will have to depreciate its currency. When a country must pay royalties or has more exports than imports, it has an unfavourable payment balance, it must reimburse, as in the case of the United States. If our payment balance with the Americans is unfavourable, we have to pay the difference in American currency.

If we did not have enough tourists to consume our products and give us American capital, and if we do not have American capital, we have to depreciate our currency accordingly and lower the value of our products. The Americans therefore pay less for our goods than Canadians can. This is the result of an international agreement which, I am sure, could be reformed. In fact, money should not depreciate to such an extent, it should keep a certain value, and goods should not depreciate by as much.

Mr. Speaker, exports and international exchanges should not, once again, alter the total amount of a country's national production. At most, they mean entries on the books under credit and debit, and adjustments at the end of the course as I said before.

Mr. Speaker, since the subject of the bill is rather general in nature, we can generalize somewhat about the economic situation, and speak of exports, transports, Canadian companies, Crown companies and state companies. We can say, Mr. Speaker, since it concerns Air Canada to some extent, that it had an income of $45,492,000 in 1972. It paid $32,487,000 in interest, had a deficit of $8,648,000 and carried over a debt of $640,114.

● (2100)

Mr. Speaker, since this is a transport company with which we must deal and agreements must be entered into with foreign countries to carry on air transport activities I will say that according to the report I have here the year 1972 was one of the best I think for Air Canada, yet they managed to register a deficit of $8,648,000.

Mr. Speaker, the CNR had an income of $48,257,000 in 1972 and it paid $66 million—

Mr. Speaker: Order. I hesitate somewhat to interrupt the hon. member for Compton (Mr. Latulippe) but I take the liberty of reminding the hon. member that we are considering Bill C-4, an Act to amend the Export and Import Permits Act. I think that even with the fullest indulgence it would be quite difficult for the Chair to allow an hon. member to speak to the financing of the CNR or Air Canada. That subject was discussed on several occasions in recent months in connection with legislation dealing vaguely and perhaps even remotely with the financing of the CNR and Air Canada but I do not think that even with the wildest imagination it would be possible to establish a relationship between Bill C-4 now before us and the financing of Air Canada and the CNR.

I urge the hon. member for Compton and all hon. members to limit themselves to the principle of the bill now before us.

[Mr. Latulippe.]

Mr. Latulippe: Mr. Speaker, it is true that I perhaps wandered somewhat from the subject but I will try as much as possible in the few minutes available to me to come back to the subject and talk to the amendments to the act.

Mr. Speaker, the purpose of this bill is to permit the governor in council to limit the import of any article that, under the Farm Products Marketing Agencies Act, is limited in respect of production or marketing in Canada. It deals with farm products and all sorts of other products. I thought, Mr. Speaker, that the financing of Air Canada with its international scope could come under that item. That is why I was speaking about Air Canada and I ventured to make comparisons between the CPR and the CNR to say that those large companies registered deficits, to say that they pay considerably high interests on borrowed money. Interest rates, Mr. Speaker, are a great source of difficulties for us. The same applies also to our exporting trade with other nations.

Mr. Speaker, if we are unable to do as much business as we should like with other countries, it is due to commercial and financial factors. Because we are unable to offer finished goods at prices sufficiently low to compete with other nations, it is like being held in a vice exerting increasingly more pressure all the time. It is becoming more and more difficult to make deals with other countries.

Interest on loans are the main reason for the high costs of living and production. And then, the second major cause is financing. Those who operate all sorts of industries and create all sorts of goods are faced with taxes which keep on increasing, so that marketing their products becomes next to impossible.

Let us consider, for instance, the 11 per cent tax on building materials and the 12 per cent excise tax. They raise thhe price of Canadian products to such an extent that it has become difficult to increase production.

If we want to export at a cheap rate and get commodities to export at a better cost, we must first reduce our rates of interest which cripple the Canadian industry. We must also reduce certain taxes and certain export duties in order to compete with any country. We could produce more, Mr. Speaker. There is an overproduction of about $50 billion in 1974 and if there is overproduction, we certainly have products to export. But since we have to import for about the same amount, our national accounts

remain the same. Therefore, Mr. Speaker, we have to produce at a better rate if we really want to export. There are all kinds of ways we could use to produce at better rates. They are logical ways that should be studied. Many things have to be reconsidered in our economy. Reforms must be made in the various segments of the economy if we really want to produce here at a cheaper rate and if we really want to become an exporting country. There are all kinds of commodities that we can produce. We have in Canada, Mr. Speaker, everything needed for that, including the necessary engineering and the modernized industries.

In the food stuff sector, for instance, we could have produced at least 10 per cent more in 1973. Our national production could have been better by at least 10 per cent and if we made low-interest credit available to farmers, thus enabling them to buy the farm machinery they need, and even if we granted the compensated discount on certain farm machinery or machines used in trade and industry, we could, Mr. Speaker, produce at a much cheaper rate. And if we lowered the rates of interest, which is the most important factor, we could lower the production cost.

At present, we have a surplus of about $50 billion in capitalization, and all this surplus supply is piled up in warehouses, in department stores, and this is financed through the bank financial formula at an interest rate of 12 per cent, which cannot possibly lower the price of products. To lower the price of products, we could finance all these stocks, all these inventories, at much lower interest rates, and we could thus cope with imports in all kinds of fields. That is the main point I wanted to stress.

There would be so many things to say about this bill, but other members have dealt with a great variety of matters and I do not intend to repeat what has already been said. The previous speaker almost made the same speech as mine a moment ago. I wanted to make practically the same comments as he did. Therefore, under the circumstances, so many things having been said, I will conclude my remarks and resume my seat.

[*English*]

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a few comments to make on Bill C-4, to amend the Export and Import Permits Act. There is no doubt that the government has again moved to placate the NDP by bringing in this bill. One wonders if it is the result of yet another telephone call between the hon. member for York South (Mr. Lewis) and the Prime Minister (Mr. Trudeau).

Mr. Knowles (Winnipeg North Centre): You don't mean that!

Mr. Kempling: Oh, I do mean it very much, my hon. colleague. There are some hidden factors in this bill that require explanation. For instance, why does the government seek to have this act expire on July 31, 1974 and become a permanent statute? This bill removes the act from the control of parliament and places it in the hands of the Governor in Council. It places in his hands complete control over the Export and Import Permits Act. This is another example of the government circumventing parliament and removing from the House any consideration of commerce conducted under the Export and Import Permits Act. It creates a situation whereby the Governor in Council can, by order in council, exert tremendous power over what has been a relatively free market.

For years we have been striving for certain export markets. We now find that we may be denied some of those markets if a particular product is placed on a certain list. I agree that we should process more of our natural resources in Canada, but this has to be done in the context of world supply. If, for instance, we ship less copper to Norway or Japan because of an action of the Governor in Council, will we lose this market, say, to Chile or some other world producer of copper that does not have these restrictions?

Where do the amendments fit into the GATT negotiations? Are they not in fact another tariff? Are we, on the one hand, negotiating at GATT conferences for freer access to markets and a general reduction of tariffs, and then imposing new kinds of tariffs by placing export and import permit controls in the hands of the Governor in Council? We will want to hear from the minister, when this legislation goes to committee, just where this fits into our whole trade picture. Where will these amendments fit into the total transportation picture? What freight rates will apply to the semi-produced natural resources we are talking about?

We know what happened to rapeseed cake production in western Canada. Lack of a comprehensive policy has cost the Canadian taxpayer hundreds of millions of dollars over the last several years. Bringing before Parliament half a policy without the other half smacks, I say, of political mischief. As I have said, this is a move to placate the NDP and nothing more.

● (2110)

If there were parallel legislation which would encourage industry to process more raw materials or natural resources, or provide that our program will be staged over a period of time to allow our customers overseas to adjust to our new policy or provide that our negotiators at GATT negotiate on the basis that a percentage of our natural resources will be processed, which percentage will be increased over a period of time until we reach an optimum level, then I would say that this is a pretty good bill. We shall put these questions to the minister and expect answers in committee.

We are putting power into the hands of the governor in council to restrict the export of certain products which will be placed on a list. We are not told which products will be on the list, or why. We are asked to make the Export and Import Permits Act a permanent statute, not subject to parliamentary review. Personally, I am not confident that the government can carry out this function.

At present the government has power under the act to restrict exports. There was no move on the part of the government to restrict the export of finished lumber, even though domestic demand for lumber for the housing market has reached unbelievable heights. In the United States we saw the government move to restrict the export of lumber from the west coast because there was a shortage which was driving up the price of housing. The United States government moved to cut the export of lumber to Japan by some 30 per cent. The Canadian government did

not move; Canadian exporters picked up that market, to the detriment of the housing industry of this country and to the detriment of home buyers. How can the government justify this lack of action and remain credible? How can it ask parliament to give this act permanent statute status, with no review by parliament? Is it any wonder we have lost confidence in the government? The Canadian people are fast losing confidence in it.

I should like the minister to explain how, by exporting a product in semi-finished or partly processed condition, this can have any effect on the price paid for the product on the world market. It does not make sense. My instinct tells me the potential customer will shift his purchasing to where he can buy that product at the price he wants to pay and in the state of manufacture he wants for processing in his country.

On the import side, the government, with this bill, is moving into supply legislation by limiting the importation of any article which, under the Farm Products Marketing Agencies Act, is limited in respect of production or marketing in Canada.

Subsection 5(1) of the act being debated reads in part:

> The Governor in Council may establish a list of goods, to be called an Import Control List, including therein any article the import of which he deems it necessary to control for any of the following purposes . . .

I have serious reservations about this. I know that we face many serious supply problems, but why are we moving into this field? It is evident that the government made grave errors in certain farm production policies it brought forward. On the one hand, the government is playing the consumer against the producer; on the other, it is playing the producer against the consumer and using the threat of imports against the producer. In the process it may wreck an industry.

We talked recently to people in the cheese industry, who told us that Ontario used to produce and export 100 million pounds of cheddar cheese. That production has almost been lost because of the disastrous industrial milk policies sponsored by the government. It is plainly evident to anyone that the fiscal and monetary policies of the government are just not working. It is also evident that the selective controls used by this government are not adequate. This whole business, it seems to me, is like a machine which is running out of control. You pull a lever here, but it is still running a little rough; you push a knob there, but it is still running a little rough; you put a control on here, add a product to a list, use a regulation or order in council, and keep it out of parliament so that it cannot be criticized or questioned. I do not think this is any way to go about it.

I wonder how these controls will affect our export trade? Let us look at some of the markets with which we trade. I see that on our trade with African nations in 1972 we incurred a trade deficit of $58,509,000. In 1973 that deficit had more than doubled to $135,550,000. How will this legislation affect products traded with the African nations? How are we to better our deficit position, or will it be worse? For example, look at our trade with South Africa. In 1972 our trade deficit with South Africa was $15,147,000. In 1973 it almost doubled to $27,597,000. How will this legislation affect products which are traded back and forth? Some of them certainly fall within the scope of this bill. Will that situation change?

[Mr. Kempling.]

Our trade deficit with Middle East nations in 1972 was almost $129 million. In 1973 the deficit had risen to $182 million. So we go. We will see the same pattern emerging from our trade with Pacific rim nations, Scandinavian nations, and so on down the line. We all see our trade deficits increasing. Our trade deficit with the Scandinavian countries of $42 million in 1972 rose to $59 million in 1973. Our trade deficit with Pacific rim countries of $58 million in 1972 has moved up to $65 million.

The most telling figures concern South American countries with which we do a good deal of trade. In 1973 we imported from South American countries $751 million worth of products. We exported only $379 million worth, leaving a trade deficit of $371,731,000, more than double that of the previous year. So when we talk about export and import controls, we should look at our total trading picture and see what is happening. No doubt this bill will be referred to committee, where I am sure we will take a serious look at it and have some serious talks with the minister and his officials to find out what they expect to achieve with this bill.

● (2120)

I am somewhat disappointed about the way in which this legislation has been brought forward. It seems the government follows a pattern in its legislation of mixing good things and bad things together. They include in a bill a provision which is not too palatable and then offset it by a provision which may be more acceptable. They play one aspect against the other. I guess this is called politics, but I do not think it is good legislation.

When the bill goes to committee members on this side will ask some searching questions as to where it is leading us. We shall want to know what plans the minister has in store for the processing industries, whether parallel legislation will be brought down to help establish processing plants, and so on. Where they will be established is another question again. Certainly, if we propose to urge industry to carry out more processing in Canada we shall need to ensure that the necessary financial arrangements can be made, that the economy of the country can stand it, that the transportation facilities are such that they can handle the situation, get the products to the market or to the ports in good condition at the lowest possible price, so that there may be a chance to compete with similar products manufactured elsewhere in the world.

We must also consider where this bill will lead us as far as GATT negotiations are concerned. I am a little worried about this aspect. Among the people negotiating on the government side at GATT I see no one who has ever been prominent in business. Most of the Canadian representatives have spent the greater part of their lives in the Civil Service. I know of no one who can claim any great industrial background. I wonder what the other delegates will say when they look at these provisions, for this is really another type of tariff and it may be placing an added burden on our representatives at a time when international trade is so vital to Canada.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, the bill before us brings back memories of the infamous Bill C-176 which was bandied about the House of Commons for a couple of years or longer, the bill which attempted to make agriculture a public utility, the bill which set out to impose a program of supply management and a system of production control on agricultural products.

Bill C-4 deals in part with that very act, the Farm Products Marketing Agencies Act. It has to do with the imposition of import controls on any product which comes under the auspices of that act. It seems strange to me that the government should be asking us to legislate in this manner today when we were told during consideration of the marketing bill in the last parliament that any provision for the implementation of import control was totally unnecessary.

It is precisely to this area that I wish to direct my comments this evening. I repeat that members on this side had very serious reservations about Bill C-176. In particular this question of import controls gave rise to misgivings. It was our contention that supply management would be totally ineffective in the domestic market unless some provision was made with respect to import control. Members of our party pleaded with the minister and with government supporters to remedy the defect but they declined to incorporate in the bill the provisions we suggested, displaying their intransigence and their stubbornness. They assured us our fears were unfounded. So when we look at clause two of Bill C-4 as it is presented to us today, all we can say is that it is a classic example of a government flip-flop, the sort of thing which has created such a huge credibility gap as far as any government announcement is concerned. It is a wonder to me that a government so narrow-minded and so afflicted with tunnel-vision has been able to survive for so long.

Tonight I wish to place on record some of the words which were spoken at the outset of the consideration of Bill C-176. The hon. member for Kent-Essex (Mr. Danforth) in his remarks on the second reading of the bill, as reported in *Hansard* at page 815, on November 2, 1970, stated:

> Nowhere in this bill is there an indication of implicit power in an agency, council or even in the minister himself, to control imports. This is a major weakness. If you cannot control imports, it renders almost valueless attempted supply management, . . .

That is precisely the position we took. The minister of agriculture at that time was the hon. member for Medicine Hat. We are grateful to the present member for Medicine Hat (Mr. Hargrave) who drove him out of office. It is because of his intransigence and ignorance that the former minister is not sitting in this House. Thank God for the present hon. member who came upon the scene to relieve him, and also to relieve us. Anyway, the former minister said this, as reported at page 831 of *Hansard* for November 3, 1970:

> I can also advise the hon. member, and I am sure this will relieve some of his anxiety with respect to the matter, that under these international agreements as I understand them, although there is some complexity about this, we can impose the same kind of supply management provisions on imports as are in fact applied to our domestic producers. That is the case with respect to some of the international agreements. It seems to me that here is a balance which allows us, first of all, to take into account the interests of our domestic producers and also allows us to respect the international agreements we have made.
>
> I am not suggesting because it will be easy to do this in all cases, because of course different points of view are taken from time to time depending on a country's own interests. However, I would like the hon. member to understand why it would not be possible to transfer automatically to a marketing agency set up under this bill the authority to deal with imports. It must remain the responsibility and prerogative of the government to change tariffs, or to change the impediments to trade coming into Canada, if you wish to call them that. I suggest that one can be made compatible with the other.

We then took that argument into committee. As hon. members recall, the Standing Committee on Agriculture dealt very extensively with Bill C-176, and this same argument was put forth in the committee when the hon. member for Battle River at that time, Mr. Downey, posed these questions to the chairman of the committee. I quote from page 25:24 of the proceedings and evidence of February 25:

> ● (2130)
>
> —I was going to propose somewhere in the bill in regard to import controls. At what point or after what existing clause does he feel this would be appropriate.
>
> I think it very important that we consider this matter at the present time because of the parallel situation we presently have going on in the Finance Committee, with the Textile Bill presently before it. During our hearings it was said many times that production controls were not practical without import controls.

Mr. Downey went on to address a question to the minister as follows:

> Does the Minister feel that there is some degree of acceptability in this type of an amendment? Do you feel that it may be practical?

Mr. Olson then replied:

> No, Mr. Chairman. I do not think it ought to be in the bill and I have stated that many times before this committee. I have also stated under our international agreements that we have the power or the authority, without violating those agreements, to apply essentially the same kind of regulations to some imported products as we apply to the supply management of our own domestically-produced products. The Governor in Council could delegate that kind of authority for administration if he chose to do so.

Mr. Downey then went on to state:

> Mr. Olson, the same type of import tariff controls exist in the textile industry. Are you saying as Minister of Agriculture that you would not support the same kind of extra controls and protection for the agricultural industry in Canada that you were prepared to support as a member of the government for the textile industry?

The then minister, Mr. Olson, replied:

> We have done this, Mr. Chairman, with many agricultural products including dairy products and grain products.

What the minister was really saying, then, is that there was no necessity for providing import controls in respect of the items that would come under the aegis of the agricultural products marketing bill.

It was at the report stage that the then hon. member for Battle River, Mr. Downey, moved another amendment to the Export and Import Permits Act which in fact would have achieved the same purpose that the provision in clause 2 of this bill attempts to achieve. At that point in time this amendment was voted on and defeated.

I simply want to point out that although members on this side of the House were accused during the consideration of that bill of filibustering and blockading, I remind

hon. members opposite that we did pinpoint a number of major weaknesses in the bill, among which was the absence of any mechanism for control of imports. You cannot conceivably exercise a program of supply management without some measure of import control on products coming into the country. The exercise we were engaged in was not a filibuster but an attempt to improve this obviously bad piece of legislation, and I suggest it was bad in that it took over two and a half years for that bill to pass through all stages of this House. I suggest the bill took that long during those stages because of the dedication and determination of a number of members who considered its impact and proposed amendments to make it workable. Because of their intransigent position, the government failed to recognize some of the inherent shortcomings we pointed out when attempting to make that bill workable.

I think the piece of legislation before us now, particularly the provisions in clause 2, represent a classic example of this government's backtracking. One of the major products covered under the farm products marketing bill was eggs and other poultry products. Today we find egg producers in a very serious state of affairs because of the tremendous importation of eggs from the United States. It is the egg producers who are asking parliament to expedite the passage of this bill, as they are faced with the prospect of a depression in prices due to the huge number of eggs coming in from across the border. Many of the egg producers in Canada are being literally driven up against the wall because of high input costs.

Naturally I support this legislation, as I know hon. members in our party will support it, but I want to remind hon. members on that side of the House that they alone do not have all the answers in respect to good legislation in this country. They and they alone do not have a monopoly on good ideas. Had they considered and accepted our amendment in the first place they might have been saved a great deal of embarrassment. I think the type of backtracking evident in this bill is a classic example of this government using its arrogance and intransigent attitude to hide its ignorance.

Mr. John Harney (Scarborough West): Mr. Speaker, I am afraid I could not possibly turn a phrase like the one turned by the hon. member for Vegreville (Mr. Mazankowski) who just sat down, but I should like to make a few remarks about the bill before us. I might say at the very beginning that the specific bill before us skirts very closely to that part of the Export and Import Permits Act which could lead to a fair amount of controversy.

The bill we are now studying, specifically that part in respect of Section 3(a), which comes very close to sub-section (b), allows the governor in council to produce a list of goods which may not be re-exported from Canada; that is to say, goods which are imported into Canada to be re-exported to other countries. This is the rather infamous part of the act which allows the governor in council to prevent the exportation of goods produced in one country to another country, using Canada as a vehicle.

However, part of the bill before us does deal with a very important matter. It is a very short part but very important, and its importance is not so much in the amount of power it provides the government as an indication that there are the beginnings of a change in our thinking in this country about exports and their relation to our total production and the wellbeing of the people of Canada.

Most of us have been brought up in a certain cultural ambience. In this cultural ambience we have certain articles of faith that have been passed down to us without this ever having been questioned. One of these articles of faith held dearly and without question by most Canadians is that to export is a good thing, and that the more we export the better off we all are. I submit that this is an article of faith which is so firmly lodged in the Canadian consciousness that it is something we have inherited from the days of the Montreal fur merchant.

● (2140)

Of course, to them export was a good thing, because to export massively meant more money and profits for them. They can also justify the exportation of that commodity, and later on persons can justify the exportation of other commodities because such exportation satisfies a very real and physical need of the mother country. But we are now a country on our own and we have to begin to bring into question this ancient tendency of our economic fate, which is simply that we must export not only to survive but to thrive.

In a small, very hesitant way this bill begins to question that tenet. We did some questioning earlier this year when we slapped an export tax on petroleum. For the first time in the history of this country we told ourselves it was not our duty to export everything our land could produce. We began to tell ourselves that perhaps it was our duty to satisfy Canadian needs first. To very many people in this House or in this country, that was a milestone in our history. It was the first time this ever really happened.

Beyond this milestone, probably just part of a kilometer further on, we have this bill which brings into doubt some of the beliefs we have had for a long time. The bill, in effect, says that we shall empower the Governor in Council to state that it will not be to the benefit and to the wellbeing of this country to export certain goods unless they are processed, fabricated or manufactured to a further state. Here we have evidence that we are beginning to stop thinking of ourselves as merely hewers of wood and drawers of water.

While going through the Toronto terminal II yesterday, which is something I must do in order to get to Ottawa, I went through one of the security mechanisms which the Department of Transport have installed to check everybody, including members of parliament. I noticed one of these mechanisms was a particularly handsome one and I stopped to look at it. It was made of wood, a commodity we produce in quantity in this country. But although it was made of wood, it was not made of wood from this country. It was made in Finland in a place called Kuopio, a marvellous community which I had the opportunity to visit last year.

This reminded me of a principle of economics, production and exports which the Finnish people have had now for some time. It is very simply this: no resource that is developed and produced in Finland is exported out of the country unless it is manufactured, processed or fabricated to the nth degree. This is not the first time, of course, that

we have had products of wood made from wood grown in Finland arrive in Toronto. Somehow the Finnish people are able to produce lumber and sell it at competitive prices in Toronto, in a country which if it has nothing else at least has a lot of wood.

I agree that the principle behind this bill is very good because I think we are beginning to tell ourselves two things. First, the more we can put into a product in terms of skill, effort and intelligent work, the more our return will be from it. That is fairly obvious. The other thing we are beginning to learn is that the most important aspect in the production of a resource is not the wages we gain through the production of the resource, not even the profits that the exploiting companies make in developing the resource, and indeed not even the taxes that we can gather from taxing the profits of the exploitation of that resource. The most important aspect of the production of a resource is the end use. Who is it in this world who will benefit ultimately from the use of the resource which we produce? We are now beginning to see the light, that the end use of the product is the most important aspect of the production of that product. We are now beginning to see the light and tell ourselves, very slowly I grant, that perhaps it is not to our benefit to try to flog all of our resources on the world market, but that perhaps it is to our benefit to put Canadian needs first.

The hon. member for Yorkton-Melville (Mr. Nystrom) made the point, very effectively and succinctly, that we have to begin developing an industrial policy for this country which will satisfy the needs of the people first. One of the absolutely essential notions behind an effective industrial policy for Canada would be one that would insulate the people of Canada from the vagaries of the world market. They know this country can produce enough to satisfy their real needs.

We have all the right in the world to wonder, these days particularly, why it is that the prices of the goods we produce in abundance are getting beyond our reach. Perhaps the economists, those practitioners of the dismal science, may try to explain how it is that a commodity they produce in abundance can be priced beyond their reach; but the good people of Canada, in the main simple, direct folk, will refuse to understand that kind of casuistry, and they will be absolutely right. They, along with many other people and some people in this House, are beginning to understand that what we must do in order to develop an industrial policy to satisfy Canada's needs first is to begin attacking two of the great unquestioned tenets of our industrial economic philosophy in this country. The first is that we must export whatever we can not only to survive but to thrive; the second is that in order to have wellbeing we must have economic growth.

Some members of this House may say that what I am saying is absolute heresy. I can understand that they think this way, because the Minister of Finance (Mr. Turner) stood up a few weeks ago in this House and said that the ultimate objective of the economy is to create jobs. What utter absurdity! Surely the ultimate objective of the economy is not to produce work but to produce wellbeing, in the same way as the objective of the exploiters of the resources or commodities of a country is to produce satisfaction and wellbeing for the people living in that country, not simply to flog the resources as quickly as possible for whatever profit can be made by the exploiting corporations.

I will end by making one single observation, and it is this. In the history of this world, those countries whose economies have tended to have a large export quotient have been the poor countries. Conversely, generally speaking, those countries which were wealthy were countries which had developed and well balanced internal economies which consumed the major part of their production. Many small countries in this world, countries which we call underdeveloped, can boast of having a very high export quotient, but the higher the export quotient very often the poorer the country.

● (2150)

Because it is a step in the right direction, I support this bill. I would be in favour of seeing the bill define the powers that are listed. It would be much more clear and perhaps indeed should be mandatory. But nevertheless it is a small step, and perhaps the first light of the dawn of a new day. I think that in a few years from now, maybe 25 years or so, Canadians will wonder how practically the entire population of the country could have accepted as an article of faith the thesis that a total drive for ever greater exportation, particularly of unfinished goods, could have led to the wellbeing of the people of this country. As I say, because it is a step in the right direction I am glad to lend the bill my support.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, it seems to have become quite a habit with those members who apparently still support the government that every time a bill comes before this parliament they say: Let us have the question, let us have closure immediately and get on with something else. I do not know what they think the purpose of parliament is if members are not given some opportunity to debate a bill such as Bill C-4.

Mr. Knowles (Winnipeg North Centre): We have heard your speech before. It is the same speech.

Mr. Stevens: This is a new one. Yesterday evening when I spoke on another bill I mentioned that we had already indicated to the Minister of Industry, Trade and Commerce (Mr. Gillespie) that if he wished to bring this bill forward we would give it a speedy passage and not delay it. The hon. member for Trinity (Mr. Hellyer) indicated that we were willing to see this bill go to committee and that we support it in its broad outline. But that does not mean that the members of my caucus or any other member of the House should be denied the right to speak on this bill. I say that because I think it is unfortunate, for example, that the Minister of Industry, Trade and Commerce was not in the House to introduce the bill although the acting minister made a good presentation.

I think it is particularly relevant to point out that the report that we are proposing to amend in this bill has not yet been tabled in the House of Commons. I am referring to the report that is required by section 26 of the act, which provides that as soon as practicable after the 31st day of December of each year the minister shall prepare and lay before parliament a report on the operations under this act for that year. I have checked with the library and I

find that the report has been received well before that date every year for the past five years. I did not go back any further.

It is a very full report. In 1972, for example, the report consisted of 13 full pages. I think it is very informative regarding exactly what has transpired under the act in each of the years under review, and it is regrettable that the report is not before the House as we consider the amendments before us. I urge that the acting minister contact the department to see whether it could be tabled tomorrow in order that, as the debate continues, we could have the advantage of it.

In dealing with the 1972 report, to show the impact of this act I think it is relevant to point out that the report gives a statistical summary of the export permits processed during 1972. In that year, applications received for export permits totalled 10,633. In the same year, the officials issued 10,024 export permits. They refused 431 applications and cancelled 81 export permits. Also they handled 2,321 import applications, and 2,287 import permits were issued. There were 315 applications refused and six import permits cancelled. There were 528 import certificates issued in 1972.

I mention those figures to indicate that this legislation is relatively important; and I suggest that if the amendment contemplated to Bill C-4 is passed by the House, the legislation could well become much more important than it has been in the past. In fact, when I hear that the NDP are almost enthusiastically in support of this legislation, I wonder if it should be reviewed.

Mr. Knowles (Winnipeg North Centre): That was said by the hon. member for Trinity.

Mr. Stevens: I wonder if there is something in the legislation that I have not noticed, although I feel that it would have far reaching effects if applied to the export of various resources from Canada.

Mr. Speaker: Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*English*]

PUBLISHING—INTENTION OF HOUGHTON-MIFFLIN TO EXPAND INTO CANADA—GOVERNMENT POSITION

Mr. Doug Rowland (Selkirk): Mr. Speaker, on April 15, as reported on page 1420 of *Hansard*, I asked a question of the Secretary of State (Mr. Faulkner) designed to elicit his response to the announced intention of the American publishing house of Houghton-Mifflin Incorporated to locate a branch plant in Canada. The question was motivated by the very clear evidence that the Canadian publishing industry, for a variety of reasons, is in imminent

danger of collapse and that foreign intrusion into the Canadian market will hasten that collapse.

It is odd that on the day when this House has given second reading to a bill designed to protect Canadian football we should be discussing the future of the Canadian book publishing industry, without any stated governmental guideline beyond the minister's professed belief that "a substantial portion" of the industry should remain in Canadian hands. That is a statement which he admits is subjective in the extreme and which cries out for definition, a definition which is not forthcoming.

Without in any way suggesting that the continued existence of the Candian Football League and the annual Grey Cup spectacle is unimportant or that they are not an expression of Canadian culture, I venture to state that the continued existence of an independent Canadian book publishing industry might be of at least equal importance, and that the incursion of Houghton-Mifflin into the Canadian market constitutes a danger to the independent Canadian book publisher equivalent to the danger presented by the World Football League to the CFL, and that action of equal vigour is required.

● (2200)

The final report of the Ontario royal commission on book publishing outlines clearly on page 51 the way in which Canadian owned publishing houses have been damaged by the establishing of subsidiary companies in Canada. I quote:

> Most non-Canadian publishing houses are branch plants of long-established British or American houses that first sold their books here through Canadian publisher-agents. We have been reminded frequently that representation of foreign principals has always been an important prop to the creative side of our country's publishing industry; we have also been told that such agencies face many problems. We have come to think that one of these must be that if a Canadian publisher agent does not succeed in selling his principal's books he may lose the agency, but if he sells them too successfully he may lose the line anyway, when his principal decides to open up here on his own. After all, the foreign publisher says, my books are being purchased by bookstores, schools and libraries across Canada. Why should they be promoted and billed in the name of another publisher, perhaps half-heartedly (he may suppose) alongside a number of lines other than my own? It's hard enough to earn a single profit in book publishing; it is even harder to earn two profits—one for an agent and one for a principal. And if original publishing is what is wanted in Canada, he rationalizes, all the more reason for me to open up there so that I can do my share of it.

The commission outlined the advantages that each subsidiary company possessed in its competition for the Canadian market. I again quote:

> —the momentum of the backlist of its own parent company; the fact that it enjoys "a cost advantage" . . . as overwhelming as the economics of this advantage are easily explained, "the international momentum of information and promotion (which) favours imported books," and "the size and sophistication of its sales organization".

The extent of the problem is even clearer when one looks at the Ernst and Ernst reports finding that 65 per cent of the books sold in Canada were foreign publications and a further 10 per cent were adaptations of foreign publications. Small wonder then that the Independent Publishers Association on March 21 wrote to the minister in the following vein:

> "It has just come to the attention of this Association that a new subsidiary American publishing company is in the process of establish-

ing itself in Canada. the company involved is Houghton-Mifflin, one of the larger U.S. publishers.

"We wish to see this company prevented from setting up here and would ask that you and your officials intervene directly. Already the strength of the subsidiary companies, largely on the basis of their imported titles, is far greater than that of domestic firms. If your objective of seeing that the majority of the industry becomes Canadian-owned and controlled is ever to be achieved then the entry of any new subsidiary firms must be prevented."

It is a well known fact that the Canadian book publishing industry is on the verge of collapse. Increasing cost of fine paper are hastening that process; the locating of yet another foreign publishing house in Canada may well further accelerate the process of collapse.

We are acting on football. We have acted in respect of Canadian ownership and content in the electronic media. We have legislation which attempts to support the growth of Canadian periodicals. Why not the book publishing industry? The Independent Publishers Association suggests as immediate measures that, and I quote:

No further takeovers of existing (Canadian) companies should be allowed, and existing branch plants should be prevented from expanding by adding new agency lines.

They further recommend to the minister in their letter of March 21:

As part of a policy for the development of a domestic publishing capacity the entry of new subsidiaries in the future should be prevented.

These measures are admittedly negative in character, but they are designed to meet a crisis. If I had time, I would add to them the five suggestions which I made in a speech reported in *Hansard* for February 16, 1971. However, time does not permit. I would ask the government at this point what action it intends to take and when it intends to take it.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I very much share the hon. member's interest about this particular issue. I obviously share his confessed concern for the viability of the Canadian publishing industry. He referred to the speech I made to the Canadian Book Publishers Association in January where I said at that time on behalf of the government that a major segment of the publishing industry in Canada should be Canadian-owned. I think the arguments are clear and are shared by members of this party and of the hon. member's party.

I also pointed out to him in response to his question that up to this point the measures we adopted were measures of positive support to Canadian-owned publishers and that this was one means of ensuring a viable Canadian publishing industry.

As far as the particular issue of Houghton-Mifflin is concerned, I have received one brief, on April 7 I think it was, from the Canadian Book Publishers Association and I received another brief on April 22 from the Independent Publishers Association. Both expressed the same concern about the implications of the expansion into Canada of Houghton-Mifflin.

Since receiving these briefs, I have been in touch with the Ontario government and it is my hope that we will be able to explore this question jointly and co-operatively. The discussions on the question and its implications will be continuing.

The Canadian Book Publishers Association specifically recommends that a screening agency be established to review the possible establishment in Canada of new foreign-based publishing houses during what has been described as this delicate period. This possibility is receiving serious consideration in my department.

Traditionally, the interests of such screening or review agencies have been exclusively directed to economic and business oriented questions. It is my view that this should be expanded to comprehend cultural interests as well.

POST OFFICE—PROPORTION OF EMPLOYEES WORKING ON MECHANICAL SORTING DEVICES RECRUITED FROM WITHIN SERVICE

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, it had been my intention to raise certain matters which are of concern to me with regard to the Post Office Department this evening. However, in view of representations which have been made to me by the minister with regard to the nature of progress in the postal strike itself, I have agreed not to raise those matters which I had intended to raise this evening.

I wish to ask the Chair for assistance in this regard, possibly to permit me to raise the same subject at a later date when negotiations will not be at such a delicate stage.

Mr. Speaker: The hon. member's request, of course, will be granted. His position on the list will not be prejudiced by his forbearance this evening.

Motion agreed to and the House adjourned at 10.10 p.m.

HOUSE OF COMMONS

Wednesday, April 24, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FLOODS

PRAIRIE PROVINCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I request the unanimous consent of the House to propose a motion in a case of urgent and pressing necessity. The devastating effect of the unprecedented floods in the western provinces upon thousands of prairie residents and municipalities is now clearly recorded. Federal and provincial authorities, and the people themselves, are fighting to contain the damage. There are joint federal-provincial partial compensation programs which will come into effect after the floods recede and the damages are assessed in each and every particular case. However, there is an urgent and pressing necessity for a program of immediate financial aid to carry these thousands of citizens through the crisis—

Mr. Speaker: Order, please. I appreciate the importance and urgency of the matter to which the hon. member is referring, but perhaps at this point he would come to the motion he proposes for the consideration of the House.

Mr. Murta: Thank you, Mr. Speaker. I will get to my motion. I therefore move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the government, out of moneys available in the contingencies or other fund, provide immediate interim financial aid to the citizens and municipalities suffering financial hardship and loss from prairie flood conditions; and, in view of the devastating and unforseeable force of these floods, be prepared to supply additional financial aid to the prairie provinces over and above the present federal-provincial disaster compensation scheme.

Mr. Speaker: The hon. member's motion requires the unanimous consent of the House under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

CONSUMER AFFAIRS

BEEF PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I seek the consent of the House under the provisions of Standing Order 43 to move a motion arising from the continued uncertainty in the matter of beef prices and the urgent need for a statement on government policy in this regard. I move, seconded by the hon. member for Scarborough West (Mr. Harney):

That this House direct the Minister of Consumer and Corporate Affairs to make an immediate statement on motions with respect to beef prices.

Mr. Speaker: This motion requires the unanimous consent of the House under the provisions of Standing Order 43. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

TRANSPORT

RAILWAY RELOCATION AND GRADE CROSSINGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. J. A. Jerome (Sudbury): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43 that may bear some striking similarity to the motion the hon. member for New Westminster endeavoured to introduce yesterday. In view of the fact Bill C-27 will permit the federal government to aid in the relocation of railways, the rerouting of rail traffic and the improvement of rail safety and security at railway grade crossings, and in view of the fact that this assistance is desperately needed by all Canadians, particularly, I might say, within the Sudbury riding, I move, seconded by the hon. member for Nipissing (Mr. Blais):

That consent be granted by this House for the passage of all stages of Bill C-27 today.

Mr. Speaker: The hon. member's motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Bell: Mr. Speaker, we are in favour of moving this bill forward quickly but it should be done in the proper

way by the government through the House procedures. Why did they turn down our motion yesterday?

Mr. Speaker: There is not unanimity. Is the hon. member rising on a question of privilege?

Mr. Leggatt: Yes, Mr. Speaker. I should like to correct the obvious misunderstanding of the House leader for the Conservative Party in indicating that the motion presented yesterday to the House was from the Conservative Party. That motion was moved by me and was from the New Democratic Party which is very willing to see Bill C-27 pass all stages right away.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

GUINEA-BISSAU INDEPENDENCE

Question No. 7—**Mr. Rowland:**

What measures has Canada recently taken in an effort to persuade Portugal to grant independence to the country of Guinea-Bissau and the other African territories which Portugal claims as its own?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Canadian government has expressed its conviction on numerous occasions that Portugal should grant self-determination to all its African territories. This viewpoint was conveyed directly to the Portuguese Foreign Minister during the December 1973 NATO Ministerial Meeting in Brussels. The Canadian attitude was repeated in very clear terms during the recent sessions of the Standing Committee on External Affairs and National Defence.

DIPLOMATIC RECOGNITION OF GUINEA-BISSAU

Question No. 9—**Mr. Rowland:**

Is it the intention of the government to acknowledge, through diplomatic recognition or other means, that the country of Guinea-Bissau has effectively achieved independence from Portugal and, if not, for what reason?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Canadian practice is to grant recognition to sovereign states which have governments able to exercise effective control over the territory which they claim to represent and who are able to discharge their international obligations. The Canadian government is prepared to recognize Guinea-Bissau when the Canadian Government is assured that these criteria have in fact been met.

[Mr. Bell.]

UIC—PRESENCE OF THIRD PARTIES DURING INTERVIEWS WITH CLAIMANTS

Question No. 238—**Mr. Ellis:**

Has the Unemployment Insurance minute 69-121, regarding attendance of third parties during interviews of claimants by investigators, been certified by the Deputy Minister of Justice?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Unemployment Insurance Commission Minute 69-121 is the record of an administrative decision, which does not require certification by the Deputy Minister of Justice. Solicitors of the Department of Justice are consulted on all matters having legal implications and the commission has been advised that there is no legal objection to following the practice adopted.

MR. MARTIN O'CONNELL

Question No. 407—**Mr. Cossitt:**

1. Has Mr. Martin O'Connell, principal secretary to the Prime Minister, attended or appeared before any groups, meetings or gatherings of any kind in the constituency of Scarborough East in the past six months and, if so, what were the locations, dates, times of day, purpose and nature of each such occurrence and by what specific person in government was each authorized?

2. On any of these occasions, did Mr. O'Connell show or display to those present, pictures of the Prime Minister, including pictures of the Prime Minister's visit to Communist China and, if so, what was the general subject-matter of all such pictures, by whom were they taken, by whom were they supplied to Mr. O'Connell and what is the name of the specific owner?

3. Were any of these pictures shown in schools and, if so, what were the names of the schools, who were all persons involved in making arrangements for such showings and, in particular, who was the specific person initiating such gatherings in each case?

4. How many and which of these gatherings took place during normal business hours, was the Prime Minister aware of such gatherings and did Mr. O'Connell receive his usual government salary for the days on which they occurred?

5. Will the Prime Minister either instruct or permit Mr. O'Connell to undertake further showings of such pictures in (a) Scarborough East (b) elsewhere?

6. Has the Prime Minister been advised or made aware in any way that Mr. Martin O'Connell will resign his present position for the stated purpose of seeking the Liberal party nomination in the constituency of Scarborough East in the next federal election?

Right Hon. P. E. Trudeau (Prime Minister): 1. Mr. O'Connell was appointed under Section 37(1) Public Service Employment Act, and is therefore a member of ministerial exempt staff. Meetings and gatherings he has attended in evenings and on weekends have not conflicted with the duties for which he was appointed and are his personal affair.

2, 3, 4. During school hours on two occasions and therefore during conventional office hours, Mr. O'Connell visited West Hill Collegiate Institute, Scarborough College, R.H. King Collegiate Institute, Sir Wilfrid Laurier Collegiate Institute and Woburn Collegiate Institute to give a talk on "Impressions of China" relating to his trip there in October, 1973. The talk was accompanied by slides taken personally by Mr. O'Connell showing the Great Wall of China, a Ming Dynasty tomb, the Forbidden City, traditional and modern modes of transportation, housing, a school, people in the streets and in the fields, the interior of various caves, scenery along the River Li and other

scenery. Some pictures included the Prime Minister. In two instances, the arrangements were initiated at the request of students; and others by Mr. O'Connell. In all cases, arrangements were concluded with the school authorities. Mr. O'Connell is paid on a monthly basis without deduction for time missed during conventional office hours nor with any additional compensation for evenings or weekends worked.

5. The Prime Minister will leave the matter entirely to Mr. O'Connell's discretion.

6. See answer to question No. 2311 on page 5960 of *Hansard* for July 25, 1973.

TURKS AND CAICOS ISLANDS

Question No. 434—**Mr. Howie:**

Have any studies been authorized or completed concerning the amalgamation of the Turks and Caicos Islands with Canada and have the potential off-shore mineral and resource benefits of these islands in this region been considered?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The question of a political association of the Turks and Caicos Islands with Canada has been reviewed and a statement of the government's position on this matter was tabled in the House on April 10. No study has been made of the potential off-shore mineral or other resources of these islands.

CFB, GAGETOWN, N.B.—CONSTRUCTION ON EXTENSION TO COMBAT ARMS TRAINING SCHOOL

Question No. 451—**Mr. Howie:**

1. On what date is construction on the extension to the Combat Arms Training School facilities at CFB Gagetown, New Brunswick planned for commencement?

2. On what date is the tender expected to be called and what is the estimated value of the project?

Hon. James Richardson (Minister of National Defence): 1. No date has been set for the commencement of construction on the extension to the Combat Arms Training School facilities at CFB Gagetown, as the development of the project is only in the preliminary stages.

2. In view of the above, the date when tenders will be called and the value of the project, cannot be stated at this time.

AIRCRAFT—NUMBER OF MILES FLOWN BY ARGUS, 1963-73

Question No. 535—**Mr. McKinnon:**

How many total nautical miles were flown by all our Argus aircraft, for any purpose, during each calendar year 1963 through 1973?

Hon. James Richardson (Minister of National Defence): The Department of National Defence does not record or calculate distances flown by military aircraft in miles but in terms of hours flown. The following table gives the hours flown for the years in question and an approximation of the mileage based on an average true airspeed of 180 knots.

Year	Hours Flown	Calculation	Approximate Mileage
63–64	25,375	= 180 =	4,567,500 nautical miles
64–65	22,382	= 170 =	4,028,760 nautical miles
65–66	21,738	= 180 =	3,912,840 nautical miles
66–67	21,523	= 180 =	3,874,140 nautical miles
67–68	24,234	= 180 =	4,362,120 nautical miles
68–69	24,937	= 180 =	4,488,660 nautical miles
69–70	28,040	= 180 =	5,047,200 nautical miles
70–71	28,511	= 180 =	5,131,980 nautical miles
71–72	26,951	= 180 =	4,851,180 nautical miles
72–73	25,871	= 180 =	4,656,780 nautical miles

CBC—TV STATION IN SEPT-ÎLES

Question No. 579—**Mr. Blouin:**

With the completion of construction of the Telesat onshore stations in Sept-Îles and Fort Chimo, in the constituency of Manicouagan, on what date does CBC expect to have a television station in Sept-Îles with a French and an English network and is an extension of these networks planned east of Sept-Îles *i.e.* on the medium and lower North Coast?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the CBC as follows: The French transmitter CBST Sept-Îles came into service on October 23, 1973, but the construction of studios is dependent on the eventual acquisition of a site in that town. The French TV network will be extended eastward towards Rivière-au-Tonnerre next September. Revised applications for VHF channels at Natashquan/Aguanish and La Romaine have been forwarded to CRTC, together with an application for Baie Johann Beetz. In addition, the municipality of Blanc Sablon is included in the Accelerated Coverage Plan and a rebroadcast transmitter will be established there later. As for the English network, the CBC intends to submit applications to the CRTC in 1976 for the establishment of stations at Sept-Îles, Harrington Harbour, La Tabatière/Mutton Bay, St. Augustin/Saguenay, Old Fort Bay and Blanc Sablon.

FOOD EXPENDITURES AT FEDERAL PENAL INSTITUTIONS

Question No. 637—**Mr. Stackhouse:**

1. What was the expenditure for food at federal penal institutions in 1973?

2. What was the expenditure for kitchen and dining hall staffs in 1973?

3. What was the charge per meal to penitentiary service staff members for meals at federal penal institutions in 1973?

Hon. Warren Allmand (Solicitor General): 1. $5,102,335.

2. $2,331,690.

3. Duty meal, nil; Non-duty meal, fifty cents.

NUMBER OF HOMICIDES IN FEDERAL PENAL INSTITUTIONS, 1973

Question No. 639—**Mr. Stackhouse:**

1. How many homicides were reported at federal penal institutions in 1973?

2. How many at each institution?

Hon. Warren Allmand (Solicitor General): 1. Two.

2. Collins Bay Institution, one; British Columbia Penitentiary, one.

NUMBER OF SUICIDES IN FEDERAL PENAL INSTITUTIONS, 1973

Question No. 640—**Mr. Stackhouse:**

1. How many suicides were reported at federal penal institutions in 1973?

2. How many at each institution?

Hon. Warren Allmand (Solicitor General): 1. Eleven.

2. Federal Training Centre, two; St. Vincent de Paul, one; Regional Medical Centre (Ontario), one; Mountain Prison, one; Saskatchewan, four; Regional Medical Centre (Quebec), one; Archambault, one.

PRACTICE RELATING TO CORRESPONDENCE WITH TAIWAN

Question No. 704—**Mr. Cossitt:**

Does the Department of External Affairs refuse to permit, or discourage in any way whatsoever, departments from corresponding on any kind of government letterhead when seeking information of any kind from Taiwan and, if so, who made such a decision and for what reason?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Secretary of State for External Affairs is responsible for the conduct of Canada's foreign relations and, through his Department, for official communications with foreign governments. As for Taiwan, the Canadian Government does not recognize the régime in question. The Department of External Affairs would not, therefore, approve any official communications between any department of the Canadian Government and the régime on Taiwan, and would not normally engage in such communications itself. This is in conformity with generally accepted international practice.

DEPARTMENT OF LABOUR RESEARCH INTO IMPROVED METHODS OF ADJUDICATING LABOUR DISPUTES

Question No. 707—**Mr. Howie:**

1. What are the terms of reference of any studies or research now under way by the Department of Labour into new and improved methods of adjudicating labour disputes as an alternative to strike action?

2. What are the names of those conducting the studies or research?

3. Are any of these people from outside of the Department of Labour and, if so, what are their qualifications to act in this capacity?

4. On what date did any such studies begin and on what date is an interim or final report anticipated?

5. Will such a report be made public?

Hon. John C. Munro (Minister of Labour): 1. There are no terms of reference as such. Departmental officials, through internal studies and discussions with labour and management, are exploring methods of impasse resolution in labour disputes other than strike and confrontation methods.

2. Research and discussions are being carried out by departmental officials.

3. N/A

4. Research of this nature is a continuing effort within the department, but studies of experimental negotiations and discussions with labour and management were accelerated following the railway strike.

5. No.

[Mr. Allmand.]

AVERAGE AGE OF DISABILITY PENSIONERS

Question No. 730—**Mr. Atkey:**

1. What is the average age of pensioners from (a) World War I (b) World War II?

2. How many war pensioners are (a) over 80 (b) 70-79 (c) 60-69 (d) 50-59 (e) 40-49 (f) 30-39 (g) 20-29 (h) under 20 years of age?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. As at March 31, 1974: (a) 80.7; (b) 58.8.

2.	World War I	World War II	Special Force Korea	Regular Force Peacetime
(a)	8,971	1,271	—	23
(b)	7,755	8,831	4	76
(c)	—	27,201	99	341
(d)	—	58,189	522	1,216
(e)	—	3,967	1,447	1,502
(f)	—	—	—	686
(g)	—	—	—	133
(h)	—	—	—	1

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF LABOUR ADVERTISING CONTRACTS

Question No. 104—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of Labour since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of Labour during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Return tabled.

DEPARTMENT OF LABOUR PUBLICITY EXPENDITURES

Question No. 251—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Labour on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

PREPARATION OF SPEECHES BY PUBLIC SERVANTS FOR MEMBERS OF CABINET

Question No. 341—**Mr. Clark (Rocky Mountain):**

How many public servants participate regularly in the preparation of speeches of (a) the Prime Minister (b) the Leader of the Government in the Senate (c) the Secretary of State for External Affairs (d) the President of the Privy Council (e) the President of the Treasury Board (f) the Minister of Transport (g) the Minister of Finance (h) the Minister of Indian Affairs and Northern Development (i) the Minister of Energy, Mines and Resources (j) the Minister of Labour (k) the Minister of Communications (l) the Minister of the Environment and Minister of Fisheries (m) the Minister of Public Works (n) the Minister of State for Urban Affairs (o) the Minister of Regional Economic Expansion (p) the Minister of Manpower and Immigration (q) the Minister of National Defence (r) the Minister of Justice and Attorney General of Canada (s) the Minister of Consumer and Corporate Affairs (t) the Minister of National Revenue (u) the Minister of Supply and Services (v) the Minister of Industry, Trade and Commerce (w) the Minister of State (x) the Minister of Agriculture (y) the Solicitor General of Canada (z) the Secretary of State of Canada (aa) the Postmaster General (bb) the Minister of Veterans Affairs (cc) the Minister of National Health and Welfare (dd) the Minister of State for Science and Technology?

Return tabled.

● (0000)

NUMBER OF BANKRUPTCIES REGISTERED IN 1970

Question No. 595—**Mr. Fortin:**

1. How many bankruptcies were registered in each province, each year since 1970?

2. What steps has the government taken to prevent fraudulent bankruptcies?

Return tabled.

● (1410)

MOTIONS FOR PAPERS

[*English*]

Mr. Maurice Foster (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 3, 4, 5 and 6.

COPY OF APPLICATION OF "NEW CANADA—TORONTO" RELATING TO MULTICULTURALISM GRANT

Motion No. 3—**Mr. Hellyer:**

That an Order of the House do issue for production of copies of the application of "New Canada—Toronto" in respect of the $18,000 grant announced by the Minister of State for Multiculturalism on October 3, 1973 and all correspondence to and from the government in respect thereof.

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, these papers contain or refer to information provided in confidence to the department. Under the circumstances the hon. member may wish to withdraw his motion.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I rise on a question of privilege affecting my rights and the rights of all members of the House of Commons. The government of Canada, in refusing to make available the papers asked for

in this notice of motion for the production of papers, is not complying with its own guidelines as laid down on March 15 of last year at page 2288 of *Hansard*.

More specifically, the papers and documents asked for do not represent legal opinions or advice provided for the use of the government. The motion does not ask for papers, the release of which would be detrimental to the security of the state. It does not ask for papers dealing with international relations, the release of which might be detrimental to the future conduct of Canada's foreign relations. It does not ask for papers that are private, confidential or not of public or official character. It does not ask for internal departmental memoranda. In substance, the papers asked for are not included in any of the categories which the government indicated to the House were amongst those that were considered privileged.

Furthermore, when these motions were under consideration at the last session of parliament the Minister of State in charge of multiculturalism (Mr. Haidasz) told me that a Mr. Michael McCabe had made the decision that these papers were privileged. An official from the office of the Secretary of State subsequently confirmed this information and added that the decision had been referred to Mr. Bernard Ostry who had concurred in the decision. It is obvious that the two ministers, the Minister of State in charge of multiculturalism and the Secretary of State (Mr. Faulkner) are not concerned about the rights of parliament and in fact have been mere rubber-stamps for Messrs. McCabe and Ostry.

I have taken the trouble to look up the precedents going back 25 years and I would like to cite several in an attempt to establish a prima facie case of privilege. If Your Honour so rules, I would then be prepared to move a substantive motion based on the question of privilege.

The precedents go back to some examples in the twenty-first parliament. They are as follows: no objection was raised by the government to producing a copy of all correspondence passing between a Mr. Marion and the Department of Transport with respect to the construction of telegraph and telephone lines in Saskatchewan. Another Saskatchewan item met with no objection: correspondence in connection with a payment to a named individual under the Prairie Farm Assistance Act.

A typical example of the attitude of the government of the day can be found in the answer of the parliamentary assistant upon objecting to a motion for papers because it involved interdepartmental papers:

MR. CÔTÉ (VERDUN-LA SALLE): The construction we have to place on this motion clearly indicates that it has to do with strictly interdepartmental matters. Upon that ground it would be impossible for us to agree to the passing of the motion as it stands. If the hon. member has something else in mind, or if he would be satisfied with the tabling of communications to or from any external source, we would agree to the amending of the motion, and the passing of it as amended.

This emphasizes the willingness of the government to produce documentation channelled to or from sources outside the government.

On March 12, 1952, when some correspondence between the federal government and provincial governments and a farmers' union was requested, Prime Minister St. Laurent agreed to the motion with the usual reservation that the consent of the other governments involved was necessary,

but there was no hesitation whatsoever in delivering the correspondence involving the farmer' union.

The same practice prevailed in the twenty-third parliament. The communications from outside sources were quite varied and were still easily produced. For example:

Motion No. 12—Mr. Stuart (Charlotte): For a copy of all correspondence exchanged between the Minister of Public Works and any person or persons recommending or approving the dismissal of breakwater foreman in Charlotte county, since June 10, 1957.

The motion was agreed to. The government also agreed to release copies of all correspondence between any association, person and company and members of the government and/or Northern Ontario Pipe Line concerning requests for opportunities to submit tenders for some construction work.

No change in policy was recorded in the twenty-sixth parliament. The following motion was readily agreed to by the government. Again, the nature of the correspondence is unknown. The motion was:

For a copy of any correspondence between Mr. Vanden Heuvel of Goderich, Ontario, and the Minister of Citizenship and Immigration, or any officials of her department, since January, 1961.

The motion was agreed to. Communications from groups of persons seem to have been readily available:

Motion No. 161—Mr. Pickersgill: For a copy of the communication addressed to the Minister of Fisheries by the general secretary-treasurer of the Newfoundland Federation of Fishermen on August 24, 1961, together with the reply thereto of the minister.

The motion was agreed to. The same practice persisted in the twenty-seventh parliament. The government agreed to produce communications received from groups of persons. For example:

Motion No. 35—Mr. Dinsdale: That an order of the house do issue for a copy of all correspondence between the Clear Lake Cottage Owners' Association and the Minister of Indian Affairs and Northern Development during the current year.

The motion was agreed to. Here is another example from the same parliament. It seems that when individuals petition the government because of some complaint, their letters may be published. This is an example from the twenty-seventh parliament:

That an order of the House do issue for a copy of all correspondence exchanged between the Minister of Fisheries and the owners of trawlers in Newfoundland involved in damaging cod traps or other net gear owned by inshore fishermen.

The motion was agreed to. There are many more examples from all parliaments, from the twenty-first parliament right down to the present time, which indicate very clearly the types of communications that are considered in the public domain and those that are considered privileged. The government went to the trouble last year to set out for the benefit of members of parliament those classes of documents which are considered restricted and the reasons for those restrictions. But the documents in respect of applications for grants from various government departments and letters in support of those applications for grants have been considered as public documents for 25 years at least.

● (1420)

It is my opinion that this is a fundamental change on the part of the present government, that the change in practice is a denial of the rights of the individual members of parliament and through them of parliament itself. I ask you, Mr. Speaker, to consider the precedents. If Your Honour would like to take the question under advisement and make a ruling at a future time, that would be agreeable to me.

I would like you to consider the matter carefully because the responsibility of the Chair is not to protect the government, which should be capable of looking after its own interests, but to guarantee the rights of individual members of parliament and through so doing the rights of this honourable institution itself. I ask Your Honour to consider the precedents. If you should agree that this is a serious matter and rule that a prima facie case of privilege is warranted, I will then move that the matter be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The point of order raised by the hon. member is not new. It has been raised many times in this session, in past sessions and in past parliaments. The question is whether a member seeking the production of documents is entitled to insist that those documents be tabled in spite of objection on the part of the minister who is opposing the production of the documents.

The hon. member has cited a number of precedents which indicate that in certain circumstances documents of the type which he claims should be tabled today have been tabled in the past when an order has been adopted by the House for the tabling of such documents. The hon. member, with his long experience in the House, will be the first to recognize that there at least are an equal number of instances in the past where documents have been refused by the government, and this on the basis of the Standing Order.

The Standing Order is clear and provides for four possibilities. When a notice is put on the order paper for the production of documents it can be, when called, adopted by the House, dropped, voted upon or, at the request of the member putting the motion or at the request of a minister, transferred for debate. Standing Order 48(1) is very clear on this point.

It may well be that the Standing Order is not properly drafted. It may well be that there should be a different procedure which would make it easier or more practical for hon. members to obtain the tabling of documents which they feel ought to be tabled or which they feel should be the responsibility of the government to table. But the Standing Order is there and it is clear. It says that there are these four alternatives open to a member presenting a motion or to the minister or the government in response to the motion. In this particular instance the minister refuses to table documents which the hon. member feels ought to be tabled. What the Chair has to do in such circumstances is inquire whether the member wishes to drop his motion—obviously the hon. member does not intend to do that—whether the House wishes to vote on the proposed motion or whether either the member who has put the motion or the minister or someone on behalf of the government wishes the motion to be transferred for debate.

As I say, it may well be that the procedure is faulty, that the procedure does not give effect to the kind of legitimate

wish that the hon. member is suggesting ought to be the day-to-day practice in relation to this Standing Order. But the Chair, without wishing to protect anyone, has to interpret the Standing Order in the way it has always been interpreted, and that is that there are these alternatives open. If a minister of the Crown or the member proposing the motion asks that a motion be transferred for debate, I have no alternative but to accept that it be transferred for debate.

The point raised by the hon. member and the precedents he cited are interesting and are an indication that he has considered the matter seriously as it deserves to be so considered. It is the kind of very serious situation in relation to private members' business which I hope will be considered some day by hon. members, perhaps in the committee to which the hon. member referred. But clearly I have no authority except to ask whether it is the wish of the House to vote on the hon. member's motion or to have it transferred for debate.

Mr. Foster: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF APPLICATION OF "CROSS-CULTURAL COMMUNICATION" RELATING TO MULTICULTURALISM GRANT

Motion No. 4—**Mr. Hellyer:**

That an Order of the House do issue for production of copies of the application of "Cross-Cultural Communication Centre—Toronto" in respect of the $8,000 grant announced by the Minister of State for Multiculturalism on October 3, 1973 and all correspondence to and from the government in respect thereof.

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, these papers contain or refer to information provided in confidence to the department. In the circumstances the hon. member may wish to withdraw his motion.

Hon. Paul Hellyer (Trinity): I think the minister shows terrible effrontery when he says this is privileged information. I reiterate that in my opinion this is a terrible abuse of the privileges of parliament by the minister.

Some hon. Members: Hear, hear!

Mr. Speaker: Transferred for debate.

COPY OF APPLICATION OF "CENTRE CHINOIS DE QUÉBEC, ENR., QUÉBEC" RELATING TO MULTICULTURALISM GRANT

Motion No. 5—**Mr. Hellyer:**

That an Order of the House do issue for production of copies of the application of "*Centre Chinois de Québec, Enr., Québec*" in respect of the $5,000 grant announced by the Minister of State for Multiculturalism on October 3, 1973 and all correspondence to and from the government in respect thereof.

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, these papers contain or refer to information provided in confidence to the department. In the circumstances the hon. member may wish to withdraw his motion.

Mr. Speaker: Transferred for debate.

COPY OF APPLICATION OF "BLACK YOUTH TELEVISION WORKSHOP, MONTREAL" RELATING TO MULTICULTURALISM GRANT

Motion No. 6—**Mr. Hellyer:**

That an Order of the House do issue for production of copies of the application of "Black Youth Television Workshop, Montreal" in respect of the $6,500 grant announced by the Minister of State for Multiculturalism on October 3, 1973 and all correspondence to and from the government in respect thereof.

Hon. Stanley Haidasz (Minister of State): Mr. Speaker, these papers contain or refer to information provided in confidence to the department.

Some hon. Members: Secrecy!

Mr. Haidasz: In the circumstances the hon. member may wish to withdraw his motion.

Hon. Paul Hellyer (Trinity): Since the information requested would obviously, in the opinion of Mr. McCabe and Mr. Ostry, be embarrassing to the government, I seem to have no alternative but to request that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

[*Translation*]

Shall the remaining notices stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

AIR TRANSPORT

POSSIBLE WORK STOPPAGE BY AIRLINE PILOTS—ACTION BY MINISTER—SUGGESTED APPOINTMENT OF MEDIATOR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Transport. I should like to ask the minister whether he is aware of the contents of the communications from the Airline Pilots' Association to Mr. Pratte of Air Canada indicating that the pilots may leave their jobs tonight at midnight? If so, what action, if any, is the minister taking in this connection?

Hon. Jean Marchand (Minister of Transport): I am aware of the request by the pilots. This is a problem, of course, for Air Canada to decide with the pilots.

Some hon. Members: No!

Mr. Marchand (Langelier): It is a matter for collective bargaining with the company. There is no other way. The same negotations took place with the other unions, and Air Canada is now considering the request of the pilots. As soon as a decision is reached it will be communicated to the public.

Mr. Stanfield: I should like to ask the minister whether, in view of the very serious trouble which would be caused

to the Canadian public if a walkout actually took place, he has considered proposing to the pilots' association and to Air Canada the intervention of a mediator before the walkout rather than after the walkout as in the case of the Post Office workers?

Mr. Marchand (Langelier): I think that when there is a labour contract everyone in this House should agree that the labour agreement should, first of all, be respected. The labour agreement should be followed. If there is a grievance procedure provided, as there is in this case, that is the way the matter should proceed.

Mr. Lawrence: What about the people of Canada?

Mr. Marchand (Langelier): In this day, sometimes it is the employees who have the advantage of having a mediator appointed and not following the agreement, and sometimes it is the employers. I believe that in both cases we should be ready to say: follow your agreement and we shall see, afterwards, what may be necessary.

Mr. Lawrence: What about the public?

Mr. Stanfield: In view of the fact that the distinguished parliamentary secretary indicated yesterday, I believe, that there was some difference of opinion between Air Canada and the flight attendants, in view of the possibility that there is a difference of opinion here, and recognizing what the minister says about the importance of collective agreements being followed and preserved—

An hon. Member: Do you remember the question, Bob?

Mr. Stanfield: I remember the question, and I am trying to keep in mind, too, the great inconvenience to the travelling public.

Some hon. Members: Hear, hear!

● (1430)

Mr. Stanfield: In view of the importance of the question I am simply asking the minister, not that he circumvent the agreement, whether he is considering some method of mediation in advance of the walkout with a view to bringing the parties together in the event of a substantial difference of opinion about what the agreement means?

Mr. Marchand (Langelier): Mr. Speaker, I saw Mr. Pratte in Montreal. I asked him to do all he could in order to avoid the pilots going on strike tonight. I must underline that it is too easy just to talk about the effect on the public. We adopted those laws and, unless we decide to change them, each time there is a strike in public services there will be inconveniences. This is something which is in the very nature of our bargaining process.

Some hon. Members: Hear, hear!

LAY-OFFS BY AIR CANADA BECAUSE OF STRIKE—INTERPRETATION OF COLLECTIVE AGREEMENTS

Mr. David Lewis (York South): Mr. Speaker, may I put a question to the Minister of Transport, agreeing entirely with the statement he made with regard to collective bargaining.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I do not belong to that group of members who support collective bargaining one minute and are against it the next.

Mr. Speaker: Order, please. Perhaps the hon. member would ask his question.

Mr. Lewis: In view of the fact these difficulties arise from an apparent difference in the interpretation of the collective agreements, will the minister ask Air Canada to stop acting in the way it has with regard to the pilots and others of its employees until the meaning of the agreements has been adjudicated upon through an arbitrator instead of placing its employees at a disadvantage and then requiring them to go to arbitration?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that what the hon. member for York South is saying makes sense.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): The thing is that it happens that on the other side of the House there is one who knows what collective bargaining is.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): The problem is that some of the important unions in Air Canada formally accepted that in such cases, and there is no doubt in the agreements that they accepted, they would be laid off without pay. In what situation will Air Canada be placed if they pay those who are in the higher brackets and do not pay those in the lower brackets? This is what they are now trying to work out. It is quite a complicated problem. This is why I say it is easier to solve it just by a statement referring to the public interest.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, if I could—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. The hon. member for York South has the floor for the purpose of asking a supplementary question.

Mr. Lewis: Mr. Speaker, in the same area of work stoppages I wish to ask the Postmaster General whether he can make—

Mr. Speaker: Order, please. I respectfully suggest to the hon. member that, even though he says the question is in the same general area, it is hardly a supplementary. It may be a related question. The hon. member may wish to ask a

question about another situation, but that is not really a supplementary. I am sure many other members will want to ask questions about the other situation to which the hon. member is referring. Perhaps he might allow the Chair to complete the first round of questioning.

* * *

[*Translation*]

BROADCASTING

DIRECTION BY CANADIAN RADIO-TELEVISION COMMISSION TO CANADIAN BROADCASTING CORPORATION TO REDUCE TELEVISION ADVERTISING

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Communications.

As some time ago the CRTC gave the CBC the order to reduce its televised publicity, which reduction would cost the government $40 million over the next four years, does the minister intend to call those two bodies before the Standing Committee on Transport and Communications that this situation might be studied? If not, what measures does the minister intend to take with regard to that confrontation?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, without accepting the allegations of the hon. member with regard to the cost of the implementation of the CRTC recommendations, I would say that for the time being neither the decisions of the minister nor his procedures matter, but the provisions of the law do.

The Broadcasting Act states that when a dispute opposes the CRTC to the CBC, first of all the two parties will meet, which in this case they have done twice already according to the reports I have been given and which they will do again, after which arbitration is imposed by the minister if the two parties have failed to reach an agreement. As for having the two parties appear before a committee of the House, the committee could doubtless so decide, but that is not the procedure provided for by the act.

Mr. Speaker: We shall revert to supplementaries to the first question asked this afternoon, and we may return to this matter later on.

[*English*]

Mr. McKenzie: Mr. Speaker, my supplementary is for the Minister of Transport.

[*Translation*]

Mr. Speaker: Order, please. The hon. member—

Mr. Caouette (Témiscamingue): Mr. Speaker, my hon. colleague from Drummond wishes to ask a supplementary question on this matter.

Mr. Speaker: Order, please. I ask the hon. member to resume his seat. I agree completely with him, but the hon. member for Drummond has risen and has not indicated that he wanted to put a supplementary question. At least, I did not hear him. If he is fully vocal this afternoon and indicates that his question is a supplementary, then I will recognize him, before I recognize the hon. member for Winnipeg South Centre. The hon. member for Drummond.

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I wish to put a supplementary question to the Minister of Communications.

In view of the fact that a recommendation to restrict advertising on television inevitably results in a deficit to be made up by government, and that deficit means that government will have to make an appropriation, is a Crown corporation or the CRTC entitled to put up the monies that would eventually be voted by the House?

Mr. Pelletier (Hochelaga): From all evidence no, Mr. Speaker. The recommendations of the CRTC are only recommendations and not regulations.

* * *

[*English*]

AIR CANADA

REQUEST FOR INVESTIGATION OF PRACTICE OF LAYING OFF ONLY UNION EMPLOYEES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my supplementary is for the Minister of Transport. As Air Canada has a two class system for lay-offs, laying off only union employees, will the minister investigate this discriminatory practice?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is a practice which is practised all over Canada.

* * *

AIR TRANSPORT

AIRPORT FIREFIGHTERS' STRIKE—RESULT OF VOTE ON TREASURY BOARD OFFER—POSSIBLE APPOINTMENT OF MEDIATOR

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I also want to pose a question concerning the troubles we are having at our airports. In view of the fact that getting the firefighters back to work would help to restore normalcy at the airports, will the President of the Treasury Board give the House and the nation an up to the hour report on the results of the firefighters' vote to accept or reject the latest Treasury Board offer to the Public Service Alliance?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the president of the alliance had hoped that conclusive results might have been available to him by noon today. Such has not been the case. We are hoping for later today.

Mr. Speaker: Order, please. We have moved from one strike to another or one threatened strike to another. The Chair will recognize the hon. member for a related question and then the hon. member for York South who also has a related question.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, may I ask the President of the Treasury Board whether he has contingency plans for immediate application in hand to appoint a mediator in this dispute pending eventual settlement through arbitration? I have good reason to believe that an undertaking of this sort would have the firefighters back on the job—

● (1440)

Mr. Speaker: Order, please. While the hon. member's question is being pondered the Chair will recognize—

Mr. Drury: Mr. Speaker, the hon. member asks whether we have a contingency plan to meet what as yet is a hypothetical situation. The answer is yes, and I think that the contingency plan will meet the requirements of those who have been making special representations.

Mr. Baldwin: It is like the budget; it is all hypothetical.

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POST OFFICE

POSTAL WORKERS' STRIKE—PROGRESS IN MEDIATION OF DISPUTE

Mr. David Lewis (York South): Mr. Speaker, I would ask the Postmaster General if he can inform the House whether discussions under the leadership of the special mediator, Mr. Eric Taylor, are continuing and whether any real progress is being made in those discussions?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I wish to advise the House that management and union representatives held discussions till one o'clock a.m. without arriving at a concrete result. They met again this morning with Mr. Taylor and the discussions are still going on this afternoon.

[*English*]

Mr. Speaker: Order, please. I note there are a number of supplementary questions. The Chair will first recognize the hon. member for York South, then the hon. member for Brome-Missisquoi, followed by the hon. member for Dartmouth-Halifax East.

Mr. Lewis: Mr. Speaker, I realize that the Postmaster General would not want to deal with the details of the discussions and negotiations at this stage, but I wonder whether he could inform us with regard to the second part of my question? Is progress being made in those discussions or are they still in great difficulty and at an impasse?

Mr. Ouellet: According to the word of Mr. Taylor, Mr. Speaker, there is progress being made. They are working very hard to come to some concrete proposal for decision.

POSTAL WORKERS' STRIKE—MEASURES TO ASSURE DELIVERY OF SOCIAL SECURITY CHEQUES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, yesterday I asked the Postmaster General what emergency measures were being taken to deliver social security cheques of all kinds across the country. Today I found out that in my riding and across the country pensioners and welfare people are queuing up not knowing where to find their cheques. Again I ask, what precise emergency measures are being taken by the government to make sure that welfare cheques, UIC cheques and pension cheques of all kinds are being delivered to Canadians?

An hon. Member: And milk cheques.

Mr. Grafftey: Will he tell the House exactly what is being done?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I would like to remind the hon. member that in any case the pensioners' cheques are not to be delivered before Monday next. I can assure the hon. member that we have set up a plan to see that the pensioners will not be deprived of their cheques. I offered yesterday to show confidentially to the hon. member a document describing steps to be taken to assure the delivery of cheques. The member left the House soon after asking his question yesterday and I could not find him.

[*English*]

Mr. Grafftey: Oh, Mr. Speaker, this is a disgrace.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I will, of course, recognize the hon. member for Brome-Missisquoi, but I would ask hon. members to give the House a chance to proceed with the question period. It seems to me we are spending more time on hooting and cheering than on questions and answers. The hon. member for Brome-Missisquoi.

Mr. Grafftey: Will the Postmaster General inform the hundreds of people in my riding who are waiting for these cheques and cannot draw welfare, and who this weekend will perhaps not be able to pay for their groceries, what these confidential measures are—they should not be confidential—and indicate where they can get their cheques?

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Ouellet: The hon. member should well know that social welfare cheques are sent out by provincial governments. It has been announced again and again that the provinces will take steps to deliver these cheques to social welfare recipients. As to the old age security payments which we are responsible for, I ask the hon. member to try and understand that security demands that steps taken to deliver these cheques not be made public. The sum at stake ranges in millions of dollars, but if the hon. member is ready to offer some guarantee for it, I am willing to revise my position.

[*English*]

An hon. Member: Get your dog team out.

Mr. Woolliams: Tell the truth.

An hon. Member: Nonsense!

Some hon. Members: Oh, oh!

An hon. Member: Nobody knows what you are doing. You are a stupid man.

Some hon. Members: Oh, oh!

* * *

AIR TRANSPORT

AIRPORT FIREFIGHTERS' STRIKE—POSSIBILITY OF APPOINTMENT OF MEDIATOR IF TREASURY BOARD PROPOSAL REJECTED TO AVOID WALKOUT BY PILOTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my supplementary question is directed to the President of the Treasury Board. It arises out of the widespread knowledge in Canada today that the airline pilots' situation could be straightened out very quickly if the minister would indicate just a little bit more clearly than he did a moment ago, in answer to my colleague, whether his contingency plan does include the utilization of a mediator during the interim period between the possible rejection of the proposal that has been offered the firefighters and the naming of an arbitrator to follow the arbitration procedure if in fact that is required. If the minister could give that indication we all know, including the Minister of Transport, that the Canadian Airline Pilots' Association would drop the matter immediately and there would not be any strike by them tonight.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, there are two possibilities before the government.

An hon. Member: To resign.

Mr. Drury: One is that the settlement agreed to by the union will be ratified, in which case we will have an agreement. The other is that the settlement agreed to by the union will be rejected, in which case we will apply for binding arbitration according to the terms of the law. During the process of waiting to set up the arbitration tribunal and the convening of it in order to undertake the case, the services of a mediator would be employed in an endeavour to resolve the differences existing between the two parties so as to make clearer and easier the work of the arbitration tribunal.

Some hon. Members: Hear, hear!

An hon. Member: Why didn't you say that the first time?

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PUBLIC SERVICE

SUGGESTED LEGISLATION TO PROVIDE FOR SETTLEMENT OF LABOUR DISPUTES WITHOUT STRIKES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Prime Minister and relates to strike problems as well but is in a much broader sense rather than in respect of a specific matter. In view of the constant and continuing unrest on the federal labour scene where so few individuals can effectively disrupt essential services in this country, some illegally, which adversely affects every Canadian, can he advise the House whether he is considering over-all legislation which would by some alternative means curb this type of damaging strike, possibly in favour of some rational and satisfactory form of arbitration prior to the fact?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, because of the noise I missed the last part of the question but I think I do have the gist of it. As the hon. member knows, it was stated a few days ago by the President of the Privy Council that we have received two of the three parts of the report which has been prepared by Mr. Finkelman. This embodies suggestions and proposals which we will study and which may lead in the direction the hon. member is suggesting.

Mr. Jelinek: In that case, will the Prime Minister advise this House if he has instructed any of his ministers, possibly the President of the Treasury Board or the Minister of Labour, to make any specific or concrete recommendations to the cabinet regarding this matter and, if not, is he now prepared to do so?

Mr. Trudeau: Mr. Speaker, the Finkelman report recommendations will, indeed, be coming to cabinet through the President of the Privy Council. I repeat that we have not received the third part of the report, but it does deal with a very important aspect of labour negotiations in the public sector. When the previous government recognized the right to strike in the Public Service as one of the options, it was quite clear in our mind and in the public mind that this would not entail any condoning of illegal strikes, and this government wants to make sure that if anything can be done to prevent illegal strikes happening or to dissuade people from embarking on them it will do so.

● (1450)

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair will recognize the hon. member for Toronto-Lakeshore and then the hon. member for Témiscamingue.

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CONSUMER AFFAIRS

RETAIL BEEF PRICES—ALLEGATION WESTERN CANADIANS PAYING MORE THAN EASTERNERS—ACTION TO PREVENT INCREASES

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Has he investigated the allegations made yesterday by the Canadian Cattleman's Association that western consumers are paying more for beef than eastern consumers and that the retailers are to blame?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I saw the allegations in the press just before coming into the House. I certainly want to

have them looked into, especially if they involve questions under the Combines Investigation Act.

Mr. Grier: Mr. Speaker, I have a supplementary question for the same minister arising from the increases in the retail price of beef which have taken place this week and still further increases which are anticipated. May I ask the minister what steps he is planning to prevent these increases since the prices being paid to beef producers clearly cannot justify them?

Mr. Gray: Mr. Speaker, government policy is that it will be prepared to take appropriate action if there are reports from the Food Prices Review Board indicating that prices are unwarranted and in response to which the parties will not make changes voluntarily. I followed up on a suggestion of the hon. member for St. John's East and was in touch with the chairman of the Food Prices Review Board who confirmed to me that this subject is on the agenda for their meeting tomorrow. As I said yesterday, it could well be that there could be, as suggested by the hon. member, an interim report as a result of that meeting.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I—

Mr. Speaker: I apologize to the hon. member for Témiscamingue, but an hon. member is rising on a question of privilege.

[*English*]

Mr. Grier: Mr. Speaker, my question of privilege is this: on Monday I asked the minister whether he would investigate the matter to which I have just referred. He replied, as recorded on page 1626 of *Hansard*, that he hoped he would be able to give the House a report as soon as possible and certainly within a day or two. This is the second of the two days to which the minister referred. My point of privilege is that he has given an undertaking to the House which he has not lived up to.

Mr. Gray: Mr. Speaker, I think my exact words, and I stand to be corrected, were "a day or so". In any event, I have not yet received a report containing the kind of information sought by the hon. member, by myself and by other members of the House. In view of the importance of the situation, I think he would expect as complete and as full a report as possible.

Mr. Speaker: Order, please. I am sure we could have saved a few minutes if we had not gone into that question of privilege.

* * *

[*Translation*]

LABOUR RELATIONS

SUGGESTED ACTION BY GOVERNMENT TO PREVENT STRIKES AFFECTING ECONOMY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister.

In view of the wave of strikes which is sweeping over this country, does the government intend to put an end to this throwing work out of gear, and by throwing it back into gear again, favour the development and progress of the Canadian economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Canadian economy is doing just fine, thank you. The development of Canada can favourably compare with that of any OECD country. As far as strikes are concerned, the hon. member is aware of the law. I do not know whether or not he has any precise suggestion to make on behalf of his party. In case he has, let him put them forward and we shall have a look at them. I have just indicated, in reply to another question, that Mr. Finkelman's report was under review.

[*English*]

Mr. Speaker: Order, please. I see to my left and to my right a large number of members seeking to ask questions. I think members might realize that many will be disappointed this afternoon. We have spent quite a bit of time on the first two or three questions and it will be difficult to have many questioners before the termination of the 40 minutes. For the moment the Chair recognizes the hon. member for Témiscamingue.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to put a supplementary to the Prime Minister.

He asked me whether we had solutions to suggest. We certainly have. In this connection, can the Prime Minister tell us if the government is considering establishing a labour court and compulsory arbitration in labour disputes in public sectors, such as postal services, transportation, social affairs and health?

Mr. Trudeau: The hon. member seems to think that the right to strike should be removed from these sectors, Mr. Speaker. Unless I am mistaken, this is what he suggests since he talks about compulsory arbitration, thus assuming there is no right to strike. If so, the answer is no.

* * *

[*English*]

THE CANADIAN ECONOMY

AVERAGE RATE OF INCREASE IN EARNINGS AND INCREASE IN COST OF LIVING

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Given the fact that the underlying cause for so much of the industrial unrest in this country today is the runaway rate of inflation, can the minister tell us, particularly because the average rate of increase in earnings is substantially less than the increase in the cost of living, if he intends to do anything at all before the budget comes in about this serious problem?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not accept the hon. gentleman's premise. He will have to wait for a complete answer until the budget debate.

PUBLIC SERVICE

ACTION TO CONTROL GROWTH

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I have a question for the President of the Treasury Board. Can the minister indicate to the House whether recommendations have been made by him to the cabinet on proposals that would control the growth of the civil service and, if so, has his policy been ratified by the cabinet?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am sure the hon. gentleman will want to rephrase his question and not invite me to violate my cabinet oath.

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TRANSPORT

POSSIBILITY OF CHANGES IN DEPARTMENTAL OPERATIONS IN ATLANTIC PROVINCES

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Transport. Can the minister tell the House if any changes are contemplated with regard to the Minister of Transport's operations in the province of Newfoundland and in the Atlantic provinces?

Hon. Jean Marchand (Minister of Transport): Would the hon. member repeat the last part of the question, please?

Mr. Carter: Are any changes contemplated with regard to the operations of the Minister of Transport in Newfoundland and in the Atlantic area?

Mr. Marchand (Langelier): No, not that I know of, Mr. Speaker.

* * *

[*Translation*]

POST OFFICE

POSTAL WORKERS' STRIKE—REQUEST FOR SPECIAL MEASURES TO ASSURE DELIVERY OF BLOOD SAMPLES

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I have a question for the Postmaster General.

Can the minister state whether there is a way or measures which could be taken for the delivery of 6,000 blood samples from newly born babies in hospitals in the province of Quebec? These samples are now held up in mail bags in Quebec City, and considerable harm will come to the babies if they do not receive appropriate treatment at the right time.

Hon. André Ouellet (Postmaster General): Mr. Speaker, this example and, I believe, many others are a clear indication of the grave harm that can come from illegal strikes. I shall inquire of Quebec postal officials whether these samples could not be afforded special treatment, after agreement between postal workers and management in Quebec City.

* * *

● (1500)

[*English*]

AGRICULTURE

REASON FOR CABINET NOT MEETING EXECUTIVE OF NATIONAL FARMERS UNION

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Prime Minister. Would he tell the House why the cabinet refused to meet with the executive of the National Farmers Union to discuss national agricultural policy? Is the cabinet out on strike?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the cabinet receives a great number of requests from various organizations that wish to meet with the cabinet. Some we see every year, some we see every other year. The National Farmers Union is in the latter category. We have told them that we will see them on a two-year basis.

Some hon. Members: Oh, oh!

Mr. Trudeau: In the meantime, they have been invited to make their representations to a group of ministers headed by the Minister of Agriculture, and they will be making representations to our caucus if they have occasion to, as they have made them to the Senate Committee on Agriculture. It is not as though they are not having a hearing. The cabinet cannot meet on a weekly basis with every group in the country that wishes to meet with us.

Mr. Speaker: The Chair will recognize the hon. member for Red Deer for a supplementary question, followed by the hon. member for Saint-Hyacinthe.

Mr. Towers: My supplementary question was for the Secretary of State, Mr. Speaker, but I believe he has left.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INQUIRY WHETHER MINISTER WILL RECEIVE DR. NETO OF ANGOLA OFFICIALLY—ASSISTANCE TO LIBERATION MOVEMENTS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Does the minister intend to welcome in person and officially Dr. Neto, president of the popular movement for the liberation of Angola, who apparently will be in our country in the next few hours?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

[*Translation*]

Mr. Wagner: Mr. Speaker, I have a supplementary question.

As the minister refuses to meet Mr. Neto, could he not initiate a movement centered essentially among nations of the same size as Canada, to alert NATO or other organizations so that justice be done to the inhabitants of the territories concerned?

[*English*]

Mr. Sharp: Mr. Neto will be received by officials of my department. I gave an answer yesterday about our attitude toward Portuguese colonial policy that I am sure satisfied him, too.

* * *

[*Later:*]

AGRICULTURE

REASON FOR CABINET NOT MEETING EXECUTIVE OF NATIONAL FARMERS UNION

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the right hon. Prime Minister. In view of the fact that executives of the National Farmers Union, which represents thousands of producers in the food industry in this country, are in town all week, and in view of the fact they represent thousands of independent producers, not the food processing industries and others, can the Prime Minister inform the House why his cabinet, in view of its meetings with the urban association last week, with the Canadian Labour Congress and many other organizations in this country, is not prepared to meet with the National Farmers Union which represents farmers from one end of Canada to the other?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this seems to be an exact repetition of a previous question. If the hon. member did not hear my answer, he might—

[*Translation*]

Mr. Speaker: I regret to interrupt the right hon. Prime Minister—

[*English*]

That question was asked. I recognized the hon. member for a supplementary question. Perhaps he would like to rephrase the question, but we are running short of time.

Mr. Knight: In view of the fact that this meeting is not occurring between the government of Canada and the National Farmers Union, would the Prime Minister inform the House whether he is moving jurisdiction over the Canadian Wheat Board from the minister now in charge to the Minister of Agriculture in view of the fact the only reason this meeting is not being held is the vendetta of the minister in charge of the Wheat Board—

Mr. Speaker: Order, please.

[Mr. Sharp.]

EGGS AND TURKEYS—STABILIZATION OF RETURNS TO PRODUCERS

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In view of the difficulties facing egg and turkey producers in Canada and the question I asked regarding eggs last week, can the minister give us any further word as to what definite proposals he has given to these two producer marketing boards so far as the stabilization of prices of those two commodities is concerned?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I met again last night with representatives of the egg producers. We are trying to work out a satisfactory program for them. I cannot tell the House what that program will be because we have not finalized it yet.

* * *

NATIONAL CAPITAL COMMISSION

ISSUE OF PUBLICATION IMPLYING THAT NAME OF CAPITAL IS "OTTAWA-HULL"

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I have a question for the minister responsible to the House for the National Capital Commission. It arises out of a recent publication entitled "Canada's New Capital". Does the minister endorse the idea presented there that Ottawa is no longer the capital and the implication that the new name is Ottawa-Hull? Perhaps the minister could inform the House and the people of this country what is the name of our capital.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the particular brochure about which the hon. member asks was not authorized by me and I never saw it until last night. I discussed the contents of it with the chairman of the National Capital Commission today, who finds some of the wording in that brochure unfortunate—

Some hon. Members: Oh, oh!

Mr. Basford: —and not representative of the policy of the government.

* * *

CONSUMER AFFAIRS

FOOD PRICES—INTRODUCTION OF LEGISLATION TO CONTROL PROFITEERING

Mr. Paul E. McRae (Fort William): Mr. Speaker, my question is for the right hon. Prime Minister. In view of the rapidly increasing cost of food and meat in particular, and in view of the strong possibility that some groups such as the packers may in fact be making excess profits which could be a factor in such increases in food prices, is the government considering giving the Food Prices Review Board or its equivalent power to roll back these prices where it is determined that such prices are the result of excess profits?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. There is just a minute or two left before the end of the question period. With the co-operation of hon. members we might be able to have a few more questions.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am glad somebody asked that question.

Some hon. Members: Oh, oh!

Mr. Trudeau: I have said in the House before that we would bring in legislation to act against profiteering or those who are making undue profits, and in effect we will be giving first reading to that type of legislation in a very few days.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): More selective price controls?

Mr. Speaker: Order, please. I appreciate that the hon. member for Brome-Missisquoi is anxious to ask a supplementary. I will recognize him in a moment. Is the hon. member rising on a point of order?

Mr. Grafftey: On a question of privilege, Mr. Speaker.

* * *

POST OFFICE

POSTAL WORKERS' STRIKE—MEASURES TO ASSURE DELIVERY OF SOCIAL SECURITY CHEQUES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I rise on a question of privilege. This is my twelfth year in the House and my first question of privilege.

Some hon. Members: Oh, oh!

Mr. Grafftey: After I questioned the Postmaster General I left the House and I was informed by his department that unemployed people in my riding could go to the nearest unemployment office to get their UIC cheques. My question of privilege is that for the majority of the unemployed people in my riding, and in many ridings across the country, the nearest UIC office is 70 miles away. Is the minister suggesting that the unemployed in this country, who have other things to do, should travel 140 miles to get their unemployment cheques?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. May we have order, please. My impression is that not much will be accomplished between now and the calling of orders of the day. But with the co-operation of hon. members, and I seek their co-operation at this time—I am sure they would not want this noise to go on all afternoon—I will recognize the minister. The hon. member rose on what might be a supplementary question and the minister might be allowed to reply, following which I will recognize the hon. member for Saint John-Lancaster and then call orders of the day. May we have order, please. I call on hon. members to cease this shouting across the aisle. It is highly unbecoming, I suggest, to the dignity of this institution if there is any left.

● (1510)

Some hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I would tell the hon. member, in the utmost earnestness, that I am very astonished that he has just been made aware of the fact, since my colleague the Minister of Manpower and Immigration had already told this House last week.

* * *

[*English*]

FISHERIES

OVERFISHING OF SALMON OFF GREENLAND BY DANES—GOVERNMENT ACTION

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Fisheries, though I would not want to interfere with the Prime Minister any time he wishes to leak part of the budget. Does the government have evidence of overfishing of salmon by the Danes off Greenland in open defiance of the salmon agreement in which the minister took great satisfaction? If this is so, what is the hon. gentleman's next move to be? Where does this leave the Atlantic salmon fishermen and the ban that was imposed?

Hon. Jack Davis (Minister of Fisheries): As to evidence, the answer is yes, we have evidence of overfishing. As to what we are going to do next, the Internationl Commission for the North Atlantic Fishery meets in June and we shall be dealing with the salmon issue at that time.

Mr. Bell: Would the minister get hold of the Secretary of State for External Affairs and persuade him to get tough with the Danes?

Some hon. Members: Oh, oh!

LOBSTERS—SUGGESTED CHANGE OF SEASON DATES BECAUSE OF ICE CONDITIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I should like to move to another species of fish. Is the minister aware that because of ice in the Gulf of St. Lawrence lobster fishermen are unable to lay lobster traps? Since this situation recurs from year to year, what action does the minister propose to take in future to change the dates of the lobster fishing season to suit these fishermen?

Hon. Jack Davis (Minister of Fisheries): We have changed the opening dates from year to year depending on natural conditions such as ice.

Mr. Speaker: Orders of the day.

Mr. McGrath: On a point of order, Mr. Speaker, in the absence of the usual question from the House leader of the Official Opposition, may I ask the government House

leader, in light of the undertaking given to the House by the Prime Minister today, when we can expect the very important piece of legislation dealing with excess profits?

Some hon. Members: Today!

Mr. MacEachen: The House will be given notice of the bill mentioned by the Prime Minister dealing with profits within a day or so, and we hope to proceed with it as quickly as possible.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

EXPORT AND IMPORT PERMITS ACT

AMENDMENTS RESPECTING EXPORT OF NATURAL RESOURCE PRODUCTS AND LIMITATION OF IMPORT OF FARM PRODUCTS

The House resumed from Tuesday, April 23, consideration of the motion of Mr. Andras that Bill C-4 to amend the Export and Import Permits Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, yesterday evening when I began to speak on the bill which is now before the House I said it was regrettable that the Minister of Industry, Trade and Commerce (Mr. Gillespie) had not seen fit to table the current 1973 report as required under the Export and Import Permits Act. I pointed out that previous reports have been tabled earlier in the year than this. This is certainly true of the last five years. I can be more explicit. In 1972 the report was tabled on March 3, in 1971 it was tabled on March 29, and in 1970 on February 12. In 1969, it was tabled on March 5 and in 1968 on February 18. These were all reports for the period ending December 31 in the year prior to their being tabled.

I draw attention to this shortcoming because I feel it demonstrates the haphazard, rather careless way in which the Minister of Industry, Trade and Commerce is running his department. Presumably as a result of my comments last night, the report for 1973 has now been tabled. Here we are, late in April, with a report just tabled, while in all the years to which I have referred it was tabled well in advance of the present date. This item of legislation proposing amendments to the act has been on the order paper for some time now. Surely the least the House can expect is that the minister should provide the relevant reports under the act within a reasonable time after the end of the year.

The main comment I should like to make today is this. While we are in agreement with the principle of the legislation, we feel this is a measure which cannot be taken lightly. If the minister is correct in saying it is simply enabling legislation and that there is no immediate thought of utilizing the provisions we are being asked to put into the act, we can, of course, all be more relaxed. On the other hand, from what we hear from the other wing of the government—for example, from the hon. member for Oshawa-Whitby (Mr. Broadbent)—we suspect there may be much more in the amendments than most of us read into them.

This is what the hon. member for Oshawa-Whitby said, as reported on page 1684 of yesterday's *Hansard*:

> We are gradually inching our way toward some kind of resource management policy by means of amending an act which was originally passed to deal with trade in armaments.

He went on to say, as recorded on the same page:

> What we need, and I want to assert this now, is an extension of the two-price system beyond these two commodities to a whole range of other commodities. I will list some of them before I suggest in a general way what the benefits will be from such a program for the people of Canada. I should like to suggest that a two-price system, one for export and one for import, be applied to energy resources—oil, natural gas, coal, uranium and hydroelectric power. In metals, it should include, copper, lead, zinc, gold and silver; in non-metallic minerals, gypsum, salt, asbestos, phosphates, and forest products, including lumber.

I suggest that the Acting Minister of Industry, Trade and Commerce or, preferably, the minister himself on his return, should rise in his place and declare unequivocally the government's purpose in introducing these amendments at the present time. Is it simply enabling legislation, as we have been told? Does the government have no immediate plans to impose export controls on any commodity, or is this bill being eased through the House in a relatively quiet way when in reality it is legislation introducing a two-price system in respect of commodities we produce?

This is an important issue and I think there ought to be extensive debate on it. As I say, there seems to be some conflict between what the official government spokesman tells us about the intent of this bill, and what the unofficial spokesman for the government says—that it is a bill introducing a two-price system into the country. These views should be reconciled and clarified. I say this because on reading section 3 of the act one understands the true import of what the amendment is doing. The section states:

● (1520)

> The Governor in Council may establish a list of goods, to be called an Export Control List, including therein any article the export of which he deems it necessary to control for any of the following purposes, namely:

At the present time the only items that are cited are certain arms items. The act can also be used to implement an intergovernmental arrangement or commitment which is an understandable power for the government to want to retain. The government also say that the act may be used to ensure that there is an adequate supply and distribution of such articles in Canada for defence or other needs. That is the present section, and the amendment that is being proposed is that certain items may now be included in an export control list. These items are referred to in the amendments before us.

Section 3 of the Export and Import Permits Act is to be amended by adding the following:

> (a.1) to ensure that any action taken to promote the further processing in Canada of a natural resource that is produced in Canada is not rendered ineffective by reason of the restricted exportation of that natural resource;

It is also proposed to amend the section so that the list may now contain this limiting provision, and I emphasize this:

(a.2) to limit or keep under surveillance the export of any raw or processed material that is produced in Canada in circumstances of surplus supply and depressed prices and that is not a produce of agriculture;

As hon. members are aware, there are two other sections. One deals with agriculture and the other deals with the termination of the present act.

I should like to deal mainly with section 3, the section that has triggered the belief of the NDP that this is in truth their two-price system coming into law.

We have heard the Prime Minister (Mr. Trudeau) undertake to meet the first item on the list of four presented by the leader of the NDP. The Prime Minister, I understand, proposes to introduce some more legislation with respect to the review board. I should like to know if there is any chance that this amendment, which was presented in a rather innocuous way, is in truth meeting the number two item on the shopping list of the hon. member for York South (Mr. Lewis), namely a two-price system with respect to materials that may be exported from Canada.

I say that because, as the Minister of Finance (Mr. Turner) pointed out in the House not too long ago, this is a much too complicated question to be treated in an offhand manner. I am not saying that there are not circumstances in respect of which some type of two-price system is required, but if we are going to a two-price system across the board, leaving it to the government to decide what may or should be included in that system without any reference to parliament, then I think the fear that the Minister of Finance had only a few days ago that we might trigger international consequences could be well founded.

I believe that we in Canada should never forget that exports, in relation to production in this country, represent 71.3 per cent of production. That is a fantastic figure if you review the world comparable figures. That figure is an increase over the 43 per cent for 1960 and 42.5 per cent in 1950. We have been rapidly expanding our exports in relation to production. To tinker with this vast field without due deliberation is exceedingly dangerous. The figure of 73.1 per cent contrasts with the case of the United States, where their exports are 14.4 per cent of total production. The U.S.S.R. has only 7 per cent of their exports in relation to production. We in Canada have almost ten times what the U.S.S.R. has.

When we start talking about a two-price system with respect to the exportation of our commodities, Mr. Speaker, we are really talking about a two-price system in relation to our trade with the United States. We should bear in mind that such trade is very much a two way street. For example, according to the American figures, in 1973 our trade with the United States hit $17.8 billion in exports and our imports from that country were $15.1 billion. As I indicated during the famous football debate, there is a $2.5 billion transfer of invisibles that makes the difference in our trading pattern with the United States.

What I want to indicate is that we should not treat this question of tinkering with our trade patterns very lightly. I could refer to the fact that 21 per cent of the total United States export trade and 26 per cent of their import trade is with Canada, for example. This is the magnitude of the subject we are dealing with. When we deal specifically with the United States I think we should bear in mind that they rely to the extent of 87 per cent of their requirements on imports of bauxite from foreign sources, asbestos 81 per cent, chromium 100 per cent, cobalt 92 per cent, manganese 95 per cent, nickel 90 per cent, platinum 93 per cent, tin 100 per cent, and tungsten 44 per cent. That is the dependence of the United States on such import items. As I have pointed out, many of these items in gross export-import terms come from Canada.

I urge hon. members to consider these amendments. I would appreciate it if the minister, upon his return, would enter the debate and tell us frankly what he has in mind in the amendments that he is proposing. I think he should satisfy us that he is not trying to do something rather quietly that he does not have the courage to have a full debate on.

Having said that, Mr. Speaker, I am not turning down categorically the suggestion of a two-price system. What I am saying is that I think it is time that this government was more candid with members of this House and with the people of Canada. If they intend to introduce some policy, let them be explicit and elaborate on it and then let the House judge whether it is worthy of our endorsement.

I think it is most disturbing that we are asked to deal repeatedly with odds and sods of legislation without any over-all industrial strategy or plan for the control or utilization of the resources of this country. This government is obviously drifting and is responding only to whatever prodding it happens to get from the NDP. This is a sad way to run the country.

I think it is time for members to dig in their heels and tell the government that it is not good enough to give us these little bits of legislation, that they claim are designed to serve some purpose, without giving us some over-all approach or strategy as to how they can operate both economically and in the resource field in the coming years.

In the past year the administration of this act has become more harsh than it has been in previous years. From a report I received just a few minutes ago, I notice that the number of applications for export and import permits has gone up. Of 20 suspected violations of the Export and Import Permits Act which have been investigated, charges are being laid in seven cases.

There was a conviction in one case; the others have not been decided. This is the first time there have been so many prosecutions under the act. In committee we shall want to know why the number of prosecutions has suddenly increased. Why are people being convicted for contravening the act? I ask this as for many years there was little trouble with the administration of the act in the sense that few people committed infractions.

● (1530)

We want to see this bill go to committee. We are dealing with a highly technical field. Although this debate is all very well, in the final analysis many of the questions which we feel proper to consider can only be dealt with in committee. We shall reserve our judgment until we have heard the evidence which may be produced before the

committee. After that we can decide what will become of this proposed legislation.

I say this particularly as the bill seeks to eliminate the termination date of the act, which otherwise would expire on July 31 of this year. The minister proposes that deadlines for extension periods be abolished and that the statute be permanent. His reasons may be right. He told us yesterday why he thinks this legislation is justified. Our spokesman, the hon. member for Trinity (Mr. Hellyer), thought his reasons were acceptable. We want to hear the minister's reasons confirmed in committee, and to that extent we agree that the committee should review this bill and, in so doing, try to determine what is the real thinking and planning behind the bill.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to place on record some thoughts on Bill C-4 which has been brought forward partly to repeal section 27 of the Export and Import Permits Act which is due to expire in July, 1974, and to make amendments to the regulations.

This relatively innocent law has not been made use of too often in the past. It was first enacted to control the export of munitions of war, so it is quite understandable that export licences were required under the act. We are now entering the era of the two-price system. GATT regulations, trade regulations and traditional tariffs which protected industry and which at least had the advantage of being visible and consistent are being replaced by export and import permits. So I think it behooves us to consider this legislation carefully. Certainly it can be effective in bringing about a two-price system, as happened with oil.

This bill is a further example of government interference in the export market. It is an attempt to control and direct the export market for our producers and, of course, to control the importation of products, particularly food, the existence of which on our market could be considered inimical to our producers. This is largely an anti-trade bill. Obviously, it will increase the possibility of non-tariff trade barriers being erected in the rest of the world.

It is interesting to speculate on the export control list which will permit the cabinet to restrict the export of any natural resource produced in Canada if our national policy requires further processing of the product in this country. That, I think, has been brought in as a reaction to the comments of the leader of the NDP, who suggested in October, 1972 that we should slow down resource development and protect future Canadian jobs by requiring that resources be fully processed in Canada in the future. In addition, the NDP leader called for the government to put export and price controls on steel, lumber, some building materials, some minerals and some food products. The response of the February 27 throne speech was an amendment to the Export and Import Permits Act to provide the government with better means for stabilizing the Canadian market. Although such controls have been imposed on wheat, to some extent on feed grains and on oil, they have not been imposed on other commodities.

I now want to comment on the inherent philosophy of these amendments, as they affect our trading with the world. Recent wild fluctuations in commodity markets made a two-price system seem attractive for us, but I am not so sure it is the answer to our difficulty. Consider what happened on commodity markets this past summer. As an editorial in *Country Guide* put it:

> To understand what happened . . . you've got to go back to 1970 when the U.S. and Canadian governments increased the money supply at more than twice the rates required by actual growth in gross national production. The inevitable result was inflation and subsequent devaluation of the dollar on international money . . .
>
> . . . the U.S. delayed devaluation by forcing foreign governments to build up huge holdings of U.S. currency and Japan ended up owning billions of U.S. dollars. When Japan realized it stood to take a terrible drubbing because the dollar was in deep trouble, it looked for a way out. World commodity markets offered an escape.

The commodity futures market normally offers buyers and sellers protection against price swings. Producers know in advance what they will receive for their products and manufacturers want to lock in prices for commodities they will need in future. Speculators who neither produce nor consume but try to make money by trading normally provide enough trading volume to allow the market to work in an orderly and efficient manner. Most of the time this system works quite well.

In 1973 things got out of hand. The huge Russian purchase of United States wheat mopped up world wheat surplus. Japan began to realize it could protect itself against the imminent dollar devaluation by buying commodity futures. In addition, the American practice of holding down interest rates to unreasonably low levels made it cheap for foreigners to borrow money with which to speculate. What happened? The price of soybeans went almost through the roof, and when the price settled, there was a marked change in price levels. That action prompted this government to impose export regulations in this country. During the soybean crisis we put flax and rapeseed under the export permit regulations.

● (1540)

The problem is that it is fine for us to restrict exports when it is in our own interests to do so, but we become terribly upset when other nations have the same idea, sometimes with much more national reason than we. The whole premise of the import-export idea is that it is better not to trade under certain circumstances. Furthermore, the use of import-export controls sets up a chain reaction that does not stop with the initial action by the government concerned.

With the behaviour of the commodity market last year and the sudden demand for soybeans, the price went skyhigh. The Americans put a ban on soybeans which was equivalent to our export ban. We in turn put a ban on the export of oil seeds from Canada. What happened? It brought cries from countries in the world which depend on our rapeseed and American soybeans. We were accused of withholding supplies and being unstable suppliers by the traditional importers around the world.

At the present time soybeans are plentiful. This is partly because Brazil is entering the export market with large amounts of soybeans to take over that portion of the market the Americans lost.

Let us take a look at what happened to the North American beef situation. Here again we have export controls on beef. The freeze on prices in the United States last summer caused the feedlot operators to withhold their

cattle from the market. The supply dried up and the price went up. However, there was no price restriction on imported beef from abroad, so the Canadian beef was drawn off and the price rose. This caused a reaction from the Canadian government and a ban was placed on the export of Canadian cattle. This is an example of where the export control is working.

The ban was not selective in that it stopped the export of the traditional feeder cattle from the west to the United States and caused chaos in the western market. I know of one instance where a feeder moved his operation from southern Manitoba to the Dakotas because of this ban. He stayed there.

At the present time, with the drop in the American consumption of meat, especially beef, of between 20 and 30 pounds per person, and with both the American and Canadian beef population at a very high level, the beef producers are again in trouble, particularly with the high price of feed grains.

We responded with banning American beef by the convenient use of DES as a means of justification. This has caused comment among the American trading people. They have talked about retaliation. I understand there will be a meeting in Calgary with the officials of the two countries to try and iron out the difficulties so that this import-export ban in which we both indulge may be settled. If not, we can look for the complete separation of the cattle industry in the North American market.

In the long run, the net effect of preventing the flow of meat products across the border will mean higher prices for Canadian consumers without any corresponding benefit to Canadian producers. Like the auto pact, the meat industry is largely an exchange. If we are going to prevent this exchange, we can expect dislocation. An example of this is hogs. I understand bacon is exported in large quantities and hams are brought in to balance. This is not a bad idea.

Use of export-import controls causes many problems. Use of an export control to determine what products will be exported certainly raises many questions. It really implies that some government official in Ottawa acting under the authority of the minister will have to make decisions about which he is not particularly cognizant. They will be complicated. He will not be familiar with all the problems. The further you get from Ottawa the more you realize that decisions are made by government officials who do not have proper knowledge of the real problem. Fortunately, they may not be that important to the country; however, they are often very important to the individual.

What criteria will determine at what level the state of manufacture of a product has to be? It is also necessary to decide what natural resources are to be affected by export restrictions. That really means that regions of the country can be discriminated against with impunity. This raises several questions. If natural resources cannot be exported in what is considered a desired form, should they be exported at all? An example might be wheat.

Many years ago we had a thriving flour export along with the normal exports of wheat. This has dropped way down. Developing countries and other countries are grinding their own wheat to be made into flour. If we stopped exports of commodities that are not fully processed, we would not export any wheat.

This raises the problem at what level we should export. I agree with the hon. member who just spoke that this is a question of trade. If we do not export, we will not be able to import. It raises the whole question of our stance in world trade. Are we to share our resources with the world, or do we keep them only for our own use? If we restrict our trade with the world and the total volume of trade breaks down, will international anarchy and wars result? There are feelings that the resources of the world should be pooled, at least to some degree. For example, should the price of oil be allowed to rise, causing great consternation in the developing countries?

The purpose of trade is to allow political units to have effective use of each other's products. When trade breaks down, standards of living fall correspondingly. Obviously the use of import and export permits is a trade barrier, and in many ways these permits have considerable disadvantages over tariffs.

Since coming to Ottawa I have been interested in studying tariffs, which I never thought were a very good idea, as opposed to quotas. We now have the export and import means of changing trade. I find that tariffs have at least one advantage. They are visible, and an importer or exporter can survey them and assess what can be done in the way of trade in his particular circumstances. However, trade plans become much more vulnerable and uncertain when at a minute's notice the cabinet can disrupt and cause cessation of any normal trading pattern.

Import and export controls should not be undertaken lightly. Perhaps tariffs have a place with regard to the control of goods going out and coming in. The use of quotas often brings better results than the use of any import or export regulations.

● (1550)

At the present time we are debating the relative value of a two-price system. Let me cite an example in respect of wheat. We are selling some 60 million bushels of wheat within the domestic market for considerably less than it is being sold for in world markets. What does this mean to the producer? It means he gets somewhat less than the world market price, and as a consequence his ability to produce is restricted by that amount. We all realize that the Americans, who represent one of our main competitors in the export of grain, do not have this situation, and in this way they are better equipped to penetrate and capture world markets than are we.

What is the situation in respect of the production and processing of minerals? We have had a two-price system on copper for a number of years, with the result that the price returned to the producer is obviously a combination of world and domestic pricing. So the producer receives less than he would if the copper was sold on world markets alone. What is the answer? The answer is that he does not work the ore bodies at the lower level which he might work if he was receiving world market prices for his copper.

Conservationists suggest we should be using all our low-grade ore and low-grade crude in the old fields. It is a

well-known fact that if the price of oil rises high enough a great deal of crude can be extracted from our old fields and used. Presumably this is a wise conservation practice.

I certainly feel that the two-price system is bad in the long run and should only be used under certain special circumstances; otherwise the situation will remain as though the world price was prevailing both in and out of the country.

I think Canadians who are dependent on trade cannot divorce themselves from the world situation. They must expect to receive world prices and to pay world prices for what they consume. In that way Canadians will enjoy the highest standard of living possible; and I think it is because we have accepted our place in world markets that we do enjoy our present high standard of living.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I would like to take part in the debate on Bill C-4, to amend the Export and Import Permits Act. I find the amendments offered in this piece of legislation extremely interesting. While the bill is not very extensive, we find that the proposed new first paragraph would permit the Governor in Council to restrict the exportation of any article that is a product of a natural resource of Canada or where national policy requires the further processing of that product in Canada.

The explanatory note then goes on to suggest that the proposed new paragraph would permit the Governor in Council to restrict the exportation of raw or semi-finished materials, other than agricultural products, produced in Canada in circumstances of surplus supply and depressed prices. I think this is a very welcome change. Let me point out that this party has for years been pressing governments at the federal level to bring about policies which would ensure that we manufacture a larger percentage of our raw materials within the confines of our own country than we do at the present.

There is no doubt that Canada is a great trading nation, and to the detriment of the Canadian economy we have in the past relied too heavily on the export of raw materials from the abundance we have in this great nation. We now see, in 1974, as we have for a number of preceding years, extremely heavy unemployment in Canada. While we are wealthier than we have ever been, and while in terms of export trade we have never shipped as much to other countries as we are shipping now, we have an increasing growth in our unemployment rates.

Let me give hon. members an example. It just does not make sense to rip out our non-renewable resources and get rid of them, often at fire sale prices, without looking to the future and planning what to do about the industrial future of this nation. One of the weaknesses of both Liberal and Tory governments in the past few years has been the lack of an industrial strategy for this nation. The old philosophy has been to dig out the raw material and get rid of it at any price.

I do not think anyone will question the suggestion that for every worker you have in the extractive industries—and let us take mining as an example—there is an increasing number in those industries which process the raw materials into finished products; that the further down the line you go and the more refining you do in the manufacturing of products, the more labour intensive the industry becomes and the more men and women are hired to do the job.

Let me take hon. members back to British Columbia where I live. We have a vast copper resource in British Columbia. Practically all our copper concentrates are shipped from the province to the United States and Japan. We do not even have a smelter to turn the copper ore into ingots which could be shipped. The establishment of a copper smelter in British Columbia would provide employment for an additional 1,000 or 2,000 people. Why should we stop there? Why do we not go a little further, for example in producing copper wiring or tubing? Again this would provide thousands and thousands of jobs for Canadians living in Canada, instead of the manufacturing taking place in some other country which ships the finished product back. This is faulty economy, and it is stupid on the part of government to allow this type of policy to grow and encompass Canada from one end to the other.

● (1600)

As I say, it is time we developed an industrial strategy for Canada which looks to the future and makes certain that we provide opportunities for those who will follow in the years to come. There is much more that could be said about the processing of raw materials in Canada and the need for Canada to nurture its non-renewable resources. These non-renewable resources are limited. The time will come when we will be in trouble unless we again take measures to ensure that there is a continuity of supply for future Canadian use.

Tied in very closely with this is another aspect of industrial development which is very important. I refer to the use of energy. Again Canada has not been too wise. We are in the export field so far as oil is concerned; over half of our oil is exported. We find that our reserves are low with just a ten-year supply left. When these reserves are exhausted we will have to start moving to the more expensive tar sands, and hopefully to the reserves in the north and in the east if they are found in sufficient quantities to warrant development.

In addition, we export vast quantities of natural gas. If we are to have an industrial strategy and industrial future in this nation, we must plan now. Because if we get into the field of extensive manufacturing, one thing is certain; we will need far more energy than we are using today. Again this is part of the over-all planning which is required by this government in this particular day and age.

A number of members have spoken about a two-price system in Canada. I am not opposed to it. I think a two-price system, for example for oil, is an excellent idea. I regret that we ever allowed the price of oil to rise above the $4 a barrel level to the $6.50 per barrel level which the government negotiated with the premiers of the various provinces just about a month ago. It seems to me that at the price at which we are selling oil in Canada, $6.50 does not represent the production cost of that oil. Even at the price of $4 at the wellhead in Alberta—and Alberta is the province with the largest amount of oil reserves since over

85 per cent of our supply originates there—the oil companies were making unprecedented profits.

For example, in the first quarter of this year we find that Imperial Oil increased its profit over the same period last year by over 100 per cent. This is a fantastic increase, and an increase based on the $4 level at Edmonton. Now the price has gone up to $6.50, and we will be seeing profits that will be difficult to believe made by all these oil corporations over the next few years. This again is part of the industrial strategy that is tied in with this piece of legislation.

There are several amendments to the act, but there is one point I should like to speak on very briefly because it affects a little company in my riding of Kootenay West. This has to do with an article which is imported into Canada. I should like the minister to take this situation into consideration because perhaps there might be a further amendment to the bill currently before us added at the committee stage. We have in Kootenay West a chainsaw manufacturing company which exports 85 per cent of its production to over 20 countries around the world. About 20 per cent of the total production goes to Europe, 10 per cent goes to countries on the Pacific rim, and the balance goes to the United States.

The total amount involved in the export of this product will exceed $4 million this year, which is a very substantial addition to both the economy and our total export of manufactured goods. Less than 15 per cent of the product content of this factory is of foreign origin. This company has been able to compete successfully with other manufacturers.

There is a problem, however, regarding the importation of certain components used in the manufacture of these chainsaws which I feel is both detrimental and unfair to this particular company. I refer to the type of pistons imported by the company for its chainsaw manufacturing operation. The real problem is that the class and kind categories upon which import duties are based seem to be far too broad in scope. There is some control in the class qualification but it is too broad in scope. Canadian manufacture of pistons is rather limited but because of this they are classified as being subject to duty. I am, of course, referring to the pistons imported by this company.

This chainsaw company recently put out inquiries to nearly 50 potential suppliers in Canada and found that the bulk of the piston production in Canada is captive to either their competitors or to people in unrelated fields. Those firms not captive are not properly equipped to make the product at the volume levels required, as they are either very small operations or oriented toward the replacement component field rather than the original equipment field. The quotations received for the tooling of these pistons ranged from five to ten times that quoted by the non-domestic suppliers, and the unit cost of the product offered runs from three to seven times that now paid to non-domestic suppliers. These price ranges make the product non-competitive in Canada.

The application of protective tariffs to cover Canadian manufacture which does not exist should be closely examined in view of the experience of this company to which I have referred. The final result, so far as this company is concerned, is that it pays a substantial import duty on certain components which it cannot obtain in Canada, which thus raised the end cost of the manufactured product which is sold primarily on the export market. Needless to say this makes competition in foreign markets that much more difficult.

I see no reason that the department cannot make changes to either the legislation or the regulations to meet this specific problem. Perhaps a yearly import permit, renewed annually, would suffice and still give protection to any Canadian company which might eventually become involved in this specific component manufacturing field. Until we reach that stage I am of the opinion that an import permit should be allowed this company.

There are other items which also are included in this unfair duty classification field. Examples could be shown of manufacturing equipment on which heavy import duties are levied although no comparable equipment is manufactured here. This is the reason I draw this situation to the attention of the minister and urge perhaps a more thorough overhaul of the act than the few amendments offered in this bill.

● (1610)

In closing, let me say I trust that the minister and the committee will take into consideration the points which I have raised, and I trust that they will be able to come up with some kind of amendment or suggestion which will at least alleviate the problem which this company in Kootenay West is experiencing. I want to say again that I believe the legislation is good, and it is my intention to support it, particularly in view of the restrictions which it will place on the export of raw materials to other countries. I trust that the department responsible will make certain that we will fully protect future Canadian interests so far as the export of our raw materials is concerned.

Mr. Dan Hollands (Pembina): Mr. Speaker, in rising to speak on this bill to amend the Export and Import Permits Act I should like to say that I am concerned about some of the clauses. I think they will certainly have to be studied in much greater detail and explanations will have to be given regarding some of them.

I should like to refer to clause 2, which reads as follows:

(a.1) to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that act;

According to the explanatory notes, section 5(1) of the act provides:

The Governor in Council may establish a list of goods, to be called an Import Control List, including therein any article the import of which he deems it necessary to control for any of the following purposes,—

Are we to understand from this bill that if there is a shortage of a product in Canada we will be able to control the import of this product into Canada? If we have a product surplus, such as is the case these days with pork, the domestic price of which has been driven down to a level which is almost disastrous for the industry, will that influence the export of this product to Japan? It has been the policy of the province of Alberta to go out into the markets of the world and try to find a buyer for many of

our surplus agricultural products on a long term basis, based on the cost of production in Alberta.

I should like to refer to the recently signed agreements with Japan with regard to pork. The price negotiated in the last contract has been approximately 56 cents a pound, basis packers in Edmonton. The domestic price of pork is approximately 37 cents a pound. So we see that it is a real advantage to those farmers who are fortunate enough to have signed this contract to sell their product at a better price than they can get in this country. However, if in six months from now the position is reversed and we find the producers of pork not supplying the Canadian market, does that mean that we will have to limit our exports on the long term contracts which we have signed?

We might also consider the fertilizer industry. In my riding of Pembina there are two fertilizer plants, and there is another one in Calgary. The fertilizer plants are dependent on other markets than Canada, and there are many reasons for this. For a number of years, the price of farm products such as grain has been so low that it has not been economical for farmers to buy fertilizer. But all of a sudden, because of the increase in the price of grain, farmers now have money and are placing orders at the plants for fertilizer which will probably be in excess of their production. But if we curtail that export to the United States, we will damage the long term contracts which they have. We must also remember that the phosphorus rock which is used in the manufacture of fertilizer comes from Florida. I wonder what kind of a response we would get from that state if we were to forbid the export of fertilizer to the United States.

I should like to mention also rapeseed. When the government became so concerned last fall that there would not be enough protein in Canada, they put a ban on the sale of rapeseed. I cannot for the life of me understand why we would ban the export of a product that was in surplus supply in this country. Only a limited amount of rapeseed can be used in animal feeds. There is a type of acid in that seed which makes it unsuitable for livestock feed, and we could have moved it out of the country had we chosen not to limit its export.

To go to another matter—and I am sure this is a tragedy which the livestock industry in Canada will remember for a long time—let me point out that through no fault of their own the producers of beef have been put into the position of losing thousands and thousands of dollars. The House will recall that black Monday in September when the government announced that the controls on the price of beef would be dropped. There was confusion in all the markets in Canada and it was the first time in history that the public stockyards in Canada were closed. Imports were coming in on a day to day basis, and all of a sudden we used the DES argument to keep American cattle out of Canada.

I should like to say that in exceptional cases, such as in the case of beef when the deliberate action of another government caused problems which we now have in the cattle industry, some import controls are certainly necessary. I think that those controls should have been applied earlier so that the industry might have had an opportunity to adjust and perhaps partly rectify the international situation that has developed.

[Mr. Hollands.]

When we talk about imports and exports we must realize that Canada must be an exporting country and that we must be prepared to honour our long term commitments regarding the export of our products. Closing our doors one year and opening them another could only damage the long term prospects for the export trade upon which we depend so greatly. I hope this bill will receive careful examination in committee and that changes will be made in it to ensure there will be no restriction of production in Canada.

● (1620)

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

ENVIRONMENTAL CONTAMINANTS ACT

MEASURES TO PROTECT HUMAN HEALTH AND ENVIRONMENT FROM CONTAMINATING SUBSTANCES

Hon. Jack Davis (Minister of the Environment) moved that Bill C-3, to protect human health and the environment from the release of substances that contaminate the environment, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, Bill C-3 is an important piece of legislation. Passed into law it will become an important weapon in the government's armoury for dealing with pollution. Described as the Environmental Contaminants Act, it will set up a screening process. It will ensure that man-made substances will be checked out thoroughly before they are produced in this country and sold to an unsuspecting public.

We are, all of us, concerned about the quality of life. This new law will give the federal government the power not only to ask for, and get information about, substances which may be harmful to the environment, but also to take steps to control their use. Some products may also be banned. The idea is that artificial or unnatural substances should be spotted well ahead of time. They should not be sold in large numbers or vast quantities and broadcast around the country before we know what their environmental effects are likely to be. They should be checked over carefully before they are scattered around and before the cost of recovery and recycling gets out of hand.

Obviously we are moving into a preventative phase of our war against pollution. We are moving ahead of events rather than following in their wake. Bill C-3 is designed to stop pollution before it starts. Our new Environmental Contaminants Act will put us into the business of prevention rather than cure. We will not have to go around picking up non-degradable plastics after they have been produced and sold in their millions; we will make sure that they are not manufactured or imported in the first place.

With this new law on our statute books we shall be in a position to demand information, not only about substances already in use in this country but also about products in their early developmental stages as well. Data about their chemical characteristics, their biological qualities and

their persistence in our natural surroundings will be assembled. Statistics as to how much may be sold and how these substances may accumulate in our natural food chain can also be collected. With this information, we shall be in a position to see whether the new substance, or family of substances, will have a harmful effect on our environment and on human health in this country. Its impact on our quality of life will be known in advance. It will be known before it is mass produced and before it gets into our natural environment in a big way.

This legislation, aimed at dealing with environmental contaminants before they contaminate our natural surroundings, has not been developed in a vacuum. We have been in close consultation with industry. We have also sought the advice of the provinces. Numerous changes have been made and a number of suggestions have been incorporated in Bill C-3 to make it more effective. There is a minimum of red tape involved. There is no overlapping with existing laws. Our new Environmental Contaminants Act will fill in gaps in existing legislation. It will backstop other laws, federal and provincial. It will round out environmental legislation in this country. It will also help government to work more closely with industry in the development of new products, the production and use of which is beneficial to all concerned.

If I may draw an analogy, the new Environmental Contaminants Act is akin to the screening of new kinds of foods and new kinds of drugs. Industry is responsible not only for developing new ideas but also for vetting them ahead of time. Government will call for certain kinds of tests to be made and industry must make them. Industry must pay for the testing procedures and it must produce information on the environmental consequences of these ideas or products which government will be insisting upon before they become commercially marketable.

Our basic policy in so far as pollution is concerned is that the polluter shall pay. In this case the potential polluter will pay for the screening of his products. He will include the cost of carrying out the necessary tests in the cost of developing the new idea or product he hopes to sell at some future date. Environment Canada personnel will give the manufacturer certain guidelines. They will outline procedures and set standards. But most of the scientific and other staff needed in the screening process will be employed in the private sector. Most of the equipment and most of the testing will also be done there. Government will have a hand in this screening all right, but the federal taxpayer will not have to foot the bill. The company or industry in question will have to meet most, if not all, of the expenses involved in this process, the main purpose of which is to prevent pollution from occurring in the first place.

I said earlier that we have worked closely with industry in this connection. The reaction from trade associations and individual firms has been good. Chemical companies, in particular, would like to have their products screened before they go to the expense of manufacturing them on a large scale, because the losses involved in their being banned at a later date are bound to be large. An early warning system is best not only from the public's point of view but from a corporate point of view as well.

What are we talking about here? We are talking mainly about artificial, man-made substances. We are talking about chemicals. We are talking about substances many of which have never existed on this planet before. We are talking about things which are either poisonous in nature or which do not readily break down in nature. If they are likely to accumulate in large quantities in the food chain and have ill effects not only on human beings but also on other forms of life, animal and vegetable, then they may be restricted or banned under our new Environmental Contaminants Act.

Perhaps I should go back a bit and give hon. members a few examples. Metallic mercury would have been dealt with directly under this legislation had it been in place in 1970 when we first found that this poisonous metal was escaping from our chlor-alkali plants. We used the Fisheries Act because mercury had a deleterious effect on fish. But mercury had a harmful effect on birdlife also and posed a serious threat to human health as well. As I say, we could have dealt with the so-called mercury crisis more effectively using Bill C-3, but the most effective approach would have been to screen mercury out of these various chemical processes ahead of time. We would have known about its effects in advance and we would have restricted or banned its use before, and not after, it got out into the air and into the local rivers and streams.

Phosphates in detergents constitute another case in point. When the Canada Water Act was being drafted—and that act deals primarily with the management of water in the physical sense of the word—a section was added to deal specifically with the phosphate question. We have cut back, progressively, on the phosphate content of detergents manufactured or imported for sale in this country. We have cut the content from 20 to 30 per cent to less than 5 per cent. This is in contrast to what has been done in the United States where, by and large, phosphates have not been limited and have had to be taken out at great expense to the taxpayer.

● (1630)

We did a lot of testing along the way. We made sure that a figure of 5 per cent or less would have a minimum effect on water quality in Lake Erie, for example. We drew up protocols for testing and we set standards. We called the industry in and we insisted, using these special sections in the Canada Water Act, on its cutting down on the phosphate content in our Canadian soaps and detergents. This we did in order to prevent the unnecessary fertilization or enrichment of our inland waterways. We saved our municipalities a lot of money because we did not put these enriching substances into our sewers in the first place. I am told that the capital cost saving in this case is in the order of 50 per cent. It shows the economic benefit of following the prevention rather than the cure approach to contamination and protection of the environment in this country.

If we had had an Environmental Contaminants Act back in those days we would not have had to add a few special sections dealing with phosphates to the Canada Water Act. In future we will be able to use either of these pieces of legislation in dealing with phosphates, but there are many other substances which are harmful from an environmental point of view. They are not covered in the Canada

Water Act, and we need a broader piece of legislation to deal with them as they are developed and offered for our use in the future.

A third example is a group of compounds, the so-called chlorinated hydrocarbons like DDT. They are also chemical in nature. They are, most of them, extremely harmful from a biological point of view. We have to keep them under control. Many of them, environmentally speaking, should never see the light of day. Like the PCB's, they are a contaminant in the worst sense of the word. We should not allow them to be produced in any quantity. Certainly they should never be allowed outside the factory fence. They are an emphatic no-no, from an environmental point of view. They should be stopped in their tracks and a new Environmental Contaminants Act is needed to make sure they never leave the laboratory, let alone be produced on a pilot scale anywhere in this country.

Having given a few examples, I should now like to describe, in a more general way, what is meant by an environmental contaminant. Environment Canada, in requesting information about new products from chemical and other firms, will be asking about their chemical, biological and toxicological properties. It will be asking these firms about their persistence in the environment. It will be asking the firms to anticipate the way in which these new products or class of products will be dispersed in our natural surroundings. Environment Canada will want them to anticipate the manner in which they will be concentrated in some of our foodstuffs or in substances which are consumed by other living things. How might they be sold and with what limitation? Do they break down naturally and can they eventually be assimilated in our natural scheme of things? And, otherwise, what measures, if any, are being made for their recycling and recovery by industry?

We need this information urgently because literally hundreds of new chemicals are being introduced into our local environment every year. Some of them should be withdrawn; that is after the event. But many others can be intercepted in the future; that is ahead of the event. It is the ahead of the event operation which our new Environmental Contaminants Act is all about. However, it can also be used to deal with harmful substances which are already making a mess of things and which, using any reasonable standard of environmental housekeeping, should be withdrawn from the market today.

There is reference in Bill C-3 to a schedule. This is a schedule or list of substances which will either be restricted or banned by Environment Canada. The naming of a substance to a schedule, in other words, withdraws it from circulation or, as is much more likely in the future, will prevent it from being manufactured or imported in the first place. The list will undoubtedly grow as time goes by. Occasionally, on further testing, some names of substances may be deleted from the schedule, but these are likely to be exceptions rather than the rule. More and more chemical-type substances will be banned or limited because we are becoming more inventive all the time. Chemical-type industries are expanding faster than most other activities and the diversity of their output is proliferating with the passage of time.

[Mr. Davis.]

The Minister of the Environment will obviously need a lot of advice. There is provision in Bill C-3, therefore, for the setting up of advisory committees. These will be established to hear representations from interested parties—that is to say, manufacturers, importers, users and others who may be directly affected by this new law—or concerned members of the public whose advice will also be sought in order to help the Minister of the Environment and the Minister of National Health and Welfare to decide on the names of products or groups of products which should be added to the schedule and which should not.

Bill C-3 also provides for the creation of ad hoc boards of review. This provision was included at the request of industry. It will give any company or individual affected by this legislation an opportunity to state his or her case. Producers, importers, etc., will therefore have an avenue of appeal open to them. These industry-oriented boards of review will have powers and responsibilities similar to those already enjoyed by the board of review under our Canadian Hazardous Products Act.

Still on the subject of relations with industry, I would like to say this: We do not want to be working at cross purposes. We want industrial development in the sense of new industry and new products. We want more industry, better industry, in order to generate more and better jobs. But we do not want, at the same time, to be spewing out hundreds of additional products every year, a sizeable number of which are harmful to our natural environment. We want to preserve quality while enjoying more in the sense of quantity. We want to maintain, and if possible improve, our quality of life while, at the same time, enjoying a rising material standard of living.

This legislation certainly goes with the grain of nature. I believe that it can also go with the grain of development. A forward looking industry does not really want to produce a product or class of products which is going to be banned at a later date. It does not want to get a bad name for producing something which is frowned upon by a large segment of our population. So an early screening process makes a lot of sense, not only from an environmental point of view but also from an economic point of view. It makes a lot of sense to developers who want to see a good financial return on their investment, and a good financial return means many years of successful sales. Continuity in sales means compatibility with the rest of the marketplace and the marketplace of modern man is much more sensitive to the needs of our environment than it was even a few short years ago.

Bill C-3, our new Environmental Contaminants Act, breaks new ground. It breaks new ground on the environmental front. But it is not unprecedented in the sense that we have similar screening arrangements in respect of foods and drugs and other hazardous substances. It is new or advanced in the sense that no other country has gone as far as we are going in this connection. A similar bill is before Congress in the United States. Similar legislation is already in effect in Sweden, but is not quite as good as ours. It does not involve as close a liaison with the private sector as ours does.

I commend this legislation to all members in this House, Mr. Speaker. I think it is a good bill and one which merits the whole-hearted support of all hon. members here. I

hope it does not take too long on second reading and that it goes quickly to committee for detailed examination. I am prepared to accept changes if they are reasonable and if they go along with our main theme, which is one of prevention rather than cure, to stop pollution before it starts. Along with our new system in Environment Canada for screening projects from an environmental point of view, this legislation will help us to preserve the wonders of nature in this country. It will help to ensure that the quality of life in Canada is second to none.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I want first of all to say on behalf of the official opposition and this House that we welcome this bill and compliment the minister on bringing it forward. One can always say, of course, that it should have come forward sooner. None the less, the minister and the department have been studying a complex subject.

● (1640)

Although it is easy to say that we would have preferred to see this bill several years ago, the bill is here now and we commend the minister for bringing it forward. It is appropriate to say that this bill has serious implications for our future well-being as citizens of Canada, indeed, as citizens of the world. Let there be no mistake: all members of the House support the principle of the bill. Those outside this House who in the last year have taken pot shots at what they call radical environmentalists in this House should understand clearly that this legislation has not been introduced through any desire to interfere unduly with the legitimate activities of others but that, rather, without legislation of this kind any debate about undue interference with anybody's rights could rapidly become an academic exercise.

May I draw to the attention of the House an article in this morning's *Globe and Mail* entitled "Disastrous pollution threat seen in organic compounds use", which I shall read:

> A potentially disastrous pollution threat is mounting from the uncontrolled use of organic compounds in industrial processes, says a U.S. biologist employed by the Mitre Corp., a Washington-based environmental assessment agency.
>
> Robert Ouellette, formerly of Montreal, said yesterday that the compounds—many of which are used in the plastic, paint and paper industries—are especially dangerous to man because they can penetrate human membranes.
>
> These compounds—such as benzyne, phenols and alpha benzpyrene—could become the real offenders to man's survival in the future, he said during an interview at the Royal Society of Canada's symposium on waste recycling and the environment.
>
> The man-made organic compounds were used as solvents and chemical binders to make synthetic products from nylons to plastic cups, and are disposed of as waste in the air, soil and water with little understanding of potential harm.
>
> He described their hazard as the spinoff of a burgeoning synthetic-products industry created to appease a throw-away society.
>
> Although there are literally millions of the compounds with undetermined potential for harm, benzyne is known to damage the liver, phenols have corrosive properties and alpha benzypreme is believed to cause cancer, said Mr. Ouellette, head of the corporation's environmental systems department.
>
> The compounds—80 per cent of which are unavailable to the public and only used industrially—are already entering the food chain from pesticide residues, he said.
>
> Because the compounds were soluble in water or fat, they could penetrate human membranes, which are intended to keep foreign substances out of the body, and damage vital organs.
>
> He described the compounds as 'non-perceived pollutants', meaning that the scientific community was only now beginning to focus on the threat. Also, the hazards of organic compounds were poorly understood and laws generally didn't deal specifically with them.

It is incumbent on members of parliament to make certain that members of the public understand why this legislation is necessary and that it must be passed and enforced. I am concerned about the form of the legislation. The minister indicated that the intent of the legislation is to prevent the manufacture and use of certain substances before we discover to our disadvantage or peril that these substances are dangerous. The definition of "dangerous substance" is wide enough to cover all substances known, unknown, invented or not invented, which can cause difficulties.

I am somewhat concerned about the way the bill has been drafted. It puts the onus on the Minister of National Health and Welfare (Mr. Lalonde) or on the Minister of the Environment (Mr. Davis) to approach industry, but only when one of those ministers suspects, or has reason to suspect or believe, that a dangerous substance within the meaning of the act is being manufactured or used. The bill does not require the manufacturer or inventor of the substance to give notice to the government of its manufacture or invention, or of its sale. I wonder whether this omission is the result of an oversight on the part of those who drafted the bill, or whether there is a substantive reason for drafting the bill this way. We shall need to examine that aspect in committee.

It will be difficult for the legislation to do what is intended if the onus is placed only on the government. The bill provides that the ministers I have mentioned must suspect that a dangerous substance is being manufactured or used, or have reason so to believe. In view of the vast numbers of these substances, there may be considerable administrative obstacles to discovering which substances are being manufactured, if they are being manufactured, and where. I serve notice that we shall want to look at this aspect in committee. I make this suggestion in a spirit of co-operation and constructive criticism, as we want to pass legislation which will in every way meet the worthwhile intent the minister so clearly expressed.

Another aspect of the bill merits consideration. May I draw to the attention of hon. members clause 5(2), which reads in part:

> Where, after consultation as required by subsection (1), the minister and the Minister of National Health and Welfare are satisfied that the significant danger referred to in that subsection will not be eliminated by any action taken or proposed to be taken pursuant to any other law and they propose to recommend to the Governor in Council that
>
> (*a*) an order amending the schedule by adding the substance or class of substances be made under subsection 7(1) . . .

And so on.

● (1650)

That is the first mention of the word "schedule". I take it from that a schedule is indeed contemplated under this act. However, there does not seem to be any operative section that establishes the schedule. It is curious to note on going through the bill that the word "schedule" is

repeated a number of times, but again without any reference to an operative part of the bill that establishes this schedule. This may have been an oversight at the time the bill was drafted.

Again in a spirit of co-operation, I want to let the minister know we will want to take a look at this particular wording and see whether we can tidy it up a bit so it makes quite clear that the schedule is established, who established it and what goes into it. From looking at the wording of the bill, it seems that a schedule has been taken for granted, but it is difficult to know just how the schedule is, in fact, established.

As I said before, this bill has the support of the opposition and I think the support of all members in this House. I am conscious of the minister's entreaty that we put this bill through second reading quickly so that we can get it to committee. The intent of the bill is sound and deserves the support of all members of the House. I trust it will receive sympathetic and intelligent understanding from the public.

With those caveats, I again compliment the minister for bringing the bill before us. We will look at it carefully in an effort to tighten it up to achieve the objectives of the bill. I again ask hon. members to support this bill at least in principle at this time.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I, too, would like to speak briefly on the bill currently before us, the Environmental Contaminants Act. I wish to say at the outset that the New Democratic Party welcomes this legislation. We certainly intend to support it. I commend the minister and the government for bringing this legislation forward at this time.

There are several points I wish to bring to the attention of the minister. Before doing so, I caution the members of this House and the general public that quite frequently legislation is brought in by the government which stays on the order paper. While they might be law, the regulations dealing with the environment, for example, are never enforced. I want to make it crystal clear to the members of this House that this is one of the reasons we have rather severe pollution problems facing many parts of Canada today.

An hon. Member: An hour ago you wanted a smelter.

Mr. Harding: It is not a matter of whether we want a smelter. We have legislation. I am going to give a list of some of the acts on the statute books which have sections in them dealing with various aspects of pollution and which to my knowledge have not been enforced for many years. For example, some time ago I put a series of questions on the order paper dealing with the number of infractions which have taken place against certain sections of certain acts. There is a series of them; the Migratory Birds Convention Act, the Fisheries Act, the National Harbours Board Act, the Canada Shipping Act, the Navigable Waters Protection Act, the International Rivers Improvements Act, the National Health and Welfare Act, the Oil and Gas Production and Conservation Act and the Energy, Mines and Resources Act.

With the exception of two or three of these acts—and fisheries is one department where more action has been taken than any other—we find there has been complete neglect for a period of years by the departments concerned with regard to the policing of certain aspects of pollution which come under those departments.

If this legislation is going to stay on the statute books, not be utilized and not be adequately policed by the department, we will be in the same position as we are today with regard to many sections of other pieces of legislation which could and should have been used in the past to control pollution in Canada. If we had taken all the legislation, federal and provincial, and carried out the pollution regulations already laid down, we would not have a fraction of the pollution problems which now hound Canadians from one end of Canada to the other. Again, it is a matter of enforcement. I trust we will see the minister's department do a real job of policing the legislation we are debating at this time.

Might I make one or two general comments before getting to the bill. As far as I am concerned, protection of the environment is one of the key issues facing every nation of the world today, including Canada. After all, we live on spaceship earth. We think we are a pretty important nation. As far as we know, this is the only sphere circling around which carries life. That life is enclosed in a very narrow envelope of air, ground and water that produces the life support systems that keep mankind and everything alive. If anything happens to it, we have no place to go. We would not be able to go to the moon because we cannot live there. If anything happens to the life support systems which keep mankind alive, we know of no other planet to which we can go. Yet today—and the minister is one of the first to admit it—there are signs of trouble everywhere. They have been apparent for years. Pressure has been brought on government at all levels, municipal, provincial, federal and international, to do something about pollution problems. We have not made the type of progress we should have with such an important problem.

Canada is not the only country with pollution problems. Pollution is worldwide. It is international. Despite this, we find that even the United Nations is having trouble moving effectively in the international sphere to deal with these problems. If there is pollution on the other side of the world, it will affect us in Canada in some way and at some time. That is why eventually we need to have tough international standards and controls. We must ensure they are policed and carried out if we are going to continue to live on this earth for a period of time.

I want to give one or two examples of the foolishness of mankind in the past few years. I will first talk about the nuclear testing that has been taking place. Last year in this House of Commons we moved motions urging the French government not to have atmospheric testing of nuclear weapons. We are opposed to any country in the world testing nuclear weapons, whether it is in the atmosphere or underground. This is contamination not of the air over any one country or area but contamination of the air resources throughout the world, and we are the ones who suffer. We must learn to stand up, speak out and fight for the complete elimination and ban of this stupid philosophy which some nations have that they must test nuclear weapons in order to improve their nuclear arsenals and

the nuclear weapons they feel they need for protection against someone else. One thing is crystal clear as far as nuclear devices are concerned, and that is that if a nuclear war breaks out mankind is doomed, regardless whether you hear the explosion or the fired shots. This is the story we have to get across not only to the people of Canada but to the people of every nation of the world.

● (1700)

It is for this reason that we welcome this beginning by the government to develop a philosophy and some guidelines in respect of certain products which might be manufactured by companies in years to come. The minister mentioned certain problems in respect of nuclear testing, and he also referred to DDT. The world thought DDT was one of the greatest things ever discovered for mankind, and it is still being used in some areas of the world today. We did not understand what the use of DDT was doing to our food chains through an accumulative effect. We now know that a number of species in various parts of the world are endangered because of the use of DDT. It has been found in the Arctic, the Antarctic and on islands hundreds and thousands of miles from habitation that certain animals and birds have traces of DDT in their systems. DDT has an accumulative effect which works its way through food chains which are absolutely essential to the survival of mankind as well as to the survival of many other species of life on this planet.

This legislation will for the first time attempt to stop this type of production and usage of poisons in the form of contaminants getting into the air, waters and the earth, eventually coming to reside in mankind and doing a tremendous amount of damage. As we look at the bill we see a number of interesting points. I have gone through it very carefully and closely and, as a number of hon. members, feel that many of the points can be dealt with at the committee stage. There are, however, one or two things I should like to draw to the attention of the minister today.

At page 12 there is a reference to a one-year limitation period. If a company allows some contaminant to get into the air or water, it cannot be held responsible for the damage after a period of a year. I suggest in all humility that one year is far too short a period. Let us consider the example used by the minister when he referred to mercury compounds being used in pulp mills. These compounds get into the water and it takes many years before the companies or other individuals realize that mercury poisoning is taking place in these waters because of the use of chloral-alkali. In Canada today we have lakes and rivers in a number of areas still closed to fishing and recreation simply because of mercury contamination which took place many years ago. This is an example of why the one-year period is too short.

I do not think society should be saddled with the cost of cleaning up these contaminated waters, and unfortunately we have been saddled with this cost in the past. If we have to do any cleanups of mercury deposits in our rivers and lakes the cost will come out of the public treasury just as did the cost to clean up DDT and other contamination because we did not lay down regulations in time. I suggest that the minister take a pretty careful look at this part of the bill to see whether there is something that can be done. I think the responsibility of the companies should carry on for longer than the one-year period.

There is another point about which the minister spoke that I think is very interesting, and that is the establishment of an environmental contamination board of review. I think this is a step in the right direction as I feel such a board of review could be extremely useful. The members of this board would certainly have to possess some degree of expertise if they are to investigate and handle these problems, but I would hope that the membership will include laymen who also have knowledge and expertise in this field. Sometimes there is a tendency when we set up these boards to look to the academic world, leaving out others who have a great deal of practical experience, and quite often it is those with the practical experience who can come up with the solutions required in this day and age.

As I indicated earlier, there may be a large number of minor suggestions made during the committee stage. Once the bill reaches the committee I presume we will have a general discussion about the principle contained in the clauses. If we have amendments to offer I can assure the minister that we will see they are drafted well in advance in order that he will have time to look them over and decide whether the incorporation of them in the legislation will improve it or otherwise.

The hon. member for Vancouver South (Mr. Fraser) talked about a schedule. I certainly feel that a schedule setting out the classes of materials to be prohibited should be provided to hon. members at an early date. This is an extremely important and key clause in the bill. One of the key areas is that in respect of percentages of concentrations that will be allowed, and again this is a mighty tricky subject, one that quite frankly I am not competent to judge. I think we must have engineers and biologists who are extremely expert in these fields give us information about the effects of even extremely minute concentrations.

In closing, I should like to make one final suggestion. We must have a definition of "environment" somewhere in this bill. Dictionary definitions are not adequate. We must have a definition which will give us an idea of exactly what we are considering in this bill in the way of the environment. Again, Mr. Speaker, you might not agree that a definiton of environment is necessary, but I certainly feel it is.

● (1710)

Finally, I want to congratulate the minister for bringing down this bill. It is certainly a step in the right direction. I would like to see it get through the committee and I hope we can improve it by amendment so that this environmental legislation will give a lead to other countries to proceed along similar lines.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I welcome the opportunity to participate in the debate on Bill C-3 to protect human health and the environment from the release of substances that contaminate the environment. As my colleague the hon. member for Vancouver South (Mr. Fraser) indicated earlier, of course we support

this bill and support in particular the fundamental principles of this bill.

It is not my intention at this point in time to actually discuss the details. However, I do wish to indicate I feel there are special features, some of which have been alluded to by others, which will require careful scrutiny by the standing committee. It is my intention to deal with some of these details when the bill is referred to the Standing Committee on Fisheries and Forestry. At the outset of my comments I intentionally read the title of the bill and shall repeat it again. It is entitled, "An act to protect human health and the environment from the release of substances that contaminate the environment".

In my view this contains three important words. I believe they are the crux of the bill and the crux of the problem. Those three words are, "human", "health" and "environment". It is to this area I wish to direct my remarks. When I first read this bill I vividly recalled an examination I had many years ago during my early years of training. At that particular time I was asked to describe the importance of a substance called adenosine triphosphate and the role it played in the normal functioning of the human body. So I proceeded to describe it in terms of its cycle and muscle metabolism, and quite frankly I felt rather satisfied that I had given a satisfactory answer. I have no intention of discussing the biology and physiology of adenosine triphosphate, but the response of the examiner at that time is germane to this debate and to the legislation before us. Because the response I received to my answer was that I had picked one tree out of the forest. I cannot think of a better analogy for the bill that is presently before us. The minister has introduced a bill discussing human health and environment which is limited by clause 2, which is entitled "interpretation," to one principal area which is defined by the words "substance" and "release". Surely in the context of total environmental health we are indeed out of context and are picking one tree out of the forest by limiting ourselves to that extent.

Before I proceed let me place this bill in the proper context. If I may I should like to quote from the bill with specific reference to the words "release" and "substance". These appear at page two of the bill under the interpretation section. I quote:

> "substance" means any distinguishable kind of inanimate matter capable of being dispersed in the environment or a precursor of any such matter.

I wish to compliment the minister for talking at the outset of his remarks about prevention rather than cure, a most important concept to which I shall allude at some further point.

As I analyze this bill, I interpret it as a fragmented approach to the problems of human health and the environment. I really believe it is an example of the lack of comprehension the minister has for the total area of the problems of human health and the environment. I also believe it indicates a lack of liaison between the Department of the Environment and many other important agencies. What is more important, and what I feel is more tragic, is that it clearly demonstrates there is no over-all government policy dealing with the broad spectrum of the problems we see in terms of human health and the environment.

[Mr. Holmes.]

During the debate on the Speech from the Throne earlier this year I analyzed the health care system in Canada and outlined at that time an action-oriented program dealing with the health problems of Canadians, and more specifically with the environmental health component which I felt was important in approaching the over-all concept of the health of Canadians. I may say also that at that time the Department of National Health and Welfare was sufficiently interested in my comments that they asked for a copy of the document, which I gladly provided.

I suggest that the minister might obtain a copy of that document from his colleague the Minister of National Health and Welfare (Mr. Lalonde) and review in particular the special area of environmental health, which I think would be most informative for him. Perhaps he has read it, and if so it may have prompted the legislation we have before us. I hope that after he has reviewed it, and the Minister of National Health and Welfare has as well, they may see fit to implement some of the additional proposals discussed in the document.

With regard to that document, I have no hesitation in transmitting it to the department in the hope of course they might establish new health priorities and that we might see some action in many of the health care areas, including environmental health to which I have alluded. It is interesting that rather recently I asked for a similar document in the form of a press release from the Department of National Health and Welfare dated March 25, 1974. I wish to quote a little from this release:

> A separate Yukon Region of Northern Medical Services with headquarters at Whitehorse, the territorial capital, as of 1st April 1974, was announced today by Health and Welfare Minister Marc Lalonde.

Further in the release we find this:

> The Minister's decision is based on the recommendations of a Medical Services Branch task force under the chairmanship of Dr. Lyall Black, Director General, Program Management. It was charged with examining the feasibility of raising the Branch's Yukon Zone to regional status.
>
> Among the findings on which the task force based its recommendations were:
>
> 1. Northern Region which covers a vast area had encountered serious management problems due in large part to its very size.
>
> 2. The Yukon had good internal communications including transportation and well-developed health services suited to regionalization at minimum cost.
>
> 3. Establishment of the Yukon Region would enable the Northern Region to concentrate its efforts in the Northwest Territories which has a rapidly expanding population and because of its huge area more difficult problems of organization and health delivery operations.

It seemed to me that in performing our function as a constructive opposition such a document as I suggested, which had been prepared by Dr. Lyall Black, should be tabled. I made this request before the standing committee and I was quite upset and annoyed when the ruling of the chairman indicated it would be impossible to have such a document tabled. This was because it was considered to be an internal document and therefore confidential.

● (1720)

If you attempt to analyze the health care field with the usual traditional models, Mr. Speaker, you realize very quickly that it is fragmented, very complex, diverse and subject to many special interest groups. It is this type of

setting that has made it impossible to rationalize our health care system and to identify specific problem areas, to set important goals, to set long term objectives, and to decide on the specific program content designed to reach specific populations or programs.

In an effort to break away from these conventional methods of classifying diseases or health into specific categories, such as public health, mental health, dental health, etc., I described a new framework dividing health into four main entities. The first was health care organization and management; the second was human biology; the third, life style health; and the fourth and most important, the one we are discussing today, environmental health.

For those who are interested I would refer members of the House to an excellent article that appeared in the Canadian Medical Association Journal of February 1973 written by Bert Laframboise, who describes this concept in far more detail. Some of you may well be interested in that particular article.

As I indicated previously, this framework permits us for the first time to rationalize our health care system and, what is more important, it prevents us from ignoring any factors that have a deleterious effect on the health of individuals. It is this latter point that is not appreciated by the minister responsible for this bill. Indeed, if it were otherwise, we would be debating a bill encompassing the entire area of environmental health matters.

To put this in its perspective let me briefly review the four categories to which I have alluded, emphasizing in particular the environmental health component which is a subject matter of this bill and which has relevance and importance to the comments I will make.

First, let me turn to health organization and management. This is the traditional component of which all of us are aware. It is the category that contains all aspects of health, manpower, location, the availability of all facilities including hospitals, nursing homes, clinical group practices, etc., and the relationship of people and resources in the health care field. It is that traditional part of health care organization as we know it which encompasses about 95 per cent of the funds for medical services.

I think it is clear that this category has been the primary consideration of all our thinking today. In the past, emphasis has been placed on the building of hospitals, the training of a greater number of professional health personnel. We have enhanced the myth that good medicine equals good health. Further, we have preoccupied ourselves at times with measuring deficiencies in this area through numerous federal and provincial studies, reports and recommendations ranging from the Royal Commission on Health Services, the Hastings Report on Community Health Centres, and the most recent report which was tabled in Ontario.

What is frequently overlooked is the fact that most of our efforts in this field have been, and continue to be, related to the actual discovery and treatment of specific disease processes. Preventive aspects of medicine have frequently been deferred. The minister referred to this earlier and I commend him for this.

Time does not permit a detailed discussion of health care organization and management, but of course there are some clearly defined areas in which we need federal leadership and where problems must be resolved, areas such as physician manpower requirements, health costs, computer technology and regionalization of health care. Perhaps at some later date we can go into these in more detail.

The second category to which I referred earlier was human biology. It includes all aspects of the organic makeup of man, including all relevant research with clinical application and research to improve individual patient care. I should point out that this party has long recognized the importance of medical research and during this session, with the support of some hon. members to my left, we have attempted to have the Minister of National Health and Welfare (Mr. Lalonde) reverse his position with respect to inadequate funding of the Medical Research Council.

May I say that I find there is a similarity between the recent debate on the Medical Research Council and the debate on the bill presently before us. In both instances, a fundamental issue has not been recognized and appreciated by the respective ministers. In the first instance, the Minister of National Health and Welfare has not recognized that medical research, medical education and the health care of Canadians are inseparably interrelated. I must point out unequivocally that a viable medical research base is essential for excellence in medical education and, what is more important, fundamental to the delivery of quality medicine to all Canadian citizens. With respect to this bill, the Minister of the Environment (Mr. Davis) has not recognized and does not appreciate the magnitude of environmental health problems because he is limiting himself to one particular small area.

Now I should like to turn to the third component of this concept to which I referred, namely, the so-called life style health. Life style health refers to those aspects of health over which individuals exert decision making and control. It is quite clear that these decisions are influenced by value systems highly developed within each individual and influenced to a great extent by widely accepted social and cultural determinants.

Many of the past disease categories which were physical in etiology have been overcome and are preventable. We recognize that there is still much to be accomplished in this area, but we also recognize that by looking at the life style factors and the potential years of life a great impact can be made if we put greater emphasis on life style health.

Let me give two or three examples to give some idea as to what I mean by life style health. If tomorrow we could eradicate all cancer in North America, we would increase life expectancy of all citizens by about three years. If tomorrow we could have every Canadian at a normal weight, we would increase life expectancy by between eight to nine years. This is an example of life style health. Look at the principal causes of death for men between the ages of 45 and 64, which are lung disease, bronchitis, emphysema, heart disease and cirrhosis of the liver. Of course we know what the principal precipitating factors for these diseases are: smoking, overeating, high fat food intake, excessive consumption of alcohol. Of course, now we are talking about life style type habits.

Environmental Contamination

Now I should like to turn to that important category which is really the crux of the bill, that is, environmental health. This category is most important and includes the conventionally accepted environmental factors to which reference has been made today by many members in the House. DDT and phosphates have been mentioned. We know the usually accepted environmental factors, such as pure air, high quality water supplies, control of food processing and handling, disposal of sewage, garbage and waste products. Also there are the following: control of animal and insect vectors of disease, the wise use and storage of pesticides, etc.

In addition, our meaning of environmental health encompasses many more aspects, such as noise control, factors affecting home accidents attributed to poorly designed or constructed houses, poor automobile or highway design, factors which have an impact on mental confusion and fatigue and which do not appear in some areas of work among the labouring class. Others are pressures to succeed in work assignments and in the area of cosmetic manufacture and distribution.

● (1730)

It is obvious that the list of hazards to health is limitless. In considering the improvement of environmental health, several important factors must be considered in any approach to legislation. First, I think it should be recognized that individuals can do little to control threats to environmental health. An individual Canadian can do little about them. The corollary is, of course, that governments are expected to introduce measures to protect the health of all Canadians in this area. The third point is that many areas of environmental pollution are not yet totally understood, and require extensive research. The fourth is this. In the past, because of growing public awareness and interest, the government has sometimes over-reacted by taking decisions the effects of which are far-reaching and in certain cases undesirable. I suspect this goes back to the thalidomide experience.

Let me give the House two examples which I am sure all hon. members will recall—the controversy about cyclamates, which were eliminated from the market, and the more recent controversy about DES. This is an aspect which must be considered in any projected legislation.

In the establishment of national priorities and the sitting of national standards, a number of equally important factors must be considered before policy decisions are made which will affect accepted social or individual values. Measures to achieve good health effects might involve detrimental economic implications resulting not only in loss of work but in the loss of non-replaceable natural resources. The unwise uprooting of industry, with consequent loss of jobs as the result of health standards which are too high or too inflexible, would be generally unacceptable to Canadians.

Let me identify a few of the environmental factors which call for intervention by the federal government. There is a need for standards of excellence in the food processing industry designed to ensure a supply of high quality foods with good nutritional content. I am sure everyone who has read the report "Nutrition Survey" is well aware of the need for more control in this area. There

[Mr. Holmes.]

is a need to control the levels of animal fat present in food and dairy products; the connection between supersaturated fats and heart disease has only lately become more clearly evident. There is a need for the continued monitoring of cosmetic products, a need to upgrade and assure the quality and effectiveness of drugs, vaccines and so on.

I might mention also the need for controls to ensure the safety of prosthetic devices, and the establishment of safety standards to be followed by automobile manufacturers and by those concerned with homes design and construction. Finally, I might mention the value of setting viable, practical standards to govern air quality, water processing and sewage disposal.

Another area requiring urgent federal involvement arises from the phenomenon of urbanization accompanied by the rapid mushrooming of suburbs. Crowding, the isolation of families, the alienation of individuals, are cardinal features of this typically twentieth century process. Movement from one part of the country to another by large numbers of the population has contributed to the confusion.

While I recognize that this area rightfully belongs to the Department of Urban Affairs, important environmental health factors are involved here, particularly in the light of recent progress toward urban core renewal and the developing policy of establishing satellite cities. Factors which must be considered here include the provision of adequate recreational facilities, the avoidance of high density crowding, and the mental health of people uprooted and relocated as a result of the redevelopment of "old city" areas or the development of suburbs or satellite cities. Manpower and health facilities must be adequately planned so that they are readily available.

A major difficulty about developing an environmental health program has been the minister's inability to develop effective collaboration with other concerned and interested federal government agencies. I have no doubt the minister will respond by referring me to clause 3, subclauses (3) and (4). I quote:

> The minister and the Minister of National Health and Welfare shall, in carrying out any activity described in paragraph 1(a), wherever reasonably possible, act jointly and make use of the services and facilities of other departments of the government of Canada or of any agencies thereof.

And, further:

> The minister and the Minister of National Health and Welfare may carry out any of the activities described in paragraph 1(a) in co-operation with any government or agency thereof or any body, organization or person.

My point is that from experience in the past I can derive very little re-assurance from the words "wherever reasonably possible" or from the word "may". I suggest that if we are to benefit from a useful environmental health program effective input must be forthcoming not only from the Department of the Environment and from the Department of National Health and Welfare but from the Ministry of Science and Technology, the Ministry of Trade and Industry, the Ministry of Urban Affairs, the Ministry of Transport and, indeed, from all other interested groups.

As I indicated earlier, I intend to support this bill. But I wish to emphasize again that in the area of environmental health the minister has picked one tree from the forest; he

has failed to show he has an understanding of the total picture.

● (1740)

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I shall be brief. With regard to the recommendation of Bill C-3, I note that this bill is intended "to protect human health and the environment from the release of substances that contaminate the environment". Throughout the years, many activities—industrial, municipal and individual—have contributed to contaminating the environment, as a result of which health problems have cropped up and some sectors of our environment have been destroyed.

Recently, I wrote to the Minister of the Environment (Mr. Davis) requesting the help of his department to remedy a situation that now exists in my riding where a company, over a period of 40 years, has destroyed all animal life; it has destroyed the salmon that spawned there and contaminated the water. Today, when we ask the federal department to make the efforts required to remedy the situation in the province of Quebec, we are told that this matter does not fall within federal jurisdiction, that it is a provincial matter in the case of Quebec. Now, my intervention this afternoon will be strictly limited to asking the minister to tell us, in his closing remarks on second reading, what means he intends using to apply this act in the province of Quebec. He will have to give us his assurance that the amounts will in fact be transferred to the province of Quebec and spent on projects of the type suggested in Bill C-3. That is the problem in this case, as in many others, when it is decided at some time or other that the province will deal with a certain matter.

I would like to congratulate the minister for introducing that bill which has been called for since a good number of years. Although perhaps too late, it tries nevertheless to correct a problem.

Unfortunately that bill does not refer to the control of the federal government when the enforcement of the legislation is entrusted with a province. This concerns me, because in past cases as in the one I mentioned a while ago, the answers of the provincial government are delayed as for example, the necessary correctives on the north shore where the pollution of a river by a certain company should be checked. Steps to prevent the destruction of animal life are delayed, perhaps due to a lack of agreement between the federal and provincial governments. I therefore hope that in his final speech the minister will indicate what pressures or control he expects to use to see that this legislation is enforced in Quebec.

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I too want to express the feeling of appreciation that we have on this side of the House for having this bill before us. It is a very, very small step in the marathon walk, but to take this step today is certainly better than to take it a few years from now. It would, of course, have been a lot better had it been taken a few years ago.

Having said that, Mr. Speaker, I should like to make a few comments on the remarks that the minister made to clear up in my mind how this bill is going to be implemented in Canada.

The minister said that the bill could be compared to legislation existing in other countries and that it is far superior to such legislation. That might be so when we look at Bill C-3 alone and at the controls other countries have to protect their citizens from environmental disasters. But, of course, the bill does not go nearly as far as we would all like it to.

The federal government had a wonderful opportunity years ago, before words like "phosphates", "detergents" and "chlorinated hydrocarbons" became household words, to establish some policies by which Canadians in all walks of life could live. The government was slow in recognizing this new phenomenon. It was so slow in fact that provincial governments throughout the country had to make their own laws to protect their citizens from some of the things that were happening. Because of that we now have all kinds of environmental laws in Canada to which we ask industry, big and small, provinces and municipalities, to adhere. This, of course, is disastrous.

I should have liked to see—and eventually this will have to come about—the minister bring in a bill based on strict guidelines that industry could follow. It can be argued that we do not know today what some of the dangers will be tomorrow and that we want to have a flexible approach to this problem. We do not know what man will invent tomorrow and how harmful that invention might be to people and to society. But I am talking about some of the things that are in existence now, Mr. Speaker. I can only assume that this bill will be like so many others that the government has presented to us, a bill that will regulate retroactively.

It may be true that a lot of industrial concerns intending to invest multimillions of dollars in a new invention and program will go through the pain and trouble to engage either their own engineers and laboratories to research the product or to hire the engineers required to provide the government with this know-how.

What about the smaller industry that is producing a commodity of which we have no knowledge today, Mr. Speaker? They are not compelled to come to the federal government and say that they are producing something and that they do not know what its impact will be. If the minister does not know what is happening, the industry will be in business and the product will be on the market to be consumed by our people. Thus damage will be done and the provisions of the legislation will have to be retroactive.

Ever since we started talking about environmental control there has been conflict between industry and the do-gooders, the environmentalists, the bearded fellows who come out of the concrete jungles where the environment leaves a lot to be desired and go up north to tell us how we should protect the environment. There has always been this conflict between such people and industry. Industry does not want to be difficult but they find it hard to live with all these unknown factors.

Such questions arise as: Suppose we put a cleaning plant at the end of this pipe, will there be some federal, municipal or provincial agent around tomorrow wanting us to

put something on the stack? And so on. If industry had proper guidelines, taking into account all the things we know about the environment and chemicals, it would not be very hard to go to the engineer and give an undertaking that no more than so many parts per million will go into the water and that the exhaust from the pipes will not be offensive.

● (1750)

I come from an area where recently a great number of pulp mills have been built. Nobody likes to talk about it. You have to be very careful, particularly as a politician, in the city of Prince George when you talk about the offensive odour there most of the year. People say it is the smell of money, the smell of success. However, there are a large number of people who would rather be poor than live in an area where there is this constant offensive odour. Incidentally, it is not harmful to health.

The minister says that with the new law on our statute books we will be in a position to demand information. That might be so, but someone will have to lay a complaint because there is nothing in the bill that compels anyone to tell the minister what he is doing. There will have to be a witch-hunt. Or course, it will be after the fact when the complaint is laid. The legislation will work retroactively and this will be disastrous to industry.

As I said, the federal government had the opportunity to move into this field and be a leader. It could have consulted with the provinces, but it did not do that. As a result, we not only have 12 or 13 different environmental standards, but we have dual standards which each government follows. The federal government uses its own standards for activities it carries on in the Northwest Territories and other northern parts of our country, and it has developed standards which industry must follow. All these things create serious conflicts between rational people who recognize the problem, people who would rather eliminate it but do not have the tools to do so.

The minister said industry would have to bear the cost, that there would be no cost to the taxpayer. That all sounds exciting these days. However, I must ask about the small businessmen who cannot afford the expensive laboratory and research staff it takes to provide the minister with information he will now be able to demand under this bill. I would have liked the minister to be honest and say it is going to be very expensive for Canadians to live in a healthy environment. I could live with that because it is a very serious problem. I would like to see the minister come up with programs that would help industry in the first instance, before the factory is built, to research the product they are going to produce, and help them to instal the necessary abatement equipment. Such a program could be attached to a bill like C-3 which, although it is a small step, is certainly the right step in a marathon walk.

I would like to see the federal government become more energetic in sharing with the provinces and municipalities. I know all kinds of things are now being done. Municipalities are the biggest offenders, not usually industry. It is areas where people gather to live. The municipalities are the biggest offenders in many areas on environmental pollution. There should be programs by which the junior governments could have access to the federal coffers and obtain the help they so badly need to keep the environment in our cities and towns liveable. I do not see any further intention on the part of the government in this bill to pass that kind of help on to the junior governments.

The minister said this bill provides for the creation of ad hoc boards of review, and that this provision was included at the request of industry. He said it will give any company or individual affected by this legislation an opportunity to state his or her case. Again, Mr. Speaker, that will happen after the fact.

The minister said producers, importers and so on will have an avenue of appeal open to them. He said the industry-oriented boards of review will have powers and responsibility similar to those already enjoyed by the board of review under our Canadian Hazardous Products Act. This is all fine and dandy, but as I have said, these measures are all designed to come into being after the fact.

I do not think the minister would find too much opposition from any member of this House or any party if he were to bring in strong legislation compelling industry and business to keep government aware of their future activities. However, the cost and the onus should not be passed on to industry. We must be prepared environmentally because otherwise it is going to cost us money. Steps taken by municipalities and some of the activities carried on by the provinces will cost money. These resources must come from somewhere. Until we are ready to share with these governments, we cannot expect the kind of co-operation the minister obviously must expect if he thinks everyone will come running to the federal government from here on to provide them with information on all the activities they intend to carry on in the future. I notice it is six o'clock, Mr. Speaker.

Some hon. Members: Question.

Mr. Oberle: I call it six o'clock, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not know what length of time the hon. member has in mind, but we are prepared to sit a few minutes if it will make it possible to finish second reading of this bill.

Mr. Foster: Mr. Speaker, we are prepared to carry on for a few moments if the hon. member wants to continue his speech.

Mr. Oberle: Mr. Speaker, my remarks are nearly finished. However, I wish to call it six o'clock so that if any of my colleagues wish to carry this debate on tomorrow they will have the opportunity to do so.

The Acting Speaker (Mr. Laniel): It being six o'clock, the House stands adjourned until tomorrow at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 25, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

POSTAL WORKERS' STRIKE—SUGGESTED END TO MAIL DELIVERY MONOPOLY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek unanimous consent of the House to put a motion concerning a matter of urgent and pressing necessity. Once again a strike in the postal service has disrupted mail delivery in Canada, causing great hardship and inconvenience to millions of people whose pension and other cheques are being delayed, and creating untold extra costs for all businesses in Canada which must ultimately be borne by consumers. Section 8 of the Post Office Act gives to the Postmaster General the sole and exclusive privilege—

Mr. Speaker: Order, please. Perhaps the hon. member would put the motion to the House. I am not sure whether this is the motion or the explanatory part, but really a motion should be put without a long explanation or preface.

Mr. Clarke (Vancouver Quadra): That was merely the explanation, Mr. Speaker. I would therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House give immediate consideration to taking whatever action is necessary to repeal the grant of monopoly to the Canada Post Office in order to allow private enterprisers to offer competitive service, thereby giving the people of Canada the opportunity, in a genuinely free and competitive market, to buy the postal services they need from the most efficient supplier thereof.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Vancouver Quadra. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

FLOODS

MOOSE JAW—IMMEDIATE FINANCIAL ASSISTANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact flood damage in Moose Jaw is estimated to total approximately $10 million, and in view of the fact many residents will not have money to repair and clean up their homes and replace their personal and household goods lost in the flood, I move, seconded by the hon. member for Battleford-Kindersley (Mr. Horner):

That the government give consideration to making funds available immediately on an emergency basis to assist these people to become re-established.

Mr. Speaker: The motion proposed under the terms of Standing Order 43 requires unanimous consent. Is there unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

SASKATCHEWAN—FINANCIAL ASSISTANCE FOR PREVENTIVE WORKS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to request unanimous consent to move a motion under Standing Order 43 on a matter of great urgency that requires immediate clarification, namely, the conflicting answers and statements of the Prime Minister and two other cabinet ministers on whether or not the federal formula for sharing of costs resulting from flood damage in Saskatchewan also covers costs incurred for temporary works such as dykes and sandbagging. If I have the unanimous consent of the House, I would move, seconded by the hon. member for Assiniboia (Mr. Knight):

That this House is in agreement with the answer of the Minister of Environment (Mr. Davis) who said at page 1674 of *Hansard* for April 23: "In other words, temporary works such as the dykes now being built and sandbagging are subject to the formula for cost sharing".

And further, that this House requests the government to ensure that such costs are in fact shared with the province and municipalities concerned.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[*Translation*]

HOUSING

MEASURES TO REDUCE COST OF SINGLE FAMILY HOMES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with a matter whose urgency requires immediate attention. I refer to the excessive cost of houses which has again increased by 22 per cent in comparison with the same date last year. It is therefore urgent that steps be taken so that Canadians may purchase a house without running into debt for their lifetime. I therefore move, seconded by the hon. member for Drummond (Mr. Boisvert):

That this House consider the steps to be taken to reduce substantially the price of detached houses, more especially as a result of the removal of the sales tax on building materials, and enable all Canadians to become owners of detached houses.

Mr. Speaker: Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

YOUNG VOYAGEURS PROGRAM

ALLEGED RACIAL DISCRIMINATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to move a motion of urgent and pressing necessity. This motion is pursuant to the participation by students in the Young Voyageurs Program to which the Department of the Secretary of State contributes and also to the report that a white girl from Cardston, Alberta, apparently may have been advised or directed not to stay at the home of a black girl at New Glasgow, Nova Scotia, thus apparently contradicting the aims of programs such as these funded by all Canadians and designed to encourage personal interaction among Canadians from different regions of the country. Therefore I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the Secretary of State take whatever action he considers appropriate to ensure that as an integral part of all programs to which his department contributes in any way there are guidelines or conditions that there be no discrimination involved, thus setting out the principles implicit in the Canadian Bill of Rights.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

Mr. Speaker: There is not unanimity.

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

* * *

INDUSTRY

DOMESTIC PAPER SUPPLY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I would like to add my motion under Standing Order 43 to the series of 43's today.

In view of the fact that exports by British Columbia paper mills threaten a sufficient supply of these products to meet local needs this summer, I move, seconded by the hon. member for Skeena (Mr. Howard):

That this House urge the Minister of Industry, Trade and Commerce to consult with his provincial counterparts with a view to limiting paper exports to the extent that domestic demands can first be satisfied.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

AIRPORTS

RECLASSIFICATION FROM CLASS D TO CLASS C—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, in view of the fact that airliners over 200,000 pounds are now being permitted to land on a limited basis at airports at which they have not been able to land recently, I move under Standing Order 43, seconded by the hon. member for Edmonton-Strathcona (Mr. Roche):

That the Minister of Transport be instructed by this House to make a statement on motions to explain this very exciting news and to explain how the airports involved have become reclassified from class D to class C airports.

Mr. Speaker: Again, the motion proposed by the hon. member requires unanimous consent under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

TRADE

AUTOMOTIVE TRADE WITH UNITED STATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to move a motion under Standing Order 43. According to figures released by Statistics Canada yesterday, Canada experienced a further major decline in automotive trade with the United States, particularly in automotive parts, which if continued could lead to the largest annual deficit in automotive trade with the United States in many years. I therefore move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House instruct the Minister of Industry, Trade and Commerce to make a statement on motions early next week offering an explanation for Canada's deteriorating position on automotive trade with the United States and outlining the course of action the government proposes to take to remedy this situation, with particular reference to changes in the Canada-United States automotive agreement.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put under the terms of Standing Order 43.

TABLING OF AGREED MINUTE SIGNED BY MINISTER AND MINISTER OF ECONOMY OF IRAN FOLLOWING RECENT CANADIAN MISSION

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table of the House in both official languages an agreed minute signed jointly by His Excellency Hushang Ansary, Minister of Economy of Iran, and myself, reporting on the discussions which were held on the occasion of the recent Canadian trade mission to Iran.

* * *

HERITAGE DAY ACT

PROVISION OF NATIONAL HOLIDAY ON THIRD MONDAY IN FEBRUARY EACH YEAR

Mr. Ed Nelson (Burnaby-Seymour) moved for leave to introduce Bill C-282, respecting Heritage Day.

Some hon. Members: Explain.

Mr. Nelson: Mr. Speaker, the purpose of this bill is to establish a legal national holiday on the third Monday of February of each year in accordance with the terms unanimously endorsed by representatives of all parties in the Standing Committee on Justice and Legal Affairs in the last session. The motion is seconded by the hon. member for Windsor-Walkerville.

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

Oral Questions

ORAL QUESTION PERIOD

[*English*]

TRADE

REPORTED DEFICIT WITH UNITED STATES IN MARCH—POSSIBILITY OF U.S. IMPORT LEVY ON CANADIAN TRUCK PARTS—POSITION OF GOVERNMENT

Mr. Terry O'Connor (Halton): Mr. Speaker, I have a question and supplementaries for the Minister of Industry, Trade and Commerce. In view of the fact Canada's trade with the United States suffered a deficit in March of $89 million compared with a deficit in February of this year of $42 million, has the minister determined whether this trend is shortlived or, if it is a continuing one, can it be anticipated over what period of time it will continue and, if it is anticipated that it will continue, what does the government intend to do about it?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think if the hon. gentleman were to look at the figures he would see that for the first quarter we had a surplus.

Mr. O'Connor: Mr. Speaker, I am quoting Statistics Canada which is the government's own agency and certainly it indicates a deficit of $89 million and not a surplus. May I refer specifically to the auto pact between Canada and the United States. In view of reports yesterday that the United States has proposed an import levy on Canadian-made truck parts, an action clearly in violation of the auto pact and taken despite Canada's significant auto pact trade deficit last year of over $350 million, what is the government's response to the United States proposal?

Mr. Gillespie: Mr. Speaker, reverting to the first question, by way of clarification I should like to make it quite clear to the hon. member that there are fluctuations from month to month, and on an over-all basis Canada had a surplus on merchandise trade for the first quarter of this year. On the second point, with respect to the alleged duties that might be applied to truck parts, I believe that story is quite inaccurate.

ACTION TO ASSURE ADHERENCE TO AUTO PACT BY UNITED STATES

Mr. Terry O'Connor (Halton): Mr. Speaker, in view of the reports, which I believe are accurate in that I have checked them personally, that Ford of Canada intends to produce only large cars at Oakville starting with model year 1975 and now that General Motors similarly intends to phase out small car production at Ste. Thérèse, both of which moves will severely affect Canadian parts manufacturers, if not automobiles, when will the government make a determined effort to assure adherence to the Canada-U.S. auto pact by the United States?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the question was a very general one. I think the hon. member inadvertently tried to create the impression that in some way Ste. Thérèse was not going to proceed with small car production. That,

of course, is quite inaccurate as I have already told the House on a previous occasion. On the second question, with respect to living up to the agreement, I think both countries and the companies in both countries have, through their joint co-operative efforts, made the auto pact a very beneficial one from both points of view.

● (1420)

Mr. O'Connor: On a point of order, Mr. Speaker, I thought I had emphasized that I was not referring to any problem that might arise with respect to the automotive manufacturers themselves but to the parts industry which supplies the manufacturers. If there is a change quickly from small car production to large car production, those automotive parts suppliers will suffer.

Mr. Speaker: Order, please. That is debate between the minister and the hon. member. The Chair recognizes the hon. member for Oshawa-Whitby.

DEFICIT IN AUTOMOTIVE TRADE WITH UNITED STATES—ACTION TO ENSURE CANADA GETS GREATER SHARE OF INDUSTRY INVESTMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. As the major explanation for the deficit Canada has experienced in the automotive trade in the first three months of this year and all last year is to be found in the investment patterns in this industry in the United States, where investment exceeds investment in Canada by a ratio of nine or ten to one, what is the government doing to ensure that we get in Canada our share of the investment in this industry?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I reject the basic premise of the question. The reason for the significant change in terms of the balance is that the Canadian market has been the strong one and the American market a very weak one.

USE OF DISC PROGRAM BY UNITED STATES AUTO INDUSTRY—CANADIAN PROTESTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, without accepting by way of premise the conclusion of the minister, may I ask him if the government has yet protested, either through some international body or directly to the United States, against the DISC program which is being used by the automotive industry in the United States in flat contradiction of the agreement signed between the two countries concerning automotive trade?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, on other occasions it has been made very clear that the Canadian government does not favour the DISC program and the government has so made these views known.

Mr. Broadbent: Considering that the government has said it has made these protests, including the protest by the preceding minister, for the past 15 to 18 months without results, can the minister inform the House what the government intends to do inasmuch as the United States is ignoring these protests?

Mr. Gillespie: Mr. Speaker, I would have thought that by now the hon. gentleman would have realized that one of the major reasons for the corporate tax cuts was to put the Canadian manufacturing industry on a competitive basis with the United States manufacturing industry.

* * *

[Translation]

CORPORATE AFFAIRS

BILL TO BE INTRODUCED TO CONTROL PROFITEERING

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

Since he announced yesterday that he would introduce next Monday a bill intended to bring to order some of the companies that make exorbitant profits, the radio and television have not ceased to clamour that the bill promised by the Prime Minister was prepared by the socialists in Parliament in order to avoid elections. Would the Prime Minister clarify the situation and say whether socialism is making some headway within the Liberal party, or whether the government will protect personal initiative and private enterprise?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the simplest way of answering the leader of the Social Crediters is to remind the House that probably the same journalists have been asking this in the last few months: When will the Prime Minister implement the promise made during the debate on the Speech from the Throne and take action against the companies whose benefits are excessive?- After asking the question for months they are flabbergasted that I should introduce the bill I promised.

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

Is the Prime Minister also alluding to the CBC in his reply?

* * *

[English]

FINANCE

SUGGESTED ACTION TO CONTROL RISE IN LEVEL OF CANADIAN DOLLAR VIS-À-VIS UNITED STATES DOLLAR

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. As the Canadian dollar has now risen to $1.04½ U.S., making it increasingly difficult for the 25 per cent of our production sold in the export market to be sold competitively, as shown by the last two months of merchandise trade deficits, will the minister advise the House just how high the government is willing to let the Canadian dollar rise before it will step in to control this rise?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not speculate on interest rates or exchange

rates on the floor of the House of Commons, but I say to the hon. member that he should reconcile the policy he is advocating with his friend from Don Valley who has been recommending for some months that the Canadian dollar appreciate against the American dollar. The current reasons for this appear to be, first of all, the general weakness of the American dollar, reflecting a very weak first quarter in the American economy, compounded by the Canadian situation where we have a very strong economy and perhaps the best balance of payments situation of any industrial country in the world.

Some hon. Members: Hear, hear!

Mr. Hees: As the minister made no attempt to answer my question—

Some hon. Members: Oh, oh!

Mr. Hees: —and obviously intends to take no action to stop the dollar from rising and endangering Canadian exports, may I ask the minister whether this is the kind of dynamic leadership we can expect him to give when he presents his budget on May 6?

Mr. Speaker: Order, please. I doubt whether that supplementary is in order. The hon. member for Peace River.

ALLEGED PRIOR REVELATION OF BUDGET PROPOSALS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Finance who will be bringing down his budget on May 6. He is obviously aware of the strict requirements as to secrecy of presentation regarding the budget. Was the minister aware and did he approve of the striptease technique practised by the Prime Minister and the Minister of Energy, Mines and Resources, the Prime Minister in response to a planted question, in disclosing matters and tax proposals which quite clearly are or ought to lie squarely within the realm of a budget presentation? Did he give his approval to what was done, or has he expressed his concern to the Prime Minister?

Mr. Trudeau: Mr. Speaker, I rise on a question of privilege. I would like the hon. member to specify what particular divulgations I made which might be of a budgetary nature. Would he please do that? He has accused me of talking about budgetary matters.

Some hon. Members: Oh oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Peace River on a supplementary question.

Mr. Baldwin: Mr. Speaker, I will be glad to take the Prime Minister outside later because I am unable to answer questions.

Some hon. Members: Oh, oh!

Mr. Baldwin: Members on this side will be answering questions in a few short weeks. I have a supplementary question for the Minister of Finance. Has the minister received representations today following the extremely chaotic conditions which prevailed on the stock exchanges, particularly in Toronto, with a monetary erosion of almost $2 billion in Toronto and a 50 per cent increase in the volume of sales as a result of these improper disclosures? Is the minister able to assure the House there will be no further disclosures, either in the form of public electronic trafficking for political advantage or at all, and can he assure the House that the residue of the budget will be brought in without any further disclosures?

Mr. Trudeau: Mr. Speaker, on a question of privilege, can I take it that the hon. member is withdrawing his allegation regarding me in his first question?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

● (1430)

Mr. Muir: Who is the Minister of Finance and who is the leader?

Mr. Speaker: Order, please. Is the Minister of Finance rising on a point of order?

Mr. Turner (Ottawa-Carleton): No, to answer the question put to me by the hon. member for Peace River.

Mr. Speaker: Order, please. It seems to me there has been an exchange of questions and answers. If the hon. member for Peace River wishes to pursue the matter he will be recognized, but for the moment the Chair recognizes the hon. member for Verdun.

* * *

YOUNG VOYAGEURS PROGRAM

ALLEGED RACIAL DISCRIMINATION—REQUEST FOR INVESTIGATION

Hon. Bryce Mackasey (Verdun): Mr. Speaker, my question is addressed to the Secretary of State. In the light of what appears to be an act of discrimination in a program financed by the federal government, would the minister immediately investigate the matter to see whether such discriminatory directives arise from his own department and, if so, will he send the responsible person immediately to the U.I.C. offices?

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order on behalf of my hon. friend from Central Nova to draw Your Honour's attention to the fact that this matter was put forward in a motion under the terms of Standing Order 43 and the minister's supporters refused consent to deal with the question.

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): The former minister of labour should be calling on the minister to resign and on the hon. members who supported him in this discrimination to resign.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Mackasey: On the point of order, Mr. Speaker. I do not know who shouted no. I know how I felt about the proposed motion under Standing Order 43. I supported the very logical proposal of the hon. member for Central Nova and I am showing my anger in the only way I can, as a member, by asking a question of the minister directly.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond rose on a point of order and the hon. member for Verdun has spoken to the point of order. The minister is prepared to reply, and I will certainly recognize the hon. member for Central Nova on a supplementary.

Mr. MacInnis (Cape Breton-East Richmond): On a further point of order, I apologize to the hon. member for Verdun since he stood behind the motion under Standing Order 43. But the fact remains, Mr. Speaker, that you yourself put the motion a second time and the supporters of the Secretary of State on two occasions showed their discrimination.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, maybe I could clarify the situation.

Some hon. Members: Oh, oh!

Mr. Muir: No way!

Mr. Horner (Crowfoot): A double whamee!

Mr. Faulkner: Hon. members do not seem to be treating this matter very seriously.

An hon. Member: We do.

Mr. Speaker: Order, please. The hon. member for Central Nova now rises on a question of privilege. I am not sure whether all this is very helpful, but I will recognize the hon. member.

Mr. MacKay: Mr. Speaker, my question of privilege is simply this. Unfortunately the minister was not in the House when the motion under Standing Order 43 was presented, and I do not think it is proper for him to suggest that we on this side do not take this matter seriously. We do. I put it to Your Honour that this is an improper allegation for the minister to make.

An hon. Member: Silly!

Mr. Faulkner: Mr. Speaker, the incident was brought to my attention this morning. I have dispatched one of my officials to look into the matter. I would point out to hon. members opposite, before they begin to make blanket accusations about the Young Voyageurs Program, that although it is financed federally it is administered provincially. I can assure the hon. member for Verdun and others who have raised this matter that as a matter of principle this government will not tolerate any form of discrimination under any of its programs.

Some hon. Members: Hear, hear!

[Mr. MacInnis (Cape Breton-East Richmond).]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I just want to take this opportunity to thank those hon. members on the other side who supported the motion under the terms of Standing Order 43 and ask the minister—I concede that this is a provincially administered program—to look into this matter diligently and consider, insofar as possible, implementing guidelines or conditions to govern funds contributed to programs such as this so as to prohibit strictly any such discrimination, as is done already in many other areas of government legislation.

Mr. Faulkner: Yes, Mr. Speaker, if it is necessary. But I would point out that the program has been operating for ten years and this is the first incident of this kind which has occurred. But if it should prove to be necessary to provide protection against this sort of thing, I would certainly be willing to look at the hon. member's suggestion about guidelines.

REQUEST THAT PROVISION AGAINST DISCRIMINATION BE INCLUDED IN ALL GOVERNMENT FUNDED PROGRAMS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the seriousness of this matter I wonder whether the Prime Minister, in keeping with what I know his attitude to be, will cause an investigation of all government funded programs to be made to see to it that a clause prohibiting discrimination is included in each of them, thus indicating that this House and the government take a dim view of discrimination whether on the basis of race, creed, colour, sex or national origin? Would he assure the House that this will be done? I am very serious about the matter.

Right Hon. P. E. Trudeau (Prime Minister): As to the substance of the question I agree, of course, with the hon. member—and he was good enough to recognize this in his question. As to the way in which we might proceed, I do not think the solution is as easy as he suggests. This government has been concerned for some time now that federally-funded programs which are administered by the provinces do not always respond to the particular criteria or even to the intentions of the federal government. I am talking now about such programs in general. There is a constant effort—and there is one currently going on—to make sure that when the funds are derived from the federal taxpayers the federal government should get its share not only of the responsibility but also of the credit for programs which have worked well—for ten years, in this case—and for which the provinces very often get more credit than the federal government.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

REQUEST FOR TWO-PRICE SYSTEM FOR RESOURCES AFFECTED BY HIGH INTERNATIONAL PRICES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Prime Minister. In view of

the fact that Cominco has reported a first quarter profit increase of 174 per cent and Sherritt Gordon 180 per cent and the fact that the president of Sherritt Gordon attributes this to unreasonably high prices on the world level for certain resources, does the right hon. gentleman now intend to extend the two-price system to resources affected by high prices at the international level?

Right Hon. P. E. Trudeau (Prime Minister): I will stand by the position taken by the Minister of Finance in response to a question of this type a few days ago.

INCREASE IN DIVIDENDS, INTEREST AND BUSINESS SERVICE CHARGES—POSSIBILITY OF LEGISLATION TO END PROFITEERING

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question for the Minister of Finance. In view of reports this morning that in the first four months of this year dividends have increased by 35 per cent, and since the majority of these payments are going to non-residents, as well as increased interest charges and business service charges, could the minister say whether or not he intends to introduce legislation to end this type of profiteering?

Hon. John N. Turner (Minister of Finance): That four-month report is not completely conclusive as to the trend, but this will be one of the over-all subjects to which I shall wish to address myself when I am thinking of what I should say in the budget speech.

* * *

[*Translation*]

POST OFFICE

POSTAL WORKERS' STRIKE—PROGRESS OF NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I direct my question to the Postmaster General.

Does he have a statement to make to the House about the postal strike?

Hon. André Ouellet (Postmaster General): Mr. Speaker, the parties are pursuing their discussions this afternoon; a meeting was held this morning and there will be others this afternoon with Mr. Taylor.

* * *

● (1440)

[*English*]

ENERGY

ELECTRICITY—POSSIBILITY OF SUBMARINE POWER CABLE TO PRINCE EDWARD ISLAND TO REDUCE COST

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister and it relates to a question I asked him about a month ago in respect of rapidly increasing electricity costs in Prince Edward Island, the recent energy agreement and in particular the proposed construction of a submarine power cable. He indicated at that time that he had instructed further discussions to take place on this matter. Is he now in a position to make an announcement in respect of a decision or does he expect a decision shortly in order that some hope might be given to Prince Edward Islanders regarding their high electricity costs and the likelihood of even more increases in the future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the more fundamental aspects of this question, we are awaiting the outcome of the election to pursue the discussion, hopefully with Premier Campbell.

Some hon. Members: Hear, hear!

Mr. Trudeau: But on a related matter, Mr. Speaker, I am informed that Premier Campbell will be making an announcement in the next couple of days relating to a subsidiary matter on which we have already agreed regarding the transportation of electricity.

Mr. Speaker: Order, please. The Chair will recognize the hon. member on a supplementary. I believe the hon. member for Wellington-Grey-Dufferin-Waterloo has a supplementary to a previous question and I will come to him immediately afterward.

Mr. MacDonald (Egmont): Mr. Speaker, I have a supplementary question in respect of the agreement to be announced shortly. Can the Prime Minister indicate whether any actual feasibility or engineering studies have been done with regard to a submarine power cable or whether such studies will be commissioned shortly, and when there might be some report from those studies in order that some final decision might be made?

Mr. Trudeau: Mr. Speaker, I am informed that this is the very matter which will be the subject of an announcement by Premier Campbell within a very few days.

Mr. MacDonald (Egmont): Mr. Speaker, I have one further supplementary question. Can the Prime Minister give the House some idea as to when there might be, and there is no pun intended, a concrete decision in respect of the actual cable itself, because that is the operative question in this whole matter?

Mr. Trudeau: Mr. Speaker, I think this is a repetition of the first question to which I answered that there would be an announcement relating to the second question, which is surely preliminary to the concrete action to which he has referred. There have to be research and feasibility studies, and because this is a joint agreement I would not want to be any more explicit today in the House but will wait until the time that both the province and the federal government agreed to.

Oral Questions

POST OFFICE

POSTAL WORKERS' STRIKE—DISTRIBUTION OF FAMILY ALLOWANCE CHEQUES IN SOUTHWESTERN ONTARIO

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is supplementary to that of the Leader of the Opposition and it is for the Postmaster General. Yesterday he repeated that he had secret plans for getting family allowance cheques out of the regional post offices and into the hands of the people who are awaiting them. Without asking him to compromise the secrecy of his plans for getting them out of the regional post offices, can he inform the House where the people who are expecting family allowance cheques in southwestern Ontario will be able to pick them up and at what time? Can he indicate whether it will be in the first half of next week and where?

Hon. André Ouellet (Postmaster General): Mr. Speaker, I am not sure whether the hon. member is referring to old age pension cheques or family allowance cheques.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Family allowance cheques.

Mr. Ouellet: Mr. Speaker, family allowance cheques are almost all distributed except a very few, and they are in the process of being delivered presently.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, may I ask a further supplementary question of the minister for clarification. In the case of the hundreds of people who are expecting family allowance cheques which were stranded in regional post offices when the strike was called, has he been able to get them out of the post offices and distributed since then?

Mr. Ouellet: Most of them, yes, Mr. Speaker.

* * *

[*Translation*]

AGRICULTURE

FEED GRAINS—REQUEST FOR INQUIRY INTO HIGH PRICE OF WHEAT IN EASTERN CANADA

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

Since the publication *La Terre de chez-nous* reports that first quality wheat sells for $7.09 per hundredweight in eastern Canada and in Quebec in particular, and the Canadian Wheat Board informs us in its report that western farmers get only $2.65 a hundredweight for the same quality of wheat, does the minister intend to investigate and check this exploitation of eastern farmers, not profitable in any way to western farmers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, these prices are all monitored and all posted. It is very easy for them to check the actual cost of shipping and the actual commissions involved in respect of the people actually handling the sales. These figures when broken down show, I believe, that no one would be getting an unwarranted mark-up on the grain. In addition, as I am sure the hon. member is aware, Ontario corn is much cheaper and many people are buying this.

[*Translation*]

Mr. Rondeau: Can the Minister of Agriculture assure the House that the bill to control profiteering which will be introduced shortly will deal with the exploitation of the western farmers who get only $2.65 a hundredweight of wheat, while eastern farmers must pay $7.05 for it?

[*English*]

Mr. Whelan: Mr. Speaker, I think the only thing I can tell the hon. member is that he will have to be patient for a couple of more days to see the bill himself.

* * *

GRAIN

NORTHEASTERN ALBERTA—AID TO FARMERS WHOSE UNHARVESTED CROPS DESTROYED BY FLOODS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is also directed to the Minister of Agriculture. Inasmuch as flood conditions in northeastern Alberta have virtually destroyed a great portion of the unharvested crop remaining in that area, is he now reconsidering his earlier decision with regard to crop aid to the farmers who are affected there since, now that the floods have taken place, these people will not have a harvest to complete, and also bearing in mind that large advances have been taken out on those crops?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know if we have received an official request from the province of Alberta, but I do know from telephone conversations between our officials and officials of the Alberta Department of Agriculture that there have been some rough estimates of the loss. I understand that a formal request will be presented to the federal government, and we have responded generally to these requests in the past.

Mr. Horner (Crowfoot): Generally or generously?

Mr. Mazankowski: Some time ago the province of Alberta did make representations to the federal Department of Agriculture requesting that acreage payments be made. I am simply asking the Minister of Agriculture whether he is now reconsidering his earlier decision in regard to that proposal made by the Minister of Agriculture for the province of Alberta?

Mr. Whelan: Mr. Speaker, we have done practically—I do not think I can say exactly—what was requested by the province of Alberta at the time I met with the minister for that province. Before the spring runoff, which is taking place at the present time as a result of the melting of snow, there had been very small requests by the farmers of Alberta amounting to a total of $80,000, according to the last records I saw, because they too were waiting to see how much of their crops they were going to harvest. I admit that things have certainly changed since then.

Mr. Speaker: The Chair will recognize the hon. member for a further supplementary, and then the hon. member for Labelle.

Mr. Mazankowski: Mr. Speaker, I appreciate your indulgence. I am indeed surprised and rather disappointed with the explanation of the Minister of Agriculture. Can he explain to the House why that area of Canada is being treated differently from areas such as the eastern part of Ontario and Quebec which faced similar situations a year ago in respect of which the federal government participated in crop aid?

Mr. Whelan: Mr. Speaker, I take strong exception to what the hon. member is trying to insinuate. We have treated them all the very same no matter what part of Canada they are in.

Some hon. Members: Hear, hear!

Mr. Whelan: We recently agreed with the province of Saskatchewan to pay $1,200,000 because there was no insurance available in that area. The hon. member knows that insurance was available to those people for this type of crop loss in Alberta, as does the Minister of Agriculture for Alberta, and that is why the step was taken in Quebec and even in eastern Ontario where insurance was not available.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

An hon. Member: All talk.

Some hon. Members: Hear, hear!

An hon. Member: Alberta gets it again.

Mr. Speaker: Order, please.

* * *

[Translation]

AIR TRANSPORT

AIRPORT FIREFIGHTERS' STRIKE—PROGRESS OF NEGOTIATIONS

Mr. Maurice Dupras (Labelle): Mr. Speaker, I wish to direct a question to the hon. Minister of Transport.

Could he advise the House of the progress made in the bargaining between his department and the firemen on the Canadian airports?

Hon. Jean Marchand (Minister of Transport): In my opinion, Mr. Speaker, there is no bargaining involved, but rather the question of finding out whether the report concerning the bargaining between the Treasury Board and the Civil Service Alliance, acting on behalf of the firemen, has been approved or not. Some 20 minutes ago, I learned that the firemen had rejected the agreement reached by the Civil Service Alliance and the government, which means, as far as I could judge from the statements made by the firemen involved, that they will resume work immediately, the Alliance having accepted to submit the conflict to arbitration, and I am told that a request for arbitration has already been sent to the Canada Labour Relations Board as regards aspects related to the Public Service. Therefore, Mr. Speaker, it seems that we may see the normal resuming of operations.

[English]

● (1450)

INQUIRY AS TO REACHING OF AGREEMENT WITH AIR TRAFFIC CONTROLLERS ON PAY INCREASE

Mr. Lloyd R. Crouse (South Shore): I have a supplementary question, Mr. Speaker. Can the minister indicate whether an agreement has been reached between the government and the air traffic controllers who are seeking a new contract with his department?

Hon. Jean Marchand (Minister of Transport): No, they are not seeking a contract with my department. They are seeking a contract with Treasury Board.

Mr. Crouse: Mr. Speaker, I will redirect my question to the President of the Treasury Board. Would he indicate whether any agreement has been reached between the air traffic controllers and the Treasury Board with regard to their request for an increase in remuneration?

Hon. C. M. Drury (President of the Treasury Board): The answer is no, Mr. Speaker, not as yet, but we are working continuously to achieve this objective.

Mr. Speaker: The Chair will recognize the hon. member for Burnaby-Richmond-Delta for a supplementary and then the hon. member for Regina-Lake Centre.

RECLASSIFICATION OF CERTAIN AIRPORTS FROM CLASS D TO CLASS C

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. In view of the fact the minister has reclassified Vancouver international airport and other airports from class D airports to class C airports so that DC-8's are now landing on a limited basis, can he tell us why they were not reclassified at the start of the strike so we could have had better service?

Hon. Jean Marchand (Minister of Transport): For the very good reason that the supervisors fulfilling these duties wanted to know how to operate very suitably and rapidly the equipment which they did not know before. It is a matter of security, and now they say they can handle the equipment to take care of the DC-8's and 707's.

Mr. Speaker: I seek the co-operation of hon. members to attempt to limit the number of supplementaries between now and the end of the question period. I will see the hon. member for a supplementary.

Mr. Reynolds: I have a short question, Mr. Speaker. Is the minister telling us that those supervisors were not fully trained and that the security was not good at the start of the strike?

Mr. Marchand (Langelier): They were trained and they could handle the aircraft that were described in the communiqué issued to the press. Now that they are better trained they say, "well, we can take a little bit more".

Oral Questions

FLOODS

PREVENTION MEASURES BY TOWN OF LUMSDEN, SASKATCHEWAN—POSSIBILITY OF FEDERAL FINANCIAL ASSISTANCE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I want to direct a question to the Prime Minister but he just got away on me. I will direct my question to the Secretary of State for External Affairs who just became Acting Prime Minister. In view of the response to a question of mine on Tuesday by the Minister of the Environment regarding compensation for temporary works such as dykes, sandbagging, bulldozing and so forth to the effect that they would be subject to the federal formula for cost-sharing, may I ask the Acting Prime Minister if the government agrees with that answer and that in fact communities such as the town of Lumsden will be able to receive financial assistance under the federal formula?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I hesitate to answer a question so precisely. Certainly the Minister of the Environment was speaking for the government and I support the statement he has made on behalf of the government. The particular question about Lumsden the hon. member has put to me now I shall have to take under consideration.

Mr. Benjamin: Mr. Speaker, may I ask the Minister of the Environment if he has the support of his colleagues in the Cabinet and the government for his answer to my question of last Tuesday or whether the minister in charge of the Wheat Board when speaking in Regina yesterday was correct in saying as indicated in the following report?

Mr. Lang told a press conference the existing federal-provincial cost-sharing formula for disaster loss compensation does not extend to the cost of efforts to prevent the disaster.

Some hon. Members: Shame!

Mr. Speaker: Order, please. The minister rises on a question of privilege.

Mr. Lang: Mr. Speaker, I want to correct the quotation which the hon. member puts forward. I think that in the various statements that have been made what must be appreciated is what the Acting Prime Minister just referred to, that it is difficult to make a complete statement on the situation because whatever is paid by the federal treasury under our formula depends upon the approval in the first instance of the province of payments in respect of those matters. There is a list of things which are eligible on our part, but it depends first on what the province does and at this stage there is no way of knowing precisely what the province will do. But we have a very important support formula—

Mr. Speaker: Order, please. The hon. member for Qu'Appelle-Moose Mountain.

Mr. Lewis: A point of order, Mr. Speaker—

Mr. Speaker: I apologize to the hon. member. The hon. member for York South seeks the floor on a point of order.

Mr. Lewis: I rise on a point of order, Mr. Speaker. The question was addressed to the Minister of the Environment. The Minister of Justice rose to his feet to clarify a statement which he was reported to have made. He did nothing of the sort. He added to the confusion. I think he was arrogant in rising and confusing in his remarks and that the Minister of the Environment should be given a chance to answer the question so that the citizens of Lumsden will know whether or not there is a chance for them to get some assistance.

[Mr. Marchand (Langelier).]

Mr. Speaker: Order, please. The Chair has no objection, of course, to allowing the minister to reply to the hon. member's question, but we are running short of time and I am wondering whether this is what hon. members want the Chair to do.

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the simple answer is that we are both right, the Minister of Justice and myself, in respect of my answer the other day. All works which have been put in place currently or as a result of the current flood threat, as well as damages incurred as a result of the flooding, are subject to the federal formula and compensation from Ottawa. It is a fact that the province makes out the cheques and the federal government then pays the province on a matching dollar basis, the formula for which includes a threshold above which the federal contribution rises in an ascending fashion. Dikes recently put in place to deal with the flood threat, sandbagging and so on are all subject to federal support.

Mr. Speaker: The Chair recognizes the hon. member for Qu'Appelle-Moose Mountain. Order, please. We have reached the end of the question period. I will, of course, recognize the hon. member who is seeking the floor on a question of privilege and then the hon. member for Qu'Appelle-Moose Mountain who has been trying to get the floor for three or four minutes. The hon. member for Regina-Lake Centre rises on a question of privilege.

Mr. Benjamin: Mr. Speaker, my question of privilege is very brief. It can be simply handled by the Acting Prime Minister on behalf of all members of the House and the residents of Saskatchewan, particularly Lumsden, if he will have the Minister of Justice keep his nose out of this matter.

Mr. Speaker: Order, please. May we have order, please. I suggest to hon. members that these alleged points of order and questions of privilege are not really what they are claimed to be. They are really debate between members and a minister. Perhaps we might try to go on to the next question. The Chair has recognized the hon. member for Qu'Appelle-Moose Mountain.

* * *

ENERGY

POSSIBLE DEFECTIVE PIPELINE AT AGASSIZ BRIDGE ON FRASER RIVER

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Has the minister been informed by the National Energy Board about a possible

defective pipeline at the Agassiz Bridge on the Fraser River?

● (1500)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have not seen that personally but I will make an immediate inquiry.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Would the minister, if he does find evidence of a report having been submitted, get the National Energy Board engineers to confirm or deny the truth of this allegation which has been dealt with in the British Columbia legislature and also in the newspapers there?

Mr. Macdonald (Rosedale): Yes, sir.

* * *

FLOODS

MOOSE JAW—REQUEST FOR IMMEDIATE FEDERAL FINANCIAL ASSISTANCE

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Acting Prime Minister. In view of the fact that flood damage in the city of Moose Jaw is estimated to be approximately $10 million, in view of the fact many of the residents suffered extensive damage both to their residences and to their businesses, and also in view of the fact that many of these people do not have the necessary funds to re-establish themselves, would the Acting Prime Minister take the necessary steps to make moneys available immediately to assist these people on the basis that any money paid out would be a charge against the moneys to be paid out later under the federal-provincial sharing agreement?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the arrangements for federal participation in meeting the cost of disasters of this kind are of long standing. We stand by these undertakings. The procedures are well established; the province of Saskatchewan can proceed and it will be compensated.

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HEALTH

STEPS TO HAVE CERTAIN UNIVERSITY GRADUATES RETURN TO THEIR HOMELANDS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, in view of Canada's contributions in foreign aid to underdeveloped countries I should like to ask the minister what steps the federal government is taking specifically to meet the urgent demands and pleas of the underdeveloped countries to have their overseas graduates return to their homelands?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the World Health Organization has recently suggested an international study of the migration of health personnel. We have just received representations from the World Health Organization in this respect. We are considering this proposal for study and I would think this matter might well be raised at the next conference of WHO in Geneva during the month of May.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—POSSIBLE BOYCOTT BY QUEBEC PRODUCERS—REVISION OF POLICY

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the Minister of Agriculture.

Last week, at the annual meeting of the Quebec Federation of Milk Producers, it was decided that if the federal government did not revise its recent dairy policy, the federation would set up a strategy to boycott milk products; can the minister tell the House whether he is prepared to revise this policy which fails to meet the minimum requested by the federation?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we met the Ministers of Agriculture from la belle province, Mr. Pepin, and from the next belle province, Ontario, yesterday afternoon.

While I am on my feet I should like to make a correction to the answer which I gave earlier to the hon. member regarding flood damage in Alberta. I erred when I said that we were sharing with Saskatchewan $1,200,000. It is possibly $2 million that we will be sharing with them. Also, the Alberta government has informed us that as soon as they make a complete survey of the damage they will send us a formal request.

[*Translation*]

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

I have a clear impression that I did not get the answer I wanted. I want to know precisely—and I am very happy for the people of Ontario, Mr. Speaker—whether the minister is prepared to revise or reconsider milk policies to give a positive answer to the requests of the Quebec Federation of Milk Producers.

[*English*]

Mr. Whelan: The Minister of Agriculture of the province of Quebec has asked if I will meet with these people together with him, and I have agreed to this. We have also agreed to look over the whole program. But, to be fair, let me point out that the whole program is not three weeks old yet, and I do not know how they can say just what it is going to be. However, we are willing to explain it in greater detail to show them what this program will do and what we hope to do with the new long-term dairy policy.

Mr. Speaker: I will recognize the hon. member for Grenville-Carleton and then we will have to call orders of the day.

Oral Questions

NATIONAL CAPITAL

POLICY OF GOVERNMENT ON USE OF GREEN BELT—SUGGESTED APPOINTMENT OF REGIONAL MUNICIPALITY CHAIRMEN TO COMMISSION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the fact there is a study under way by the National Capital Commission which may result in the reshaping of the green belt and its possible use for housing under certain circumstances, would the minister inform the House whether his statement on June 29, 1973, that the green belt would not be used for industrial purposes and his statement on July 9, 1973, that he would not recommend a transportation complex in the green belt still represent the policy of the government with respect to the use of the green belt?

Hon. Ron Basford (Minister of State for Urban Affairs): Yes, Mr. Speaker. Those statements stand. The commission is, however, as the chairman made clear, reviewing its policy on land holdings, which include many other things than the green belt, and they will be making recommendations to the government in due course which we will be considering. Their determination in preparing and reviewing their land holdings is, however, to protect the integrity of the green belt and to ensure that it is a valuable conservation and recreation asset.

Mr. Baker: In view of the critical planning stage we have reached in the national capital area, particularly in the relationships of the regional municipalities with the federal government which is the largest landholder, has the government taken a position with respect to the appointment of the chairman of both regional municipalities, the regional municipality of Ottawa-Carleton on the one hand and Outaouais regional municipality on the other, as members of the National Capital Commission so that there can be co-ordination on the policymaking level of the commission?

Mr. Basford: No, Mr. Speaker, but it may well be that Mr. Fullerton, the former chairman of NCC, who is preparing a report on the structure of the NCC, which report will be referred to a committee of the House in due course, may want to examine it. With regard to the substance of the question, I want to assure the hon. member that there is a very close collaboration between the two regional municipalities and the NCC in their planning processes which are very current at the present time, and I would anticipate—

Mr. Speaker: Order, please. We have gone beyond the question period. Perhaps the hon. member for Hamilton Mountain might be allowed a supplementary, and I believe the hon. member for Saint John-Lancaster has a point of order.

INFORMATION CONTAINED IN BOOKLET "CANADA'S NEW CAPITAL"

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my supplementary question was for the Prime Minister but I will direct it to the Minister of State for Urban Affairs. In May, 1973, the Prime Minister commissioned a special task force to study the national capital area. To my knowledge, the study headed by Mr. Fullerton has yet to be tabled. Can the minister tell me if the booklet, "Canada's New Capital", which contains information that one would expect from Mr. Fullerton's study, is indeed a leak from that study and, second, does the minister agree that land bought from the E. B. Eddy Company in the province of Quebec is indeed in the heart of the capital of Canada, as stated in the booklet?

[Mr. Speaker.]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, there is no relationship between Mr. Fullerton's study, which I understand is on time, and this booklet. The study has not yet been submitted to the government but I understand that Mr. Fullerton's preparation work is on time for his study. With reference to the second part of the question, the E. B. Eddy property is partly located in the province of Ontario and partly in the province of Quebec. It is located in the centre of the national capital region as agreed to by the Prime Minister and ten provincial premiers some years ago.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: May I ask the government House leader the business for next week and say to him that we are willing to show reasonable co-operation in moving forward these small bills before the finality of the budget makes itself known the following week.

Mr. MacEachen: Mr. Speaker, we propose to continue until completion second reading of Bill C-3, environmental contaminants, to be followed by Bill C-27, the railway crossing bill, followed by the federal business development bank bill and the Prairie Grain Advance Payments Act. I might mention to the House that I propose to give notice of the end of profiteering bill on Friday, and probably will be able to call it on Tuesday—

Mr. Hees: That is known as the NDP buy-off bill.

Mr. MacEachen: —if the House is ready to deal with such a comprehensive measure after only a day to study it.

With reference to the railway crossing bill, I understand it would be agreeable if the House ordered that debate on second reading be confined to two speakers for each of the parties in the House and that following that we would deal with the bill in Committee of the Whole with no limitation. I would say it would be my intention to continue with the railway crossing bill today. If it were completed, I would call the Federal Business Development Bank but if not, and in any event, I would call the Federal Business Development Bank as the first item of business tomorrow to give hon. members some certainty as to what will be before the House on Friday.

• (1510)

An hon. Member: Is Stanley happy with all that?

Mr. Speaker: Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on the same point of order?

Mr. Knowles (Winnipeg North Centre): First, Mr. Speaker, I should like to indicate our agreement with the House order which was proposed.

Mr. Hees: It is just the way you wrote it, Stanley.

Mr. Knowles (Winnipeg North Centre): I hope I am just as successful when I ask when we will see the bill to amend the War Veterans Allowance Act.

Mr. MacEachen: Mr. Speaker, I must say I cannot thank the hon. member for giving me notice of that question! I cannot tell my hon. friend when he will see it but I can assure him that he will see it in the near future. We are working on it.

Mr. Bell: How many shopping lists have you got?

Mr. Knowles (Winnipeg North Centre): Will we get it before budget day?

Mr. Hees: Otherwise there will be trouble!

Mr. MacEachen: Mr. Speaker, I find it difficult to do serious business with the distractions provided by the hon. gentlemen opposite. I cannot give that assurance, but my hon. friend will see it in a form that will make it irresistible to him.

An hon. Member: Allan in wonderland!

Mr. Beattie (Hamilton Mountain): Mr. Speaker, my question of privilege concerns the publication of this booklet "Canada's New Capital" by the National Capital Commission. I said earlier that I thought there was a leak from this bulletin. I see here that part of the address of this commission contains the proposed new name for the capital of Canada, namely 48 Rideau Street, Ottawa-Hull. Would the Minister of State or the Postmaster General wish to comment on that?

GOVERNMENT ORDERS

[*English*]

ENVIRONMENTAL CONTAMINANTS ACT

MEASURE TO PROTECT HUMAN HEALTH AND ENVIRONMENT FROM CONTAMINATING SUBSTANCES

The House resumed, from Wednesday, April 24, consideration of the motion of Mr. Davis that Bill C-3, to protect human health and the environment from the release of substances that contaminate the environment, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

Mr. Speaker: Order, please. I believe the item before the House now is the item standing in the name of the hon. Minister of the Environment (Mr. Davis). The point of order which was raised by the hon. President of the Privy

Council (Mr. MacEachen) related to the next order of business. I wonder whether it is the wish of the House that that order be passed immediately in respect of the second item of business. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: The understanding of the Chair was that there would be two speakers from each party in the House or a maximum of two speakers for each party and that the bill be referred to a committee of the whole. Is this agreed and so ordered?

Some hon. Members: Agreed.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my remarks were almost completed at six o'clock last night. I had pointed out to the minister some of the concerns that we on this side of the House have about the bill. I had pointed out to the minister, as had colleagues on this side of the House, that we welcome the measure but that we would want to subject the bill to much closer scrutiny when it gets to committee. I have pointed out that we would much rather have had some official guidelines which other levels of governments, departments of government and industry could follow. We would have liked to see some moneys in the bill. The minister went to great lengths to explain that the onus would be on industry, on the offenders, rather than on the government and the people to ensure that there is no environmental damage or damage to human life as a result of pollution and industrial discharge. He said that industries must pay. We all agree, Mr. Speaker. That is not a difficult idea to sell these days, if we look at the federal budget. The question is, for what does industry have to pay?

There is a certain amount of uncertainty about this bill because the minister introduces all kinds of new problems. We have gone a step further now. We used to say, "Don't do like we do, do like we say". Now, we have altered that to "Do as we might say". The bill introduces all kinds of new things that could happen.

The disclosure section of the bill refers to the minister or the Minister of National Health and Welfare having reason to believe that a substance is being or will be released into the environment. This could be a strange substance, Mr. Speaker, something that we do not know about today, that could have been released into the environment or that might be released in the future. The clause provides that the minister may cause an order to be published in the *Canada Gazette* and that he may send written notice to those engaged in the activity. But, Mr. Speaker, how is the minister going to find out about the offence in order to have it published in the *Canada Gazette* or to send a letter? He would have to send out an army of witch hunters, such as we have in other departments of government. They would have to report to him that something is about to happen that might damage the environment or human health. There is a great feeling of uncertainty as a result of this bill. I am sure that my colleagues in the opposition and, I hope in the government, would like to rectify some of these matters when the bill is in committee.

I am not fishing in the dark, Mr. Speaker. I should like to recite a situation in which I was involved. In this case

the Department of Public Works, on behalf of the Department of Indian Affairs and Northern Development, contracted to carry out some work in the Northwest Territories. A private firm was engaged to move equipment to the site and commence the work. There was some delay because of floods and transportation problems, so by the time the contractor got to the site the Department of the Environment had decided not to issue an environmental permit. Subsequently, through the Department of Public Works and the Department of Indian Affairs and Northern Development, the work was cancelled. Then, it was discovered that the contractor had to be compensated for the cost of bringing his equipment on site. However, due to the fact that there was a delay, not of a year or of six months or of three weeks, but of two days, by a technicality it was decided that he did not have to be compensated. Had he been on the site at the specified time, he would have had to be compensated but because he was two days late, there was this loophole.

I point this out, Mr. Speaker, three departments of government were involved and yet we put the onus on industry to protect itself. I ask, against what are we asking industry to protect us? Surely it is the responsibility of the federal government, in conjunction with provincial governments, to provide guidelines with respect to substances which are polluting our air, water and environment. Such guidelines are not now in existence. It is easy to provide for anti-pollution equipment when a plant is in the planning stage. If there are guidelines with respect to pollution levels, they can be applied at the stage where the feasibility of a new plant is being considered, and then they can budget for equipment. It becomes almost impossible to plan with respect to pollution control if you are not planning on the basis of known factors. I know the minister is concerned about this.

● (1520)

When the bill is in committee I hope members will work with diligence to work out some solution to this difficulty. I know it cannot be done overnight, as the problem is complex. We must arrive at some solution so that we can provide business and industry with guidelines in this area. When introducing the bill yesterday, the minister said several times that he strongly favours prevention as opposed to cure. To my mind strict guidelines are the first preventive measure which ought to be considered in dealing with this serious problem.

Having said this, I assure the minister that my colleagues on this side welcome the bill. We should have liked to see it long ago, but, nonetheless, we will co-operate in every way possible to pass the measure. Efforts will be made on our behalf to move amendments. The minister invited comments and amendments to this bill. I know he will co-operate when they are advanced.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I will not unduly delay the progress of this bill which is of sufficient importance to warrant broad discussion at this stage of our deliberations. The concept of controlling and managing the environment is of fairly recent origin. Members who have spoken in the debate so far have said how pleased they are to note the initiative taken by the government in taking this further step in dealing with the problems connected with the environment.

[Mr. Oberle.]

In his statement yesterday the minister emphasized that the purpose of the bill is preventive, that it anticipates the possible contamination of man's environment. He said that it also deals with a broader concept, the protection of human health. The hon. member for Lambton-Kent (Mr. Holmes), who spoke on the bill yesterday, dealt in detail with the health aspects of the bill and about problems which flow from contamination. I do not need to report what he said.

As the minister has included in the bill a concept for protecting human health from contaminants, I hope he realizes how broad are the dimensions of what is implied. If such an idea is to be effective, we shall need legislation much more comprehensive than that represented by Bill C-3 which is now before us.

May I comment briefly on the object of prevention. Although it is desirable to make sure that man does not further unnecessarily contaminate his environment with man-made contaminants, particularly through the growth of the synthetic industry, I need hardly remind the minister that we cannot arrest the problem at this stage with legislation like this. This legislation, which it is hoped will prevent man from further contaminating his environment through his own pollutants, hardly deals with the broader aspects of the problem.

Yesterday the minister said, justifiably, that he will require lots of advice if he is to come to grips with this difficulty. He expressed the hope that advisory councils, both formal and ad hoc, will be sufficient to keep him, the department and the government fully posted on the broad implications of the question.

That brings me to the first point of my brief contribution today. There has been in existence since 1962 an advisory council which, I think, will be one of our most useful tools for dealing with environmental pollution in future, as anticipated in the bill, and for dealing with some of the broader aspects of the problem yesterday outlined by the hon. member for Lambton-Kent. I am referring to the resource ministers council which has been in operation for the past 12 years. That council is a purely advisory body. It cannot be given executive responsibility because the area of resources, particularly renewable resources like air and water with which the present bill is designed to deal, is an area of joint jurisdiction. Responsibility lies somewhere between federal and provincial administrations.

All governments have failed to come to grips with pollution, partly because it has been difficult to know where specific areas of responsibility lie. That is one of the difficulties of life in a federal state. Here is a ready made advisory council which is based in one of our major cities, Montreal. It has been in existence for the past 12 or 13 years. Its purpose is to advise the federal government and provincial levels of government on the broad implications of pollution, particularly environmental pollution, and to recommend legislative solutions. The resource ministers council will make this broader examination possible, as it is involved with the private sector of the Canadian economy.

The minister went to some lengths to point out that the bill will be effective because the polluter will pay. The bill implies that the polluter in most instances in industry and, as a financial penalty is to be imposed on the polluter, industry will be more circumspect in its plans and programs for industrial growth and expansion. The difficulty from my reading of the bill is, how are we to bring about enforcement? The bill is pretty well permissive and voluntary in this aspect.

● (1530)

How are we going to get the cooperation of industry? The suggestion seems to be that the advisory committees will keep a watching brief on the whole problem. The advisory committees will report to the government and, having received the report, the government will move in to take the necessary corrective action.

It would be much more useful and effective if somewhere in the bill it could be stated that industry itself has some responsibility of giving notice of its intentions to move into an area where the synthetic products involved might be the source of contamination. This would anticipate the problem. It would lock the door before the horse is stolen in the figurative sense, and would have the desired effect of preventing the difficulty rather than trying to resolve it after it has developed.

If we are looking for a body that would look at the whole aspect of the problem, not only intergovernmental, but the continuing relationships between industry and governments, the resource ministers council with its qualified staff which has been carrying out studies in the area of pollution control for the past number of years would be most useful and effective in this regard.

The greatest difficulty in administering the bill will be the fact that there is an inherent conflict between industrial growth and the problem of pollution control. We had this brought forcibly to our attention in recent months when Canada and the world was faced with an energy crisis. Immediately there was a tendency to relax the emphasis of pollution control through the use of energy. We had a discussion in the House. Certain federal government departments were violating some of the standards laid down for the use of energy and domestic fuels that did not meet the restrictions on sulphur content laid down by government anti-pollution programs.

Here is where we will face the real difficulty of bringing the bill into effective implementation. We will not only need the voluntary control of industry, but there will have to be in the legislation some built-in safeguards to ensure that industrial polluters will not only be threatened with the necessity of paying for pollution, but will have some responsibility for reporting in anticipation of any particular industrial activity and growth that will constitute a threat.

I know the bill provides for the payment of any expenditures with regard to research in this area devolving upon the industrialists. This will make it all the more difficult to control these industrial polluters who because of the heavy financial penalty imposed by the terms of the legislation which makes them responsible for paying the cost of research, might be tempted to conceal the information that their activities are going to constitute a threat to man's environment.

Not only is it going to be necessary to get the support of industry by voluntary and, to a certain extent, legislative action if there is to be any hope of successful enforcement of the legislation, but there must be an assurance of continuous public support. In most instances, where the legislation is going to apply, it will be as a result of information laid by the concerned public.

It seems that as the issue has developed over the years, the public are ahead of governments in this regard. There has been pressure from the Canadian public. Indeed, very concerned people around the world have forced governments, which in many instances have been reluctant, to come to grips by introducing legislation to deal with the problem. It is the public protest and the public voluntary action that has gradually forced governments to move into this area. The fact that the United Nations has seen fit to move into the area of environmental control by setting up a separate secretariat indicates that it is not only a problem peculiar to Canada and North America, but that it is a problem of growing concern around the world.

One of the most hopeful developments is the growing concern of young people. It is the young people of Canada and around the world who are most concerned about the control of pollution on the spaceship earth. They are, of course, most concerned about the future prospects for the quality of life on the earth in which we live, move and have our being.

When this bill goes to committee, I hope we will have the opportunity of hearing from some of the organized groups in this country which have from time to time sent excellent briefs expressing their concern and indicating a considerable knowledge of the problem as the result of intensive study. I trust that when the bill goes into committee we might be able to hear from some of these voices from the people.

One final point I wish to make before concluding my remarks concerns the international implications. In the first instance the problem of environmental contamination as it involves the renewable resources of air and water, is respecter of international boundaries. I hope that at the committee stage there will not only be discussion on how we get provincial cooperation and the cooperation of private industry, but that there will be some consideration of cooperation, particularly within North America, across the international boundary. There are many areas of Canada which are crossed by international boundary waters.

I wish to mention one particular problem that concerns the part of Canada I represent in the House of Commons, the Souris River and the potential threat that arises from a project south of the border in the state of North Dakota that has been underway for a number of years. The Garrison Dam represents a major multi-million dollar project to control the waters of that area of the United States. Eventually it will involve the Souris and the Red River which crosses the international boundary.

● (1540)

Obviously, if the project of the United States is to proceed as anticipated by the planners in the American

government, there should be some means by which Canadians can not only express their concern but can take effective action to prevent the pollution and contamination of boundary waters. I know there is already legislation in existence designed to deal with international boundary waters, and I know also that the government of Canada has expressed its opposition in official notes to Washington. But here we are debating and dealing with a piece of legislation which, as the minister outlined in his opening statement the other day, is bringing together important aspects of the issue which have been dealt with in isolation in the past. Here is a piece of legislation which is heralded as a major break-through in controlling environmental contamination, and I trust we shall not only consider the domestic aspects of the subject when we are deliberating in committee but also the fact that on the North American continent the prevention of the pollution of our environment, particularly of the air and water, will be dealt with effectively in this bill.

Several areas of concern have been brought to the minister's attention in the course of this debate. Members of the Official Opposition will be putting forward amendments in committee to improve the legislation. I trust that the minister, who in his presentation yesterday indicated he wanted this bill to represent a major break-through in pollution control, will take a positive and sympathetic attitude to these amendments when they come before the committee.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, while the bill now before us is not related to inflation, the cost of living, the price of groceries, the price of milk or the low purchasing power of those on fixed incomes, subjects which are of prime concern, I submit, to the Canadian people, the legislation in the name of the Minister of the Environment (Mr. Davis) nonetheless deals with another matter which is of great concern, if not of prime concern, to Canadians and to all who live on this planet, namely, environmental pollution and contamination.

To this extent, and because the bill will involve the imposition of more rigid controls, we on this side of the House wish to assure the minister of our general support for the measure, as long as due weight is given to all the implications and priorities which must inevitably enter into decisions on such questions. There are few provisions in the bill to suggest that the dividing line between pollution and the exploitation necessary for the development of our country has been sufficiently considered. The various reports which will be submitted to the minister under the provisions outlined here will do so, I trust.

My comments this afternoon will be to a large extent confined to an attempt to seek clarification—to remove some of the confusion, uncertainty and fuzziness which, I suggest, this legislation contains but which could be cleared up in committee. First of all, it is interesting to note that this is what might call a bi-ministerial bill. It is presented by the Minister of the Environment but it definitely and closely involves the Minister of National Health and Welfare (Mr. Lalonde), for obvious reasons. The situation is one which requires close co-ordination between the two ministers. I hope this co-ordination will be forthcoming and that it will be effective. I hope that indeed it will

be more effective than the co-ordination which has prevailed in the past between the Minister of the Environment and the Minister of Transport (Mr. Marchand)—I refer to the recent hand over of responsibilities in connection with small harbours. I believe things are on the right road now, but during the process of the hand-over the co-ordination between the ministers concerned left a certain amount to be desired. In this case, the ministers do not sit as close to each other as the two ministers I have just mentioned. Nevertheless, I trust they will be able to co-ordinate their activities in this field.

There is one thing which mystifies me with regard to this bill and I hope the minister will have something to say about it when he closes the debate on second reading. It is the use of the word "contaminant". The word everyone has been using up to now is "pollution". Suddenly, we find the word "contamination" being used, apparently as something distinct from "pollutant". Are they the same thing? I have looked up both words in the dictionary, and I find they are very close to being the same in meaning. The Concise Oxford Dictionary says that to contaminate is to pollute. I looked up "pollute" but the definition did not mention "contaminate". It said: "destroy the purity and sanctity of". That is about the same thing. Nevertheless, I am not quite sure why the minister has shifted his ground. Does he, for example, intend to exclude those pollutants which have captured the frightened imagination of the world in these last days and months—oil pollution at sea, for example? Is it his intention that industrial effluents be covered, or excluded? We are concerned nowadays about the effect of industrial effluents in the air in the form of smoke.

● (1550)

I recall hearing in a committee meeting I attended about the rather frightening prospect of vapour trails and ice trails being created by high-flying aircraft as a pollutant or contaminant of the atmosphere capable, it is thought, of altering atmospheric conditions, or environmental conditions of the world—I cannot use the word meteorological anymore—by increasing cloud cover. Is this the sort of contaminant the minister has in mind in presenting the bill with this wording, and I ask him this in all seriousness? There is another question, of course, in respect of car emission standards. Is this envisaged as part of the area this bill is intended to cover?

I also notice this wording, which again I find a little confusing:

—that a substance is being or is likely to be released into the environment—

It is true that we have to deal with language when formulating these clauses, and I am not being hypercritical. I am asking these questions and making these enquiries so I will understand what this bill is intended to cover in the way of pollutants that are being or are likely to be released. I have already mentioned vapour trails from high-flying aircraft amongst those things that are being released. I am wondering if such a thing as the *Irving Whale*, for example, which is below the water off the Cavendish Beach, is one of the concerns to be dealt with in this bill. This pollution is not being released, but it is capable of being released. Is it intended under this bill to

require that this particular vessel be floated and that the energy it contains be put to some better use than is now the case?

In looking at His Excellency's recommendation I notice that it is intended to provide for the appointment of an Environmental Contaminants Board of Review, for the appointment of advisory committees, and for the designation of any person as an inspector or analyst. As I understand recommendations, these must be there because of the financial implications involved in these particular actions.

One area I do not see covered in this recommendation, and one I suggest we should not overlook, is research into possible contaminants or pollutants to ensure that proper measures of control are taken. This satisfies me to a certain extent, but I would like to have further assurances from the minister.

I notice in Clause 3 on page 3 of the bill the minister and the Minister of National Health and Welfare (Mr. Lalonde) are to be empowered under this particular provision to make use of the services and the facilities of other departments of the government of Canada or of any agencies thereof, by which I understand, and I hope I am correct in my understanding, this would mean the Defence Research Board, the National Research Council and other research agencies. However, there is no provision made for assigning to these research bodies the areas of inquiry or research into matters covered by the bill, and I think some consideration ought to be given to this. I welcome that particular clause at page 3 because it does go that far anyway.

I welcome also the reference to provincial consultation, and the hon. member for Brandon-Souris (Mr. Dinsdale) who spoke just before me did mention the existence of a federal-provincial consultative body, the ministers of resources, which I think is a body that must be used more and more to ensure that there is not any heavy-footed federal interference in provincial jurisdictions, but that the provisions of the law that are applied across Canada shall be implemented, where they have to be implemented, provincially and not by imposition from the outside.

I note on pages 7 and 8 of the bill some reference to the tabling of reports which are prepared by the board and a decision as to whether those reports might be made public or whether they might be retained in the hands of the government rather than made public. We have had experience with government's refusing to table reports which, from all outward appearances, ought to be public documents. I am wondering whether it would not be a worthwhile amendment to suggest, and perhaps this will come out but I put it forward for what it is worth at the moment, that the device of having so many members of the House requiring a debate on the decision regarding whether a report ought to be made public and possibly referred to the appropriate committee, be adopted. The matters covered in any of these reports are bound to affect Canadians from one side of the country to the other, and it is not right or proper for any government to allocate to itself the decision on the matter of whether the report should be made public. There should be provision here I feel for parliamentary consideration of that particular aspect of tabling reports.

Environmental Contamination

I mentioned a little earlier the matter of pollutants, and particularly oil, as there is a fear that this will become more and more a source of pollution in our waters. I take this opportunity to welcome the note which was presented by the Secretary of State for External Affairs (Mr. Sharp) to the United States government not very many weeks ago, and which he tabled in the House. I am very glad that note was tabled as we now know some of the matters that were hinted at in that note. I am wondering whether this bill could be of assistance in that particular field.

What is needed in addition to these agreements is the ability to enforce the undertakings we make, or the things we insist on in any agreement we have with United States, be they navigational standards, construction standards or other standards. I have mentioned the *Irving Whale* and the possibility of oil pollution in that regard. I have good reason to believe from talking with technicians, people competent in the art, that this particular vessel could be floated, and I am wondering why it has not been. I have heard for example, that this might involve a legal matter because the insurance on the cargo has been paid and it should not be raised because there might have to be some compensation or reimbursement to the insurance company. I ask whether this is really a telling argument. Surely, a hulk lying on the floor of the sea must be a fair prize available to any organization, person or government agency which has the wit and whim and funds to raise it. I find the legal argument that has been put forward to me a rather specious one.

● (1600)

I feel reasonably certain that some of the other matters that this bill is intended to cover are such things as industrial effluents from pulpmills and iron and steel mills, again matters where provincial consultation will be most important. I think the provinces are doing all they can, and I hope they will welcome the added strength which this bill will give.

I have one further inquiry in respect of one degree of contaminant in the food we eat. I refer to fish and one particular species. I would refer to the research work in relation to mercury contamination, not only in respect of fresh water fish but also fish on the high seas. A swordfish industry did exist. It was brought to an untimely end because it was felt that the mercury content of the swordfish was too high for human consumption. My understanding is that, because of the nature of the beast and the way it feeds, the swordfish is a mercury carrier if you like. Swordfish is still eaten as a delicacy in many parts of the world. Anyone who visits Istanbul will know about the delicious swordfish dishes presented there. It is available in other parts of the world and yet our swordfish industry has been eliminated entirely. I ask the minister whether there is not room for further research in this area so that we will be absolutely certain concerning the levels of mercury in swordfish.

There may be other areas also in which we can clarify our thinking on this matter through good, solid, funded research. We want to be sure that this particular fish, as has been ruled, is a fish unfit for human Canadian consumption, let me put it that way, because the people of other nations do eat it. With these remarks and these

hopes for clarification I wish to thank members for listening so carefully to what I have had to say.

Mr. Deputy Speaker: If the House is ready for the question I shall now proceed to put it. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

* * *

RAILWAY RELOCATION AND CROSSING ACT

PROVISION FOR PLANNING, ACQUISITION OF LAND, GRANTS, GRADE CROSSING ASSISTANCE

Hon. Ron Basford (for the Minister of Transport) moved that Bill C-27, to facilitate the relocation of railways lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings, be read the second time and referred to Committee of the Whole.

Mr. Deputy Speaker: Perhaps before the minister commences his remarks it should be recalled to the House that an order was made earlier concerning the number of speakers from each party.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I wish first to say how pleased I am to move, on behalf of my colleague the Minister of Transport (Mr. Marchand), the second reading of Bill C-27 and to explain to the House his absence. He is appearing before the standing committee on his estimates relative to the Ministry of Transport. Either the minister or his parliamentary secretary will be closing the debate as the second speaker for the government. I am happy on behalf of the minister to begin the debate on this bill. I also want to thank most warmly the House leader of my party and the House leaders and members of the three opposition parties for the arrangement the House entered into earlier today that this bill would be dealt with in Committee of the Whole and that there would be two speakers from each party at the second reading stage.

Mr. Paproski: You always get agreement from this party.

Mr. Basford: The hon. member gets that kind of agreement for his party because he is dealing with a minister who is very easy to get along with. In respect of the order of the House limiting the speeches to two from each party, I wish to say that many members of this House would have liked to have spoken on this bill during second reading. Certainly, judging from the correspondence I have had from mayors across Canada and from many other people in respect of this bill, I am sure many members of parliament who are involved in the affairs of their city would have liked to have spoken during this debate on behalf of their city councils.

The railway relocation and crossing bill is divided into four parts. The first part deals with joint urban development and transportation plans for relocation schemes. Part II provides for special grants for separations. Part III provides for railway grade crossing assistance. Part IV is the general clause relating to the transitional provisions of the Railway Act under Bill C-27. As Minister of Urban Affairs, I have particular responsibilities assigned to me with regard to Part I. Parts II, III and IV are clearly the responsibility of my colleague the Minister of Transport. Part I is very clearly urban legislation. It is directed to and at urban problems. By way of relocation schemes in respect of railway facilities, it holds the potential to improve the urban environment in many cities and towns across this country.

[Mr. Munro (Esquimalt-Saanich).]

● (1610)

The railway relocation provisions of this act will be a major lever when this bill becomes effective and, through orders of the Canadian Transportation Commission, in reshaping the core areas of our cities and many of our communities. There are cogent and pressing reasons, which have obviously been recognized by all parties in the House, for the introduction of this bill and for its speedy passage.

As we all know, railways have been caught up in the rapid urbanization which is occurring in this country. They, as have other elements in our economy, have been caught up in the rapid development of our cities and in the problems of urbanization. In many instances, the railways bisect cities and towns, and create noise zones. They are traffic impediments and safety hazards. Their location determines in a social sense the right and wrong side of the tracks, to use an old expression. In many instances, railways and rail facilities occupy prime urban land that might be better developed in a number of ways to improve the quality of urban life. Their influence on the growth of many of our cities has obviously been pervasive. One only needs to visit cities from Halifax to Vancouver to see the part that railways have played in the development of all our cities. Often the city has developed because the railway was there, and then other cities and towns grew up around that railway junction.

One of the first priorities of this government was to examine how federal action could be brought to bear on the range of urban problems created over the years by the relationship between railways and cities, and the presence of tracks, yards and other rail facilities in urban centres. This review that we conducted made it clear very quickly that new legislation was needed to permit the federal government to help integrate railways and rail facilities with urban development, especially in inner city and core areas.

The legislation that has been introduced is a major federal initiative to help achieve a better balance between the need for efficient rail services and the adverse effects of railways on the quality of the urban environment and urban development in Canadian communities. It is designed to apply to cities where railway facilities—tracks, yards, terminals—are formidable obstacles to planned and orderly urban development; and to meet the demand for new or improved grade crossings and grade separations. The railway relocation and rerouting provisions will permit the federal government, for the first time in the history of this country, to fund and support in a

major way the planning for and implementation of railway relocation and rail traffic rerouting proposed by provinces and municipalities.

Where a rail line is relocated, the property thus vacated may be put to any number of uses, in accordance with the priorities established by such plans. These priorities can include, for example, the provision of improved and expanded rapid transit facilities, which I will mention in a moment, and land for housing. I can think of land that could be made available, for example, in Winnipeg by way of railroad relocation. It is good land that is already serviced. We have seen in the national capital area one successful relocation scheme which made land available by way of relocation for recreational purposes, for housing purposes, and for development purposes. The uses that the railroad could be put to are innumerable and of immense value.

Part I of the bill provides federal assistance for the planning and implementation of railway relocation and rerouting proposals put forward by the provinces and the municipalities. The federal government may also acquire railway property, if called for under the proposed act, which again is a new feature and may be one of the most important ones in the legislation. Historically, railways in this country have had the right to expropriate land for their purposes, but no one, including the government of Canada, has had the power until now to expropriate a railway facility. For the first time, parliament is being asked to reverse that historic situation and to establish a mechanism, if need be, for the expropriation of railway facilities.

A railway relocation and rerouting project is to begin with provincial and municipal initiatives and calls for participation by all three levels of government. When a province and involved municipalities wish to redevelop a specified urban area, including new transportation facilities and new uses for rail properties and lines, they inform the Ministry of State for Urban Affairs and the Ministry of Transport of their intent to submit an application to the CTC to seek orders to relocate railway facilities.

The applicants may ask for financial assistance from the federal government to prepare one or more alternative plans for submission to the CTC. Our budget for that purpose for these initial studies is $6 million. The Ministry of State for Urban Affairs may contribute up to 50 per cent of the cost of preparing the urban development plans, and the Ministry of Transport may contribute up to 50 per cent of the cost of preparing transportation plans. The applicants are responsible for the remaining portion of the costs of preparing the plans. Where that comes from is unspecified in the legislation. It could be paid by municipalities, regional districts, provinces, or interested groups in any proportion or share that can be arranged.

Before the CTC can consider a railway relocation rerouting application that contemplates the use of federal programs in implementing the urban development or transportation plans, it must be informed by the Minister of State for Urban Affairs after his review, that these federal programs are available and will significantly contribute to the improvement of the urban area concerned.

The purpose of this review by the Minister of State for Urban Affairs is designed to ensure two things: first, to ascertain the availability of the various federal programs which would be required to implement urban development. Such programs, for example, might embrace infrastructure funding by the Department of Regional Economic Expansion, housing programs of CMHC, acquisition of railway land for federal facilities by the Department of Public Works by, for example, using the construction and location of a major federal building as this part for the relocation projects.

Second, the review will ensure that proposed use of federal programs reflects over-all priorities established for the use of those programs in terms of costs and benefits. We want to ensure that the improvement to the urban environment is worth the federal money that is proposed to be spent on the relocation scheme. When the Minister of State for Urban Affairs has indicated to the CTC that the federal programs called for by the plan can be made available, and when the Governor in Council has notified the CTC that it is prepared to authorize a relocation grant voted by parliament, the province and municipality then submit a proposal to the CTC. A railway relocation and rerouting proposal presented to the CTC must be supported by an urban development plan—that is what we are going to do after we relocate railway facilities—and a transportation plan—that is to show if the transportation facilities are to be relocated and what is the plan to continue transportation facilities in an efficient and effective way—and a financial plan regarding how the whole relocation will be carried out.

The urban development plan is to show, among other things, why the rail facilities to be relocated constitute a significant impediment to urban development; how the situation is to be improved by rail relocation, and what is to be done with any railway land freed by relocation.

The transportation plan must show how transportation will be controlled within the study area, including rail traffic and location of streets, highways, bridges, railway lines, crossings and stations, bus routes and terminals, rapid transit lines and stations. It must show where new rail facilities will be located, where railway traffic will be rerouted—either over lines of other railways or over new lines to be built—and how the use of railway lines will be allocated.

The financial plan will show how the costs and benefits of the project are to be apportioned. It will also indicate the financial assistance to be made available by all of the parties involved, including federal assistance through the railway relocation grant and the railway grade crossing fund.

In studying the proposal put forward by a province or municipality, the CTC is to weigh carefully the advantages and disadvantages of the relocation and rerouting proposal and possible alternatives to it. The onus is on applicants to prove that the public interest will be served by the proposed plan. The Canadian Transport Commission may—and obviously in major proposals will—hold hearings on these proposals if it feels this would be in the public interest. In this way, merchants, shippers, railroad unions and residents in the area to be acquired for railway facilities or in areas that might be affected by railroad relocation schemes, can put their point of view to the commission.

● (1620)

A necessary condition for approval of the proposal is that the railway involved with neither gain nor lose from railway relocation and rerouting. There are sections in the bill and an appendix which set out the admittedly rather complicated formula which is designed to ensure that the railways neither win nor lose by a proposal.

The order that the commission makes relative to railway facilities could contain provisions for discontinuation of railway operations over any line within the railway transportation study or for relocation of railway lines, facilities, removal of tracks, buildings, bridges or other structures in the area and use of rail lines belonging to one company by equipment of another company. For example, proposals for a city where there were two or three different transportation centres and railway stations could recommend that they be combined into one "union station" where obviously the facilities of one railroad would be used by another. The use of rail lines belonging to one company by equipment of another, and the use of rail lines or rights-of-way by a public transit system—which is now a proposal in many major cities—will provide to them at the least possible cost, the right-of-way for the public transit facilities that many are now studying. If you go out to build a rapid transit system and have to acquire rights-of-way through urban areas by buying buildings and land, it will be too expensive. But if, under these provisions, you can use the existing rights of way for rapid transit that have heretofore been used for street and rail traffic, there will be an immense saving to municipalities and public transportation commissions.

When the commission goes through this whole process which recommends federal assistance for implementation of relocation/rerouting proposals, the Minister of Transport may authorize payment of a relocation grant toward the cost of implementing the project. Such a grant can be up to 50 per cent of the net cost of relocation and rerouting proposals. It is clear that we can make a contribution to the development of the plans of up to 50 per cent, and toward the actual implementation of this plan of 50 per cent of the net cost. I underline net cost, because obviously if you take railway facilities and move them from one piece of land to another area, there are costs and savings to the railway involved. The land that is set free is of immense value and is put on one side of the ledger, while the costs are put on the other. Any grant is 50 per cent of that net cost.

Financial assistance may be provided for grade separations for new railway lines and new safety devices on existing railway lines, if required, because of railway relocation/rerouting from one part of a city or around a city.

A needed underpass or overpass would be provided under Parts II and III of the act. Federal expenditures under this legislation are expected to be in the order of $250 million over the next five years for railroad relocation. Specific allocation for each year will be provided by a separate vote in the estimates of the Ministry of Transport.

Thus far, Mr. Speaker, I have concentrated my remarks almost entirely on part I, relating to railway relocations and reroutings provisions. I think these have tremendous urban implications for cities across Canada. In the time that I have been minister, nothing that I have said or introduced has generated so much interest from municipal councils across Canada as these relocation proposals. I know that this is recognized in this House and that the opposition parties will agree to deal with this legislation quickly because they, too, know the great interest that municipalities have in the urban implications of the relocation proposals.

I want to turn briefly to parts II and III of the bill, Mr. Speaker, which are clearly transportation matters and under the jurisdiction of my colleague. They will be dealt with in more detail by the parliamentary secretary or by my colleague later in this debate.

Obviously of equal importance when dealing with railroads is the matter of public safety, which is embodied in parts II and III of the bill. These are concerned with special grants for grade separations, underpasses, overpasses, tunnels, bridges and railway grade crossings.

The provisions relating to grade crossings and grade separations follow recommendations made by the railway transport committee and the Canadian Transport Commission to increase the limits of federal assistance for railway grade separation projects. Also important are the recommendations that have been made by the Canadian Federation of Mayors and Municipalities as to the level of contribution under the grade crossing fund.

Such expansion as is provided in the legislation is intended to bring grant provisions into line with the increased costs of construction of overpasses and subways. The cost of providing safe railway crossings and grade separations has climbed over the years. Such installations, especially in large centres, have become extremely costly and the act provides increased federal assistance either to provisions in the railway grade crossing fund or through new provisions for special grants for separations which are contained in part II.

The proposed new federal assistance covers level crossing protection work—signs, signals and that type of thing. Federal assistance covers level crossing protection work, reconstruction of or improvement to existing grade separations and construction of new grade separations. The proposed new levels of federal assistance are for level crossing protection work for which 80 per cent of the costs may be paid from the grade crossing fund up to a new limit of $1 million which is double the existing limit; for reconstruction of or improvement to existing grade separations, 50 per cent of the cost, from the grade crossing fund, up to a new ceiling of $625,000; the existing limit is $250,000.

In the legislation there are quite complicated formulas for the payment of portions of the cost of any reconstruction projects to $1,250,000. The parliamentary secretary will deal with this in more detail this evening. That is the financial formula for grade separations and grade crossings which is contained in parts II and III of the act, Mr. Speaker.

The commission may, apart from the formulae, recommend a special grant if it is satisfied that a grade separation is required for the protection, safety and convenience of the public, and that the new road or highway will divert

traffic from existing grade crossings. In addition to the financial formula, there is a special provision which will allow the Canadian Transport Commission to make recommendations for payment of a special grant.

The new act maintains the provisions of the Railway Act whereby a railway crossing must be in existence for at least three years before an application can be made for a grant from the railway grade crossing fund toward construction of a grade separation. The act provides exceptions to the three-year rule. These are designed to meet the observations of municipalities relative to this question. First, when the new grade crossing is required by a railway for a relocation or rerouting project, the three-year period will not apply. Second, when it is required for a new highway traffic rerouting scheme, it will not apply. The exception to the three year limitation provision is designed to deal with the situation in which there is a rerouting or relocation proposal, or a new highway traffic rerouting scheme. Then, the three-year period is waived.

● (1630)

Grants provided for reconstruction of or improvement to an existing grade separation will be made available where the grade separation has existed for at least 15 years. Formerly, the limitation was to grade separations that existed prior to June 29, 1955. This provision is included, as well, in line with representations which have been made to us.

In conclusion, I suggest this bill deserves the support of all members of the House. I very much appreciate, for my own part and that of my colleagues, the arrangements which members opposite have entered into for dealing with this bill. On behalf of the government I extend my thanks to them.

The provisions of the bill have been considered carefully. It holds out major benefits, in my view, for the reshaping of Canadian towns and cities. It pays renewed attention in parts II and III to the issue of public safety at rail crossings. It will greatly extend the federal government's ability to respond to the needs of our cities and to assist in improving the environment of most cities of Canada. It is an important urban initiative on the part of the government, one which I know is eagerly awaited by mayors, municipalities and provinces across the country.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome this opportunity to speak on Bill C-27, an important bill concerning rail line relocation. My colleagues and I are not taking a negative approach to the bill. We point out that exhaustive studies and consultations must take place with interested parties with regard to social and environmental objectives and the cost aspects. A number of cities are waiting with anticipation passage of the rail line relocation bill, namely, Toronto, Winnipeg and Wetaskiwin. An exhaustive study has been conducted in Winnipeg by a firm known as Damas and Smith. It brought out what is known as the Winnipeg Railway Study, to which I intend to refer.

According to the report, the objectives of the rail study were to develop alternative plans of railway facilities to those presently in existence which would appear to be technically feasible and desirable from an economic and social point of view in the realization of a superior and more amenable plan for the future development of the urban community and its transportation facilities. The study recommended that most railway tracks be removed from Winnipeg's downtown area, freeing large amounts of real estate for urban development. Three alternatives being considered actively range in cost from $50 million to $92 million. Each of the four proposed schemes would have a major impact on the over-all future planning of the city, of its transportation systems and its industrial development.

One scheme recommends common running rights for CNR and CPR through downtown Winnipeg, plus a combination of both railway passenger terminals into one union station. One scheme would bury the railway tracks in the central core, with high banks for traffic and noise separation, and a further scheme supported tunnelling for much of the downtown track. All schemes took account of downtown development and found this to be in line with the ideas presented in the study. The study found that major economies and benefits would result for all parties involved in relocation.

The study says that the proposed program would bring the following benefits: release 200 acres of CP yards for more appropriate use; remove barrier effect of CN mainline and allow redevelopment of 50 acres and reductions in road-rail conflict and opportunities to extend and connect natural arterial connections.

If simultaneous relocation of both lines is not feasible, then relocation of the CP yards and main line is the main priority, with CN relocation being secondary. It is stressed, however, that both should occur simultaneously. However, in spite of what the report asserts, there are a great many people in Winnipeg who have grave reservations about the document. There are a great many questions still to be answered. They are, first, is rail relocation a pressing and urgent need compared to other concerns such as providing low income housing, improving deteriorated areas and reducing property taxes? Second, how will the citizens of Winnipeg benefit from the plan? Which citizens will benefit most? Third, does implementation of the rail study commit us to other plans such as the Downtown Development Plan and the Winnipeg Area Transportation Study? Is this plan really a way of getting things in via the back door? Fourth, where will the marshalling yards be relocated? Fifth, the study refers to the St. James Corridor. What is meant by this? I will go into detail in a few moments. Sixth, what adverse effects on the surrounding area will result from the relocation of the CP classification yards in Rosser, Manitoba? Seventh, are we to suppose that similar effects are to be incurred in that area in which the marshalling yards are relocated? Eighth, what about allocating moneys for other equally important projects like runway relocation? Ninth, what effect will the plan have upon our leisure areas? One scheme has tracks running through the centre of one of Winnipeg's most beautiful parks, Assiniboine. Imagine that, Mr. Speaker. Someone wants to put a railway line through Assiniboine Park, one of the most beautiful parks in Canada. I hope the Minister of National Defence (Mr. Richardson), one of the representatives of the area, is noting my comments about what is proposed for Assiniboine Parks.

I now wish to quote from a letter written by Damas and Smith on the subject of the Winnipeg rail study. It reads in part:

During the course of public meetings it became apparent that the strongest opposition to the railway relocation came from those people who own homes in or near the reception areas, i.e., the corridor into which the relocated railways would be placed (for example, the residents of Foxgrove Avenue in East St. Paul, and St. Michael's Road in St. Vital) and who believe that this relocation would lower the value of their property. Some sympathy for these people who feel themselves directly threatened was also found amongst those whose homes are remote from the reception areas and who would be less directly affected but nevertheless allied themselves with the opponents because they believe the proposed relocation to be unnecessary and unjust.

It continues:

The proposal to remove the yards but retain the main lines in their present locations is in effect what has been referred to in the Railway Relocation Study report as 'the Do-Nothing alternative'. Strictly speaking the Do-Nothing alternative of the report was thought of as just that—the alternative of doing absolutely nothing with the railways; but it soon became obvious that even if the public were to do absolutely nothing about railway relocation, the Railway Companies themselves would take action; and it seemed equally clear that the Railway Companies would act with respect to their yards but not to their main lines.

This suggestion may conflict with the provisions in the bill. Even if the municipalities may not wish to do anything, the railways might do something on their own. I continue:

Although a clear and reliable appreciation of the results of a Do-Nothing approach to the railway problem can only be provided by a detailed study, it is nevertheless possible to speculate about such a prospect, and to arrive at certain conclusions, however tentative and unsubstantiated they may be.

● (1640)

I mentioned the St. James corridor. One of our fears is that some of the CPR yards or their freight facilities might be moved adjacent to a residential area, namely Crestview Heritage Park and other areas off Sturgeon Road in west Winnipeg. I have a description of the properties the CPR has been acquiring. This is agricultural land They have acquired some 172 acres adjacent to this residential property. The last thing we want in that area is a classification yard or warehouse facilities for CPR. This is one of our main concerns in west Winnipeg. I quote:

For example, it is generally known that the CP Rail has acquired land in the Rosser Area for the relocation of their classification yard. I can be assumed that the plans for this yard are designed to meet the requirements of the CP and that the creation of a rational pattern of land use for this sector of the City is a secondary consideration, if indeed it is a consideration at all. Moreover, even if the classification function is moved from the present CP Rail yard to the new location in Rosser, the present yard will still be required for industrial support and car storage, and will therefore remain in its present location. The result of this Do-Nothing approach (on the part of the public) therefore would be to create a new classification yard in Rosser with possible adverse effects on the surrounding area, as well as the retention of the existing yard in its present location. There would appear to be no real advantage at all to the public in such a situation.

I quote from an editorial in the Winnipeg *Tribune* dated October 29, 1973:

As the city's environment committee chairman, Abe Yanofsky, said, Winnipeg's previously anticipated cost of $20 million for rail relocation is now $50 million. That means Ottawa would be excepted to pay another $50 million or more. Add that to the cost of helping other cities relocate their railways and the price becomes astronomical.

[Mr. McKenzie.]

It would be different if this was the only project the federal government has to worry about financing. But it isn't. As an Information Canada report said last year, federal and provincial government departments are now in the position where they don't even try to tell people how government programs can help them. As one official said: "If the general population was aware of the services offered, the government would go bankrupt."

It would, of course, be nice to see the railways removed from the downtown core and the city embarked on a massive reconstruction program, with parks and byways and a generally planned environment. But can taxpayers generally afford it? Perhaps the time has come to be realistic. As Coun. William Norrie said: "Rail relocation will probably not happen in your lifetime and mine."

If city hall really wants to save the taxpayers money, they could stop talking of relocating railways at a cost of $100 million and get on with the $13.2 million Sherbrook-McGregor Street Overpass before the price goes up. That way, the saving would be terrific.

There was considerable concern over rail line relocation at the last tri-level meeting in Edmonton. I quote from a news report in the Edmonton media:

A federal government program aimed at aiding provincial and municipal governments with the cost of rail relocation Monday got a critical reception by Manitoba Urban Affairs Minister Saul Miller and Winnipeg Councillor Robert Steen.

Federal Urban Affairs Minister Ron Basford announced here Monday during the second national tri-level conference that the federal government will pay up to 50 per cent of the net costs to the railroads of approved rail relocation schemes.

Mr. Miller said his initial reaction to the program was "extreme disappointment." Coun. Steen said the announcement makes rail relocation impossible.

"The idea of them only picking up 50 per cent of the net cost to the railway would put up the price of land (vacated by the rail lines) to such an extent that the costs to Winnipeg and the province would be exceedingly high," Mr. Miller said.

"Whether this land could then be used in a beneficial way is highly doubtful in my mind."

Mr. Miller said the Manitoba government supports the principle of rail relocation in Winnipeg "if it makes economic and social sense."

"But if it means that we are paying $100 million or perhaps $50 million to simply move something and then find that the costs of the land vacated is so expensive that we can't really use it in a proper way, then frankly I am not that convinced that it is a good thing."

(The principle of rail relocation was first proposed by the now-extinct Metro government to get railway facilities out of the centre of the city and to free the land they now occupy for other development.)

Mr. Miller said the federal program is a backward step because in the original Winnipeg rail relocation study the federal government had shared 75 per cent of the cost with Manitoba and Winnipeg picking up 7½ per cent each and the two major railroads five per cent each.

"What you have here is a regressive step, and not at all a forward step"—

Coun. Steen ... said Mr. Basford's announcement was "the most disappointing thing I have heard at this conference."

He said the city had been hoping the federal government would pick up at least 75 to 80 per cent of the total cost of rail relocation in Winnipeg.

"As far as I am concerned, this (announcement) finishes the hopes of rail relocation," Coun. Steen said immediately after hearing the federal minister's proposal.

Whether their fears are justified is hard to say at this time. The standing committee will certainly have its hands full with this bill. The Damas and Smith report on the Winnipeg railway study gives the advantages and disadvantages. Whether the figures contained in it are realistic today, I do not know.

Those are just a few of the concerns of the people of Winnipeg, the members of my party and myself with

regard to this rail line relocation. It is certainly something that will have to be studied very carefully in the standing committee.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I am glad you have been able to recognize this corner of the House. It makes one feel a little less uncomfortable around here when that happens. I wish to say, on behalf of our party, that we welcome this legislation. However, we are slightly amazed at the length of time it has taken the minister to finally get it on the order paper. I recall during the 1972 election campaign—

An hon. Member: Not 1974?

Mr. Leggatt: No, 1972; 1974 is coming.

Mr. O'Sullivan: Is that a promise?

Mr. Leggatt: During the election campaign, on October 10, 1972, the minister issued a very interesting press release. At that time, the minister was Minister of Consumer and Corporate Affairs, and the Minister of Regional Economic Expansion (Mr. Jamieson) was Minister of Transport. In a moment of euphoria approximately 20 days prior to the election, they issued a very interesting press release which in part reads:

> Special federal assistance is being prepared to move railways out of cities and let people in, two federal ministers announced today . . .
>
> Mr. Jamieson and Mr. Basford jointly announced the intended legislative package as an instance of federal policy in key fields, such as transportation, being directed to the best urban impact it can make.

● (1650)

We welcome the legislation, but the length of time it has taken to place it before the House for consideration is an indication of the priority the government places on urban issues. There is a lot of oil, a lot of wheat and a lot of lumber in this country, but the major problems in this nation are urban in nature and the sooner the House understands this the sooner the people will get more adequate representation here.

I must say I am pleased with the co-operation shown, the readiness among members in all quarters of the House to expedite the passage of this bill. The last bill of this nature was presented approximately 20 days before a federal election, and this one may well be before this chamber 74 days before a federal election. I believe the timing is appropriate. I hope its fate will not be to die on the order paper in the event of a federal election; I hope we shall not have to wait another year and a half before we see it.

Mr. Basford: Don't worry, we shall re-introduce it.

Mr. Leggatt: Somebody has said that the federal government has most of the power, the provincial governments have most of the jurisdiction and the municipalities have all the problems. The hon. member for Winnipeg South Centre (Mr. McKinnon) described in some detail the plan the city of Winnipeg has in mind in connection with rail relocation, and the minister responsible for this legislation indicated the intention was to spend $250 million over five years. Mr. Speaker, the cost of moving the rails from Winnipeg alone will amount to nearly $100 million, not far short of half the amount allocated for the whole program. It might be cheaper to move the city of Winnipeg and leave the rails where they are!

Mr. O'Sullivan: Stanley would like that.

Mr. Leggatt: This is some indication of the size of the undertaking. It seems to me the minister has underestimated what is involved. It is true that $250 million may sound like a lot of money, but it is a small amount in terms of urban expenditures required.

The increase in the grade crossing fund from $500,000 to $1 million is really small potatoes when one considers the extent of the increase in construction costs over the last five years—at least 150 per cent. I know that under section 16(1) of the bill special provision is made for projects which cost more than $1,250,000. I think the minister can expect that all the applicants will try to squeeze in under section 16(1). If they do, he will find his figure of $250 million wholly inadequate. I suggest that in many cases we should not relocate rail stations outside the centre of communities. A single track into an urban rail station makes a lot of sense. More important, when we consider relocation of tracks in urban centres, we should not allow ourselves to be hypnotized by the commercial value of the property. What will happen in the case of many of these communities is this: the blight of freight yards and tracks will be replaced by the blight of Eaton's and the blight of Simpsons-Sears or those high-rise bleak monoliths which sit in the centres of communities and provide nothing in terms of making them livable places. As the minister has pointed out, this measure will improve the urban environment but if we do not consider the value of the property as it relates to people rather than its commercial value, if we fail to appraise its value in terms of space, or parks, or livability, then the purpose of the bill will not be achieved.

The biggest problem in my community, in this area, at least, is a rail crossing which is creating a particularly dangerous situation because it is in a key position in an urban centre; a million people have to use this crossing to get to the emergency ward of our local hospital. This is important because they are running the risk of cardiac arrest—

Mr. Andre: Those people shouldn't be driving!

Mr. Leggatt: There is a real risk to people who are trying to get to the emergency ward. In addition, there is the usual urban frustration, line-ups for half an hour or even longer as trains go by at 15 minute intervals.

One of the provisions I welcome, and it may be one of the most significant and imaginative, is the provision, as I read it in section 6(2)(a), for what is effectively the expropriation of track time in order to give urban communities a chance to use those railroads for urban transit purposes. I wish the minister had gone farther with regard to expropriating track time. Why not expropriate the whole company and have a national transportation system. In other words, take over the Canadian Pacific, in which case we would be making some real progress.

Mr. Basford: Hear, hear!

Mr. Leggatt: I am glad to see the minister pounding his desk. In any event I can recall, as an alderman in my

community for many years, trying to persuade the CPR to give us a little track time to move people into the urban core of the lower mainland. The number of reasons the company could find for not making track time available was incredible. I am pleased there seems to be a little muscle in this bill, giving this very necessary power to the Transport Commission.

As I say, the bill does not go far enough, but at this particular point we believe half a loaf is better than none at all, and the legislation will probably constitute a real contribution to the development of our cities and a better standard of life. We in this group have some reservations with regard to certain of its aspects, but we heartily support the legislation.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Scarborough East (Mr. Stackhouse)—Finance—Statement of minister concerning level of corporate profits and necessity to pass on cost increases; the hon. member for Fraser Valley West (Mr. Rose)—Transport—Action to implement Transport Commission recommendations for prevention of railway accidents; the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty)—The Canadian Economy—Number of jobs created by corporate tax concessions.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-5, an Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the first day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, without amendment.

The House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, (papers), private bills and public bills.

The Parliamentary Secretary to the President of the Privy Council rises on a point or order.

[Mr. Leggatt.]

• (1700)

Mr. Foster: Thank you, Mr. Speaker. In respect of the business of the private members' hour this afternoon, I understand that the hon. member for Portneuf (Mr. Godin), in whose name stands item No. 9, is agreeable to withdrawing his notice of motion for the production of papers. There have been discussions between members of various parties, and I think there would be an agreement in the House to continue with Bill C-27 on railway relocation and railway crossings. If there were such an agreement perhaps we could make that an order, Mr. Speaker.

Mr. Bell: Mr. Speaker, in view of the fact that there are only a few days left of this parliament, we certainly will agree to this move to show our sincerity in moving this bill along, but we hope the government will not ask us too often to give up the private members' hour as we guard it very jealously.

Mr. Deputy Speaker: I take it that the agreement is that motion No. 9 under Notices of Motions (Papers) is to be withdrawn with unanimous consent, and that we proceed to another order.

Some hon. Members: Agreed.

Mr. Deputy Speaker: This would have to be agreed upon by everyone, including the hon. member for Portneuf (Mr. Godin).

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

RAILWAY RELOCATION AND CROSSING ACT

PROVISION FOR PLANNING, ACQUISITION OF LAND, GRANTS, GRADE CROSSING ASSISTANCE

The House resumed consideration of the motion of Mr. Basford (for the minister of Transport), that Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings, be read the second time and referred to the Committee of the Whole.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, we in this party regard Bill C-27 as a very significant piece of legislation. As our House leader has said, in the interest of expediting the orderly passage of this bill, we are prepared to speak briefly on it and, we hope, constructively, so it can be discussed further in the Committee of the Whole.

By way of an opening comment, I think I should say that it is a good and constructive development that the government has finally recognized in a tangible way the connection between urban development and transportation. This piece of legislation is not only somewhat overdue, as has been said by hon. members previously, it develops a somewhat new concept further to the concept

the drafters perhaps had in mind. It is interesting to see, for example, that there is a very clear and somewhat innovative concept of the divisions of powers reflected in this particular bill. We have a division of powers as between federal, provincial and municipal authorities. This piece of legislation also involves at least two federal ministries, urban affairs and transportation. Clause 7 of the bill also involves the ministry of public works.

This concept of intergovernmental and interdepartmental co-operation is one that has intrigued me greatly. It is one that is welcome in many areas of legislation, and it is needed, for instance, in the activities of the Department of Regional Economic Expansion. It is certainly appropriate in the Departments of Urban Affairs and Transportation because, as all members know, there is a growing realization that many of the problems faced in this country require the concerted efforts of more than one government department.

It is very clear that much of the efficacy of this legislation will depend on the efficiency and expedition with which the CTC performs its task. One cannot help but be impressed when one reads this legislation with the great responsibilities the Canadian Transport Commission has. If this commission does not improve its tendency, I would suggest without meaning to be sarcastic, to frustrate to a certain extent and delay proceedings, then I think the thrust of this legislation could be seriously impaired.

There is no particular region in Canada that will not benefit by the provisions of Bill C-27, and I think it is significant in respect of the total transportation picture in this country. I say that because it seems obvious that if this legislation is carried out according to its scope, meaning and apparent intent, it could involve, in some areas of this country, significant rerouting of our major rail lines.

The Minister of Transport (Mr. Marchand) has said recently that he does recognize that his department lacks an over-all policy. Further to this, it has been pointed out on many occasions that one of the policies which must be considered in respect of the total transportation picture, is a policy in respect of the poor maintenance of the roadbeds of our major rail lines. This has many significant implications.

In addition to this situation, we are aware that a former President of the Canadian National Railway system questioned the priorities involved in allocating many millions of dollars to the STOL program in an attempt to improve transportation links between major cities, particularly in central Canada. This money, which has been tentatively and actually allocated in some cases for this STOL program, as opposed to what might have been done, in the opinion of the former President of the CNR might have been used to improve the rail systems in this country.

The reason I say this bill may have an important effect on our nation's transportation system is that if there are significant changes made to reroute and change some of the present railway rights-of-way, these new additions or changes to be made will presumably be of a modern and highly satisfactory nature in so far as technology is concerned. Having regard to the old adage that a chain is only as strong as its weakest link, I would think that somewhat in a converse analogy, when these major rerouting changes are carried out, surely they will by contrast expose the inadequacies of much of our railway systems to which they are connected, particularly in serving areas where passenger travel could be very profitable if the roadbeds of the rail lines were upgraded and updated.

For that reason, I think this bill might serve as a catalyst in persuading this government and the Minister of Transport that while they are making these changes in respect of some of the traditional rights of the railways, to which the hon. member for New Westminster (Mr. Leggatt) has referred, and to which the Minister of State for Urban Affairs (Mr. Basford) referred, and I have in mind the traditional rights in respect of expropriation and things of that nature, to use this piece of legislation as a springboard from which to refinance and perhaps rebuild larger stretches of railway rights of way so that Canada can take advantage of some of the technological advances presently known, to improve and upgrade our transportation system generally.

There is no doubt, as the minister has said, that this bill has significance in the realm of urban development. Certain cities, or the core areas of these cities, have to some extent been held back and sometimes actually stunted by the effects of having freightyards and railway rights of way in certain areas which, with the passage of time, are better suited for other purposes. This is true all across the nation. It is true in the city of Winnipeg which is one of the few cities that has had a comprehensive study done in this area. But it is also true of places like Halifax, St. John's Newfoundland and practically anywhere you might want to go across Canada. With the concept expressed in this bill it is obvious the government has recognized the need, even at a great deal of cost, to do something about this situation. Certainly, I think the government is to be commended in this regard.

● (1710)

There is another aspect, of course, of this legislation that is important. It has to do with the terrible safety record our transportation system, particularly rail transport, has accumulated over the years. In comparison to other industrialized nations, it is quite evident that our railway system is at about the bottom of the list. For those members who have not had the opportunity to do so I would really recommend that they make themselves aware of the contents of a study carried out by Professor Lukasiewicz of Carleton University. This man did a very interesting treatise or project involving the history of our railways in this country.

Professor Lukasiewicz paid particular attention to the situation involving the passenger carrying capabilities of the various railways and the failure of the CTC to effect meaningful changes despite the fact it has had a very definite regulatory function since it was formed. Professor Lukasiewicz points out that really the situation in this country's railway development has been one of institutionalized obsolesence. In fact, this is part of the title of the work he has composed. Unless the Minister of Transport is prepared to seize on the initiatives that this particular piece of legislation might provide, and unless he is prepared to carry on and do something tangible pursuant to the speech he made a couple of days ago in Montreal when he said that the railways and not the highways are our hope for the future in this country so far as efficiency

of movement of people is concerned, this piece of legislation will probably, although it will be useful, not have the far-reaching and sweeping effect it might otherwise have.

So far as the safety aspect itself is concerned, I see that the drafters of this legislation did have something specifically in mind because there is, as I recall it from reading the bill, a provision that approximately 80 per cent of the cost of installing devices like a revolving light for the main head beam of a locomotive be provided. This is the type of measure together with the improvement to our railway crossings, that has been trying out for attention over the years. Although I realize it is counter-productive to take the time of the House to flay the government for not doing so earlier, still I think there is merit in taking a few moments to say that it is difficult to understand why some of the obvious improvements contemplated by this piece of legislation were not brought forward a long time ago. However, I suppose this is in keeping with the general philosophy that until very recently this government has had, and may still have, of promising to make available remedial legislation and then somehow never managing to bring it forward in a decent length of time.

We will watch with great interest the uses to which the railway lands are put, which this bill will permit to be appropriated, pursuant to the procedures over which the Canadian Transport Commission has jurisdiction. I am sure many members, upon reflection, in respect of this principle, will want to elaborate on it during the committee of the whole proceedings because this probably will become quite an issue in many communities where railway lines are to be rerouted. I am very hopeful that when this issue does come up it will not be something that will turn into an exhibition of jealousy and fighting or perhaps be a political football in the municipal field. I think there should be some strict guidelines or jurisprudence developed very carefully so that these lands which will be made available will not be tied up by petty bickering either at the municipal, provincial or federal level. It seems to me that unless the minister is prepared to show more initiative than he has—and perhaps this is a fair comment to make in respect of both the Minister of Transport and the Minister of Urban Affairs—he should make sure that the CTC carries out quickly its responsibilities under this legislation, otherwise much of its timeliness and much of the good inherent in it will not come to pass.

I do not know what the statistics are concerning staff employed by the CTC, but I suspect, like many other government commissions, agencies and departments it is too big. I suspect it is larger than is necessary. I also suspect that because of the scope of this legislation and the responsibilities given to the CTC that it will become even bigger. So, again I wish to point out to the minister that while he is watching the activities of the CTC he refrain from the obvious temptation to permit this empire to grow any larger, and that he look for quality rather than quantity when looking after the needs of this very powerful commission.

I suspect that the Minister of Transport, who probably will be closing this debate as has been suggested, may have some particular comment to make, as did the Minister of State for Urban Affairs, in respect of his particular interest in this piece of legislation which involves these joint responsibilities between the two departments. I hope the minister will take this opportunity, although it may be to some extent related only in an indirect way to the bill under discussion, to answer the question to which many transport authorities in this country have been long awaiting an answer, concerning what the priorities are and what other measures are to be brought forward to supplement the upgrading of the railways and the roadbeds generally between the major population centres in this country.

We would like to know whether the minister still intends to proceed in the same way with regard to the STOL program or does he intend to divert some of the money—I think the figure is around $200 million if I recall it correctly,—to assist in the proposed aims of Bill C-17 and in expanding the improvements that no doubt will be required to link the existing roadbeds to the diversions and changes contemplated under this legislation. So far as the initiatives required are concerned, and which have been mentioned in the legislation—initiatives which if I read the bill correctly are at least by implication supposed to emanate from municipal and provincial governments—

I would hope we do not become involved in the type of situation I have noticed in respect of DREE, where there is a somewhat parallel situation, in that there are mutual areas of responsibility, particularly in growth centres, where one particular type of policy is advocated, by cities or municipalities, and the province is so jealous of its constitutional prerogative that it watches very closely to see that the cities or municipalities do not deal directly with the federal government, whereby adding administrative complications. I hope that this type of situation can somehow be circumvented in respect of this legislation and that methods will be explored by the federal authority to make sure that needed projects and improvements pursuant to this legislation will be undertaken without necessarily waiting for the provinces, municipalities or civic governments involved to decide what is the exact time at which they might proceed or by what method they would like to see it done.

● (1720)

I recognize that there will be certain problems almost "diplomatic" in nature, involved. I am not suggesting for one moment that the federal ministers of the Crown should try to over-ride or in other ways usurp the very real contributions that municipalities and provinces have to make in allocating priorities and determining the methods that should be employed. What I am pointing out to the minister is that I hope in some way an effort will be made to avoid any type of impasse that may develop and that early on in the application of this legislation there will be a great deal of time made available to try to establish guidelines, and to try to avoid any conflicts or jurisdiction, real or imagined, that could impede the proficiency and the speedy implementation of this legislation.

There are all sorts of comments that any member of the House could make about a bill that is as sweeping as this one. I think that it would be a mistake to go into it on a purely parochial basis. Much has been said on the subject of urban renewal. The hon. member for Calgary North (Mr. Woolliams) has dealt with this particular subject in his usual learned fashion over the past few months. The

minister himself has spent a lot of time on it, and it is well known that the field of transportation and all the various ills implicit in it have been aired in a very complete way. Therefore, I do not propose to speak much longer on this occasion, except to say again that there are probably within this legislation areas of concern that are so long standing that it will take the people affected by them quite a while to realize that here is a vehicle which at last may be able to solve some of these impediments to urban development and to take away some of the roadblocks that have plagued our transportation system.

The only way in which a piece of legislation such as this can be made effective is to get it through the House as quickly as is reasonably possible after we have had a look at it in committee of the whole, and then to make certain that it is being implemented and administered in such a way that its provisions are not used as political footballs by any level of government, but that a genuine joint effort is made by the municipal, provincial and federal authorities involved to do something constructive, because few, if any, problems existing in this nation need attention more than urban development and transportation.

Some hon. Members: Hear, hear!

Mr. John Harney (Scarborough West): Mr. Speaker, in rising to welcome this bill I should like to assure the minister that we do not do so wholeheartedly because if we were to welcome it without reservation I am sure that he would become somewhat apoplectic. There are some reservations, and some relatively major ones at that. For example, as my colleague, the hon. member for New Westminster (Mr. Leggatt) pointed out, it is not all that much money that we are proposing to spend in a very vital area over the next few years. As part of the announcement of this bill we were told that an estimate of some $100 million has been made as the cost of rail relocation in Winnipeg. Those who live in the Ontario area certainly know that a major project of a rail relocation in the Toronto area is intended. I assume that this will consume $150 million. So, we have $100 million for Winnipeg and $150 million for Toronto. What do we have left for Wetaskiwin?

Mr. O'Sullivan: And how much for Hamilton?

Mr. Harney: I do not know whether the railway still goes to Hamilton, but they might want some relocation there, possibly the relocation of the city.

Mr. O'Sullivan: Shame; withdraw that remark.

Mr. Harney: I will, Mr. Speaker. So, really, we should not be led down the garden path wearing rosy coloured glasses. We are not speaking about an awful lot of money here.

We must be a little careful about several other provisions of the bill. We must be careful, not just because it is a complicated bill, but because it is presented to us by a minister who is very eloquent and adept at making a bill look the best possible. As I make my remarks on the bill I will point out the good things that are in it and also the bad things that are in it. Some of the bad things that are in it are simply matters that demand clarification. When it comes to our work in the committee of the whole I will urge the minister to clarify some of these matters. I know that he fully intends to be as clear as possible because, as the bill says at page 20, it seeks to provide an amendment so as to make certain matters abundantly clear.

Let me read to you the explanatory note:

> The purpose of this amendment is to make it abundantly clear that a pedestrian walkway is a highway within the meaning of the Railway Act.

Rarely, in reading explanatory notes to amendments or bills, have I seen this kind of purple prose. Usually, the word "clear" is good enough. But the hand of the minister is evident here. In the same way I hope that he can make other aspects of the bill abundantly clear.

I come to the first matter which needs clarification. In the presentation of the bill, the minister said in effect that the bill will provide that where the railways are required, after the final processes of application and decision are through, to relocate rails, this relocation shall be done at no cost to the railway, that is to say, there will be a no-win no-loss provision for the railway. The relative clause of the bill is on page 5. I refer to clause 5(1)(a). If we read it carefully, we will see exactly what it is that the minister intended to underline here. The clause reads:

> 5. (1) The accepted plan, together with the financial plan, shall be filed with the Commission and the Commission may accept the transportation plan and the financial plan either as submitted or with such changes in either of them as the Commission considers necessary, if
>
> (a) the financial plan will not, in the opinion of the Commission, either
>
> (i) impose on any railway company affected thereby any costs and losses greater than the benefits and payments receivable by the railway company under the plan.

So, it does appear to be clear that this is a no-win no-loss provision so far as the railways are concerned. What we want to do when we come to the committee of the whole is to hear from the minister whether or not this section also means that if it can be shown by the railway in any way that it can be at all inconvenient or that it can be put to a disadvantage, the plan cannot go through. If that is so, it will be possible in almost all cases for the railways to say "You are, in effect, affecting us adversely", or beneficially, "and therefore you cannot do it."

● (1730)

Another part of this particular section that needs to be clarified is the meaning of the word "railway". What do we understand by "railway"? As an example, in the city of Toronto, CN and CP are seeking to redevelop a major holding of theirs between Front Street and the lake, a project which involves billions of dollars of investment. The railways themselves are not doing the redevelopment, but, rather, subsidiary companies which are owned by the railways. To be specific, the redevelopment will be carried out by a firm called Metro Centre Developments Ltd.

I should like to outline what Metro Centre consists of in terms of its corporate ownership, Mr. Speaker. Metro Centre, we are told, is a joint venture of CP and CN. Accordingly, Metro Centre Developments Ltd. is jointly owned by CP and CN. To all intents and purposes this is the case, although in actuality Metro Centre Developments is owned 50 per cent by Marathon Realty Co. Ltd. and 50 per cent by Canadian National Realties. The latter is presumably owned 100 per cent by CN. Marathon Real-

ties, on the other hand, is owned 100 per cent by Canadian Pacific Investments Ltd. which has holdings in a host of companies including Cominco, MacMillan-Bloedel and others. Strictly speaking under the law, when we are dealing with Metro Centre what we are really dealing with is a firm called Metro Centre Developments Ltd., and this firm is owned by subsidiaries of the two railways. The railways, as far as their financial relationship with the development is concerned, are several times removed from it.

How would it be possible for us or for the commission to follow the letter of this bill, which will be an act it is presumed, and be able to indicate that the railways benefit or do not benefit? The railways can say, "You have moved our tracks, it has not cost us anything to establish north of Toronto, so it is not up to us to worry what is done with the land". Then under the shell game which corporations can play it will be very difficult for the commission or the public to indicate just who does benefit. Some tightening up must be done in the two camps. The "no win, no loss" provision could be a stumbling block in the actual relocation of railway lines. We should determine just what is meant by this provision. Just what do we mean by a "railway," and what do we mean by the corporation which benefits in this particular application?

I think it is important to understand that, surprisingly enough, this act may work, although perhaps inadvertently, more to the benefit of the railways than to the benefit of the public or urban centres in general. I will give an example of what I mean. It could suit the railway to move operations from downtown Toronto. It may be preferable for them to establish their passenger traffic north of the city, where the terminal is, to coincide with the major developments of freight rail traffic there in the last few years. Under this act the public would be paying for a relocation which the railway desires in any case. Even after all the compensation factors have been taken into consideration, and even after we had considered net benefits and so on, assuming we can sort out the benefits to the railways, what we might be doing is performing a favour for the railways of Canada. I am a little suspicious of this. Surely if this act were doing its stuff it would cause the railways to move for the sake of the national interest; and if such moves were to have a serious effect on their operations, surely we would have heard about it.

There is another item which is rather disturbing to some of us in this part of the House, and it concerns clause 5(2) on page 6 of the bill. The subsection provides that after the commission has received an application in good order and has checked it according to the provisions of this bill, it may hold hearings thereon if it considers this desirable in the public interest. This hearing provision is repeated with regard to grade crossings on page 12, clause 16(3)(*e*). There again there is the possibility of holding a hearing. When the bill comes to committee of the whole we in this part of the House shall move an amendment to make a hearing mandatory. The amendment will have the effect of forcing the commission to hold a hearing to which the public shall be invited and at which it can make representations.

I will give an example of the importance of such a provision. First of all, a general example. There will be in many communities duly elected municipal governments which will see fit, according to their best lights, to agree to place an application before the commission, in co-operation with the railways, for a certain relocation plan. But even though the municipal government and perhaps even the provincial government in question may put forward this application, there may, nevertheless, be a significant part of the citizenry of that community which will not like the particular development plan. We know from the recent history of this country of the popular demand for hearings at which the people can make an input, at which people in urban communities are given a chance to have their say.

I come now to a particular example. A very few years ago it was the full intention of the province of Ontario and the council of metropolitan Toronto to proceed with the construction of the Spadina expressway. Most elected politicians were in favour of it but there was a small and growing section of the community in Toronto which began to object. Finally, after struggling for a long time and with great effort, they were allowed a preliminary hearing. This hearing led to another and to fuller hearings, until finally enough pressure was put on the municipality of Toronto and the government of Ontario that the decision originally taken by both levels of government to proceed with the building of the expressway was reversed.

• (1740)

Why do we not include a provision in the bill to make a hearing in each application mandatory? If there is no public interest, hardly anybody will turn up at the hearing and the commission will have spent money on an ad or two in the local newspaper; but if there is public interest, people should be heard. I think the time has come in this country for citizens to raise their voices in order to be heard.

Members on both sides of the House, NDP members as well as Conservative members, have pleaded with the government, particularly the Minister of Transport (Mr. Marchand), to allow a new, full hearing on the building of Pickering Airport. This sort of thing need not be done every time; but why not provide in the bill for it to be done automatically? If an application is brought forward which would involve major change and disruption or dislocation of the life of the community, that community would be given the chance to have its say, to provide its input.

Let me hold up Toronto, my community, as an example. There are enormous differences of opinion in this city as to how the Metro Centre development should proceed. When we speak of Metro Centre we are speaking of the spending of billions of dollars; we are speaking of the future shape of our city; we are speaking of a decision which will change and alter forever the very shape and nature of our city. There are enormous differences of opinion within Toronto about it and, we must allow these different opinions to be heard.

Let me repeat, for the benefit of the minister and of the House, that we intend to bring in amendments. I hope my friends to my right have heard me. I do not see any of them nodding, although I see some of them looking.

Mr. O'Sullivan: I am nodding.

Mr. Harney: I see the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) nodding. That is contagious. I see the hon. member for Calgary North (Mr. Woolliams) shaking his head. Perhaps he is chatting. But the point has been made. I think we should consider amendments seriously.

We should also consider the size of grants to be offered by the federal treasury to meet the net cost of the relocation. I can imagine cities and towns like Toronto, Winnipeg, and possibly Wetaskiwin, mentioned earlier, undertaking to put up 50 per cent of the cost of a relocation project in co-operation with the provincial government. That course is possible for Toronto, Hamilton, Winnipeg, Vancouver, and so on. The definition section of the bill—and the bill provides funds for the redevelopment or amelioration of certain urban areas—defines "urban area" as "an area or areas . . . classified by Statistics Canada in its most recent census . . ." According to the Dictionary of the 1971 Census Terms compiled by Statistics Canada, an urban area includes "(1) incorporated cities, towns and villages with a population of 1,000 or over," which includes most incorporated communities of Canada, and "(2) unincorporated places of 1,000 or over, having a population density of at least 1,000 per square mile", and so on. That definition covers practically every organized community in Canada. I wonder what the hon. member for Yorkton-Melville (Mr. Nystrom) would say if he were here.

Mr. Woolliams: He is not here.

Mr. Harney: He had to go away, slightly ill. It is the weather which had that effect on him. If the hon. member for Yorkton-Melville were here I am sure he would say something like this: "Look at the situation in Yorkton, where both the CNR and the CPR have a crossing in town." Actually, the lines meet right in the middle of town, right along Broadway Street. He would say: "Surely we want some kind of redevelopment to make the centre of our town more attractive, but how can Yorkton do this, even in co-operation of the government of Saskatchewan, if it has to pay a significant part of the 50 per cent of the cost of the relocation which is not picked up by the federal government?" I wonder if this bill offers much of a gift to the smaller communities of Canada.

That brings me back to my first point. As only $250 million is being offered under the bill for the next five years, once Toronto, Winnipeg, Vancouver and other large centres have taken their share, there will be not much left for other communities.

I said at the beginning of my speech that I welcome parts of the bill. I welcome without qualification Clause 6, particular subclause (2), which provides that the railways must comply with the request of the CTC when it asks them to make their rights of way available for purposes of public or rapid transit in our urban communities. Several members of the House, myself included, have asked questions for the past year and a half of the Secretary of State for External Affairs (Mr. Sharp), the Minister of Transport (Mr. Marchand) and other ministers as to when there will be legislation or direction which will tell the railways that their business is not simply that of transporting goods across the country but, also, that of transporting people and facilitating the transportation of people.

Mr. Woolliams: Hear, hear!

Mr. Harney: Obviously, not everybody in this House comes from Toronto. Some of us do. Those of us who come from Toronto know of the enormous problem we face in urban transport. Despite that, the city of Toronto over the years has developed one of the finer urban transit systems in North America. Although it is good, it is by no means good enough.

In Toronto a major study was undertaken recently relating to the Scarborough Expressway, an expressway which was to have extended from the eastern part of the city. That study, produced under the direction of Dr. Richard Soberman who at one time worked either for the Department of Transport or the Department of Urban Affairs—

Mr. Basford: Transport.

Mr. Harney: —recommended that the expressway not be built. That was a milestone recommendation in the history or urban development in Canada. Further, instead of recommending some kind of Flash Gordon, super levitation, Kraus Maffei, linear induction, super technology project, the study recommended that we go to light rail transit. Simply put, the report recommended the use of super streetcars. But in order to make the light rail transit system for Metro Toronto possible in a financial and concrete sense, the rights of way owned by the railways would have to be made available to the Toronto Transit Commission, or whatever commission will be responsible for light rail transit.

I cannot describe the map of the area. Anyone who looks at the Soberman report will see immediately that the whole area in question is crisscrossed in the most intelligent and effective way by main railway lines, branch lines, feeder lines and what-have-you, which could be used to provide a means for letting the people of the area travel to work and back without disrupting the existing amenities of the area. Obviously this is one of the most sensible and least expensive ways of moving people about in our urban centres. I commend the minister, not for having listened to the questions asked in this House, but for having had the good sense to include this provision in the bill before us. I can see it can certainly be made use of by many of our urban centres.

● (1750)

That was a piece of good news. Now for another worry. We in this corner of the House are a bit fretful. I, among others, am a little worried because the railways might find this bill so much to their advantage. Under the guise of offering a better environment to the people of our urban communities, under the guise of removing the track slums in certain sections of our communities, or under the guise of the beautification of our communities, this bill may simply permit the railways to offer to move themselves, again in co-operation with the municipalities, away from downtown areas.

Surely at first many people would laud this kind of a move, but there may be a trap here. We have had much painful evidence in the past few years of the desire of railway companies to move out of the passenger business.

This bill may give them yet another opportunity of doing so.

If the tracks are moved away from the downtown areas, the stations will also be moved. This will make it more difficult, in some cases impossible, for people to take a train. If it were not for the kind of resistance there is in the Toronto area to the obliteration and razing of Union Station, we could easily have all rail passenger facilities moved out of that area in spite of the fact the Metro Centre plan provides for a transportation centre.

We saw what happened a few years ago in Ottawa. We thought that removing the tracks from the downtown area was a beautiful and good thing. Most, including those directly involved and those watching on, agreed with moving the station away from the canal to the outskirts of Ottawa. What has this done? It has made it even more difficult for people to take a train out of this city.

Mr. Speaker: Order, please.

THE ROYAL ASSENT

[*English*]

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Ottawa, April 25, 1974

Sir:

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 25th April, at 5.45 p.m., for the purpose of giving Royal Assent to a bill.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Administrative Secretary
to the Governor General

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

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

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

● (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give in Her Majesty's name the Royal Assent to the following bill:

Bill C-5, an Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada—Chapter 6.

At 6.05 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

RAILWAY RELOCATION AND CROSSING ACT

PROVISION FOR PLANNING, ACQUISITION OF LAND, GRANTS, GRADE CROSSING ASSISTANCE

The House resumed consideration of the motion of Mr. Marchand (Langelier) that Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings, be read the second time and referred to the Committee of the Whole.

Mr. John Harney (Scarborough West): Mr. Speaker, before we were called to the Senate for Royal Assent, I was concluding my remarks. By the way, I am not forgetting that I intend to conclude them shortly.

[*English*]

I was making the point just before six o'clock, when we were called out for Royal Assent, that we must beware that the provisions of this bill are not used by the railways in a devious fashion to move essential passenger rail accommodations, stations, and terminal points away from those places in our cities where they are most convenient. I was making the point that with the excuse of beautification, clearance of track slums or regional redevelopment, it could be possible—I am not suggesting it would be done—for the railway company under one of its many avatars to persuade the fathers of a city that it would be better to have a track relocation, and before the city knew it they would have a project they really did not want, a project which would involved moving a rail terminal facility out of reach, as it were.

I had given the example of what happened here in Ottawa. I did make the point, and I will repeat it, that I am sure at the time it was decided to move the station out of Ottawa many people approved, as they felt that something unsightly, something that brought in smelly, smoky trains, would be moved away from the region of Parliament Hill. Since then we have come to realize that modern passenger trains are not unsightly and need not be dirty. We have also come to realize that moving the station out of the reach of the travelling public further discourages the travelling public from using the railway.

As the Minister of Transport (Mr. Marchand) pointed out to us not long ago, modern thinking is that railways, particularly their passenger services, have to return if the

movement of people efficiently, safely and economically between our cities is to be carried out. Particularly now that we are confronted with an ongoing energy crisis we have to be ready to put more and more stress upon passenger rail travel.

One of the essential elements of good passenger rail service is that it be attractive and convenient. So I end by making this my last point of caution to members in respect to this bill, a bill which, along with my colleague the hon. member for New Westminster (Mr. Leggatt), I welcome, but which has to be looked at nevertheless very closely. Perhaps the main reason I welcome this bill—and this may be a little philosophical—is that it is an indication that we are finally moving toward government ownership or control of the railways as opposed to railway ownership or control of the government.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am very pleased to have the opportunity of saying a few words on the second reading of Bill C-27. As the hon. Minister of State for Urban Affairs (Mr. Basford) made clear, this legislation will be of great value to Canada's municipalities. It provides significant assistance not only to urban development and redevelopment, but also will greatly facilitate the implementation of improved urban transit and, in addition, will more than double federal financial support in respect of public protection and convenience at railway crossings.

As many members of the House may know, this legislation in a certain sense can be said to have had its beginnings really and truly in western Canada, namely in Winnipeg. A few years ago the city of Winnipeg, together with the government of Manitoba, approached the Ministry of Transport for assistance regarding a major railway problem in the city. At that time it appeared the best solution might be to consider relocating railway lines in a major way rather than continuing to build and rebuild large and expensive grade separations near the heart of the city.

Mr. Woolliams: You speak better from your own notes.

Mr. Guay (St. Boniface): This is all I have at the present time, but I will make some comments when the hon. member speaks. I have noticed on occasion that he cannot even read his.

The Ministry of Transport provided 75 per cent of the cost of a $500,000 study which examined in detail a number of alternative transportation plans, each with its own railway relocation scheme. This effort was an excellent example of tri-level co-operation in which the federal government, the government of Manitoba, the city of Winnipeg and both railways worked together in a spirit of mutual co-operation.

Winnipeg is but one example of many cities in Canada where railway relocations may be the best answer to deal with situations where the railway lines have been in place for perhaps 100 years and are now a serious impediment to desirable urban development or redevelopment. Canada is also fortunate in that many of our cities are well endowed with excellently situated rail rights of way which, if made available for rapid transit use, would greatly contribute to the solution of urban transportation problems.

● (2010)

This legislation provides that the CTC may order existing rail lines to be freed of other rail traffic so that they can be used for rapid transit. Today one of the greatest difficulties in moving forward with intermediate capacity transit systems using modern streetcars, reserved lane bus systems, or perhaps some of the new technology systems currently under development, is the problem of acquiring the necessary corridors of land in which to operate such urban transit systems. Without the availability of railway rights of way often the only recourse is the expropriation of very expensive strips of land, including much valuable residential and other developed real estate. I need not remind the members of the House how difficult it is these days, and how wrong from a social justice point of view, to expropriate people's homes. I personally feel that this legislation fits perfectly the kind of legislation which will facilitate increased tri-level co-operation in many urban matters where action is so urgently needed.

The thrust of this bill is consistent with the direction the government is taking with regard to the whole field of a renaissance in the railway mode. We are not only looking at the need for greater and more effective use of passenger rail services in Canada, but we are also fully aware of the need to implement this policy in concert with many urban needs.

There are a number of other railway issues in Canada today. Many of these are social issues rather than economic ones relating to railway operations. Often from a social benefit or an export benefit point of view railway operations, which in themselves may not be economic, are none the less viable operations.

So far my remarks have dealt with the urban transit and urban development aspects of this legislation. I should like for the next few minutes to point out that this bill also contains valuable new provisions in the matter of public protection and convenience at railway crossings which are embodied in Parts II and III of this legislation. These are concerned with special grants for separations and modernization of the railway grade crossing fund.

The provisions relating to grade crossings and grade separations follow recommendations by the Railway Transport Committee of the Canadian Transport Commission to increase the limits of federal assistance for railway grade separation projects. Such expansion is intended to bring grant provisions into line with the increased costs being experienced in the construction of overpasses and subways. The cost of providing safe railway crossings and grade separations has climbed over the years. Such installations, especially in large centres, have become extremely costly. The bill provides increased federal assistance either through provisions in the railway grade crossing fund, which are continued in Part III of the bill, or through new provisions for special grants for separations, which are contained in Part II. The proposed new federal assistance covers level crossing protection work, reconstruction of, or improvement to, existing grade separations, and construction of new grade separations.

The proposed new levels of federal assistance in Part III are as follows. First, level crossing protection work, 80 per cent of the cost of which may be paid from the grade crossing fund up to a new limit of $1 million for new construction. The existing limit is $500,000. Second, construction of, or improvement to, existing grade separations, 50 per cent of the cost of which may be paid from the grade crossing fund, up to a new ceiling of $625,000. The existing limit is $250,000.

Part II of the act provides special grants for very expensive grade separations and for new separations required by highway traffic rerouting schemes. For the very expensive grade separations there is an escalation scale of grants; for example, a grant of over $2 million for a new separation costing $3 million and a grant of about $1.3 million for reconstruction of a grade separation costing $3 million. New grade separations required by highway traffic rerouting schemes which are required to cross a railway line by means of a grade separation will qualify for special grants equal to 50 per cent of the construction costs.

This new railway relocation and crossing legislation deserves the support of this House. Its provisions have been carefully considered. It holds out major benefits in the reshaping of urban neighbourhoods. It pays renewed attention to the issue of public safety at railway and highway crossings and it will greatly extend the federal government's ability to assist in improving the urban environment in our nation.

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

The Deputy Chairman: Order, please. Shall clause 2 carry?

Mr. Woolliams: Mr. Chairman, I might just speak to a point of order. I think we will be able to expedite the passage of the bill in committee of the whole. I might suggest that, on the clause now called, if any speaker is permitted to speak in respect of any clause on which he wishes to speak generally this might shorten the procedure when the bill is called clause by clause.

The Deputy Chairman: Order, please. Hon. members have heard the suggestion of the hon. member for Calgary North. Is it agreed that while we consider clause 2 we will hear debate on all clauses?

Mr. Basford: Mr. Chairman, I might indicate that that is quite agreeable. The suggestion of the hon. member for Calgary North is a worthwhile one.

The Deputy Chairman: The Chair will act accordingly. On clause 2—*Definitions.*

Mr. Woolliams: Mr. Chairman, it is probably refreshing to some of us to return to what I suppose we were accustomed to under the former rules, which is to have an opportunity to discuss a bill such as this in the committee of the whole House. We have heard six speeches today. I might say at the outset that this party, in so far as the principle of the bill is concerned, supports it 100 per cent. The mayors and reeves who were down here met not only with members of the government but also with members of our party, and I understand the New Democratic Party and the Social Credit Party. They presented certain briefs and came out strongly in support of a bill for relocation of railways so far as it affects urban centres.

I should like to make a few points in respect of the bill itself. As I said at the outset, we support the principle of the bill. We believe the federal government must move into this field, because it is very expensive to relocate railways, change tracks and improve urban centres, thereby enhancing the quality of life for those living in urban centres.

● (2020)

It is now accepted, of course, that the railways fall directly under the jurisdiction of the federal government under our constitution. It seems to me that if the railways accept the responsibility laid down in the bill to make certain changes in agreement with the provinces and municipalities, then I sympathize with the minister in this regard. I think that one of the problems of any minister who is responsible for urban affairs is that he has to deal with three levels of government. Each level is jealous of its own powers and jurisdiction. Under Bill C-27, all three levels of government have some jurisdiction when it comes to making certain changes.

In this regard, what is most important is these conferences which I mentioned this week in a question which I put to the government. I referred to the tri-level conferences. In my opinion there should be at least two conferences a year of the three levels of government on matters relating to urban affairs. Some experts say that 66 per cent of the people live in urban centres. Actually, it would be more correct to say that 80 per cent of the population live in the large centres of Canada.

The minister in charge of housing, whether it be this minister or any other minister, must face the fact that three levels of government and three levels of bureaucracy are involved, and that he must obtain the acceptance of the municipality concerned, of the province, and finally of his own officials before any decision can be reached. The same applies to changes in railway tracks, if the minister decides that they should be taken out of the city so that the land may be used for other purposes. Each time he runs into the problem of having to deal with three levels of government and three levels of bureaucracy, which of course slows down the decision making process and sometimes makes it practically impossible.

I should like to digress for a moment to say that this is one of the great problems facing the minister, and that my sympathy is with him. In housing matters, the minister who represents the federal government finds that first a decision must be made at the city level, then at the provincial level, and finally at the federal level. The same is true of railway relocation.

We support this bill 100 per cent, although we may want to propose some amendments to it. In fact, I may support the amendment put forward by the hon. member for Scarborough West. However, one thing which I would like to emphasize—and I think the minister and every member of the House would agree with me—is that it is necessary to obtain the co-operation of the railroads. Every government

has had difficulties in this regard. The railways must come to the conclusion that the governments of this country run the country. The country cannot be run by the railroads.

Some hon. Members: Hear, hear!

Mr. Woolliams: I am not one of those who laughed or poured scorn on the Minister of Transport when he said that there is no transportation policy in this country. It is very difficult to establish a transportation policy which would be acceptable to the railways and which would be put into effect by them.

I digress for a few moments to point out tonight in this committee of the whole the difficulties that any government faces, whether it be at the federal or the provincial level. Of course, the railways fall directly under the jurisdiction of the federal government, let us make no mistake about it—and I draw that to the attention of my friends in the NDP. The fact is that whether it is the CPR, which is a private company, or the CNR, which is a Crown Corporation, they are both responsible to the federal government.

Inasmuch as the railway have failed to measure up to their responsibilities and to fulfill the mandate which this nation gave them, both the CNR and the CPR have failed the nation. So there is no difference between them there. So far as I am concerned, both the railway companies have failed the nation. Under this bill—and I want to emphasize this—we have undertaken to cover part of the cost of certain changes and to guarantee that the railways will not lose money if an agreement is reached at the municipal, provincial or federal level. So that if any changes are made, the companies themselves will not lose money.

One has to ask oneself: Will the railways, if given this new mandate under the bill for the benefit of the people who live in urban centres, measure up to their responsibility? I am not so sure that they will. This problem will face any minister in charge of urban affairs, whether it is the present minister or the future minister from this party.

We have been the opposition since 1963—11 long years, maybe too long—and in all that time we have been screaming about the shortage of boxcars, for example. In my opinion, the railways have been totally irresponsible in their failure to fulfil the mandate of confederation and to carry out the services for which they were created. I am using this as an example. If the railways fail to measure up to their responsibility under this bill as they have failed to measure up to their responsibility under the constitution, then what we are doing tonight will be to create one more new problem for the nation instead of trying to improve the quality of life of the average individual living in the city and trying to improve our cities generally.

It is interesting to note that Mr. MacMillan Q.C., President and Chairman of the Board of Directors of CNR, was called before the Standing Committee on Transport and Communications last December 11 and interrogated by members of parliament. I should like to quote some questions and answers from the procedings on that occasion which will illustrate how serious the problem is and how paralysed is any government or any minister to get the railways to act in a responsible manner. The hon. member for Vegreville asked these questions:

● (2030)

MR. MAZANKOWSKI: Mr. Chairman, when Mr. MacMillan previously appeared before the committee, he had indicated that he had comparative figures on the actual movements versus the targets for last year and this year.

That is talking about grain, Mr. Chairman.

I am talking about the boxcar allocation targets. I wonder whether you could provide this information to the committee at this time. It is for last year and for the current crop year, from August 1 to the present time.

MR. MACMILLAN: Last year, the Canadian National target was 99,419 and our actual deliveries were 97,040. Canadian Pacific's target last year was 101,907 and their actual deliveries were 99,352.

MR. MAZANKOWSKI: Was that for the total crop year, Mr. MacMillan?

MR. MACMILLAN: No, no!

MR. MAZANKOWSKI: For the calendar year?

MR. MACMILLAN: August 2 to December 8.

THE CHAIRMAN: Of 1972?

MR. MACMILLAN: Of 1972, yes.

MR. MAZANKOWSKI: Fine.

I could read question after question, Mr. Chairman. These railways were asked to build box cars. Is that the kind of responsibility we are going to get from them—building 3,000 new cars to move grain out of western Canada? At the committee, Mr. MacMillan said they built 3,000 new cars for the shipment of grain. But when he was questioned it appeared that none of the cars were built, trimmed and shaped for the movement of grain. If the railways are going to be that irresponsible and get away with it in regard to movement of grain, what will they do when they receive money from the federal government to change the tracks and railroads that go through our major cities?

To further show the irresponsibility of the railways, ten years ago there were 88,000 cars that were fit to move grain. At the standing committee it was admitted that the number has now been reduced to 44,000 cars. If the railways do not want to move grain and do not want to change their tracks going through the cities, although they will agree with what the government wants, when they get back to their boardroom they will just do something else.

The minister is a charming man and I hope his charm will be strong. I hope it will be so strong that when this House approves this bill he sees to it that, when money is paid to the railways, they will carry out their mandate and their responsibility not only in accordance with the constitution but in accordance with the terms and conditions of this bill. As I said at the beginning and I repeat, I have sympathy for the minister in this regard. The railways seem to believe they are above the law, but he must force them to carry out their responsibility.

As I pointed out in my example, these facts boil down to a simple formula: that the railways, although subsidized by the taxpayers, without right or equity have reduced the number of grain boxcars by 50 per cent in the last ten years. In other words, the number of boxcars suitable for grain movement dropped from 88,200 in 1963 to 48,000 in 1973 for both railways. Canadian National and Canadian Pacific split 50-50. My question, Mr. Chairman, is: Should the government of this nation, whatever it may be, permit

the railways to run the nation, instead of the government running the nation and the railways?

It would seem to me that when money is paid by subsidy for the purpose of moving grain, or for building cars, or for lumber shipments, or for movement of other commodities, or for moving tracks out of the cities and large centres of Canada, the railways should be forced to sign an agreement and to live up to the terms and conditions of their agreement. Then the taxpayers' money is used for the purpose for which it was paid.

I feel sorry for the Minister of Transport, who had to admit—for he is honest—that this government did not have a transportation policy. My indictment is not against him or the government for not having a transportation policy; my indictment is against the railroads that have been able to run slipshod over governments for a number of years, and will continue to do so until this government and this parliament gets tough with them.

An hon. Member: Take them over.

Mr. Woolliams: My hon. friend says "Take them over". If I thought that was the solution, Mr. Chairman, I would speak in favour of it. If I thought socializing the railroads would solve the problem, I would support it. But I find that the procrastination and negligence of the CNR is as great, if not greater, than that of the CPR. In fact, if you ride on the passenger trains of the CNR or the CPR you will find that you get service. I might even mention Air Canada and CP Air. At least CP Air has not got the monopolistic routes Air Canada has. I have tried both lines from here to Calgary so I know who gives the service.

An hon. Member: Nationalize Eldon Woolliams!

Mr. Woolliams: The hon. member says "nationalize Eldon Woolliams." I am going to digress for a moment, Mr. Chairman. I hold no brief for Imperial Oil Company, but when the NDP talk about profits they should think about the minister of this government who bought heating oil for $50 million, which is one-quarter of Imperial's profits. Yet nobody complained about that. However, when free enterprise makes a dollar, there is a great deal of complaint about it. I am not going to be sidetracked by that, Mr. Chairman.

Although this is a very short bill, Mr. Chairman, I think it is probably one of the most important to come before the House. In such major centres as Toronto, Winnipeg, Calgary and Edmonton the railways own some of the choicest land, because the lines were built before the cities were. If we can get the railways to make changes and relocate in areas outside the cities, as has been done in Ottawa, then, when land is taken over for development within the city, whether by the federal, provincial or municipal government, I think a certain amount of that land should be set aside for parks.

I can only speak about the city of Calgary, which has developed very quickly during the last ten or 15 years. The streets are narrow and very little land has been left for parks. A large acreage of railway track goes through the city and an attempt was made by Senator Hays to have it moved so that the land could be used for other development. It is not for me to say what happened at the city level as I was not a member of council and had nothing to do with it. The idea was good but it was killed, and the tracks are still there in the middle of Calgary.

Mr. Lang: Saskatoon did it.

Mr. Woolliams: The Minister of Justice says that Saskatoon did it, and I want to congratulate Saskatoon. The minister probably knows that is my home city. They have done an excellent job, and I do not know if the minister had anything to do with it or not. Anyway I congratulate him, although I do not think he was mayor at that time. Nevertheless Saskatoon has done a good job. I hope other cities including Winnipeg and Calgary can follow suit.

● (2040)

I see the chairman is getting itchy and feels I have used up my 20 minutes, so I will sit down. In committee of the whole I like to hear what others have to say. I will present some other ideas later this evening when the relevant clauses are called.

Mr. Barnett: Mr. Chairman, I rise, not to make general remarks, but to ask specific questions about clause 2. I was not in the House when the minister spoke on second reading and possibly he may have touched on the matter I am about to allude to. The definition section of the bill says that "urban area" means "an area and areas adjacent thereto that are classified by Statistics Canada in its most recent census . . ." It would help us to understand the bill better if the definition were presented in less technical terms, as not every citizen of Canada reads the publications of Statistics Canada and knows exactly what that organization means by "urban area".

Mr. Basford: Mr. Chairman, the hon. member for Scarborough West touched on this point earlier and there is on record what is meant by this definition in the act. For the benefit of the hon. member, Statistics Canada has defined an urban area to include, "(1) incorporated cities, towns and villages with a population of 1,000 or over." I suggest that the bill will therefore apply to any legal entity incorporated as such town or village. Then the second definition is: "(2) unincorporated places of 1,000 or over, having a population density of at least 1,000 per square mile; (3) the urbanized fringe of (1) and (2) . . ." That would include places with a density of population of at least 1,000 per square mile. As far as I can determine, this definition will encompass all inhabited areas of this country where it is appropriate that this bill should apply. We have calculated that within the Canadian Transport Commission's jurisdiction there are 672 such urban areas. Obviously, an urban area may include many municipalities, as there are many more than 672 municipalities in Canada.

After examining various definitions of urban area, we settled on that definition, being satisfied that it applies to those areas of habitation supplied with railway facilities, areas to which the procedures set out in the bill and the regulations can apply.

Mr. Barnett: Mr. Chairman, another question occurs to me. According to the minister, Statistics Canada defines

an urban area as an incorporated city, town or village with a population of 1,000 or more or an unincorporated place with a population of 1,000 or better. He did not mention any district municipality.

I am sure the minister knows that in the province from which he and I come there are municipalities which are really urban areas, with populations well over 1,000. One such area in my constituency springs to mind immediately, because there is no railway in it, the district municipality of Campbell River, which I suggest has a population of at least 10,000. At one time it was a village; later it was defined by the province as a district municipality. If I heard the minister correctly, the district municipality of Campbell River is to be excluded from the provisions of the bill, even though it may more readily be considered an urban area than, say, the village of Tahsis, on the west coast of my constituency. I mention the village because it is unlikely that a railway will run through it in the near future.

Can the minister comment on what I have said about the definition of an urban area?

Mr. Basford: Mr. Chairman, I know the city the hon. member refers to as being the place where the best salmon in Canada are caught.

Mr. Forrestall: Says who?

Mr. Basford: The bill would apply to Campbell River in two ways. It would apply to the area as an incorporated municipality, or as an unincorporated place with a population of over 1,000 and a density of 1,000 per square mile. Remember, there are two definitions, one dealing with an incorporated municipality, the other with unincorporated places with populations of 1,000 and over. So the definition would include Campbell River. At the moment I am not sure whether there is a railway in Campbell River.

Mr. Barnett: I do not think there is, but we will not go into that at the moment. May I ask another question. The definition section deals with "transport plan". The question which arises is this: How would this legislation apply, if at all, to new communities such as have sprung up in British Columbia and elsewhere which have been referred to as instant towns? I do not know of any served directly by railway. I think of the town of MacKenzie, north of Prince George. There is much talk about creating new satellites to urban areas. I ask the minister to look at clause 6(1) which says, "For the purpose of carrying into effect a transportation plan accepted by the Commission under section 5," certain things shall be done. I understand that section 5 deals with a plan, which would have to be accepted by the commission, which would include both the urban development and transportation plan.

I may be wrong, but as others have observed this bill is complex. If I am correct, and this is the aspect which interests me in relation to the development of new, planned communities, then may I say this. Clause 6(2)(c) empowers the commission, in relation to carrying into effect the transportation plan, to "require a railway company to build a railway line in such location as may be specified by the Commission within the transportation study area to which the transportation plan relates". That power could be important in relation to proper planning and direction to a railway company to fit its service for a planned community which is to be an urban area. Can the direction be given before the area has acquired the minimum population of 1,000 but which, once the direction has come into effect, will, for the purposes of the next census, acquire sufficient population to be classed as an urban area? I wonder whether the minister could comment on the implications of the legislation for the kind of situation I am trying to suggest.

● (2050)

Mr. Basford: Mr. Chairman, I appreciate the question very much. I would answer it by saying that this legislation is obviously designed to deal with situations that currently exist and correct things. With regard to railway lines, if they are being under-utilized or could more effectively be utilized, the CTC by way of a transportation plan would be allowed to make an order as to a relocation, re-routing or re-use of those lands or rights of way.

With regard to new towns, we passed legislation in this House a year ago to finance new towns. If you were developing a new town, I quite frankly cannot conceive that you would design it to have a major railroad relocation as part of the plan or a year after the start. A new community being planned and developed now would use the best possible planning techniques and advice. It would not have to use this kind of technique to go back and correct or change things. I appreciate the hon. member's concern that we consider new towns or new communities, something in which I am very interested; but in developing a new community, you would plan it so you would not have to use these provisions at all.

The hon. member raised the specific question of rapid transit or public transit. Again you would not have to use these provisions because you would have to put in the transportation facilities as part of the plan for the new community.

Mr. Barnett: Mr. Chairman, I specifically stopped my quotation from clause 6 before I came to the matter of rapid transit because this is not the point. I understand that the thrust of this legislation is to try to deal with actions taken in the past which might properly not have been foreseen in their long-term results. I am glad to know the minister is concerned about the planning of new communities.

The question I am raising is what authority of direction there is to a railway company, whether it is the CPR, which my friend from Calgary loves so much, or the CNR, which is the subject of his criticism, to ensure that a railway will be located in accordance with the desire of planners of new communities.

I am no authority on the provisions of the Railway Act or the kinds of powers a railway company can exercise. However, some of us have been hearing about decisions made in the past by a former general manager of the CPR regarding the location of towns. This may have refreshed our memories or put in our minds the kind of authority railways have with regard to putting in their lines.

As I read clause 6, it provides that, under the circumstances prescribed in this bill, specific authority is given to the commission to require a railway company to build a

railway line, in effect where the commission says it should. The general thrust of this bill is to provide for a constructive liaison between decisions of a commission and decisions made at a community level.

I raise this point because unless the minister can indicate to the committee that under some other existing authority there is a power of direction to the railway companies that they must co-operate in the development of a new community with regard to the location of lines and so on, this is something that should not be considered. That is, if we are going to prevent mistakes in the future rather than being altogether preoccupied with the mistakes of the past.

Mr. Basford: Mr. Chairman, I go back and say what I said before, namely that it seems inconceivable that you could plan a new community without planning your transportation facilities as part of that plan and without the need to rely on this legislation at all.

Let me cite two examples of new communities. One is in the national capital region, where I have been speaking of the development of a new community which at the moment is called Southeast City. It is being located there because of the attractiveness of the particular site and the fact that it now has a transportation corridor to it. One would plan that new community by providing transportation facilities to it as part of an original new plan for a new community, and without any reference to this particular legislation.

The other is the community of Pickering, being planned in association with the proposed new airport. That is a situation where the government of Ontario, in association with the airport, is planning a new community. We have again said we will co-operate with the provincial government in the provision of public transit and rapid transit facilities to that new community. They will be developed as part of a new transportation plan for that new community. They will be facilities that will not need correcting.

I want to say that in both examples I cited, Southeast City and the new community outside metro Toronto, they would be by definition an urban area deemed to be within an urban area. Southeast City would be deemed to fit within this definition if it wre necessary to apply it, although I cannot conceive of needing to make use of it. Both Southeast City and Pickering would be deemed to be within the definition.

Mr. Barnett: I want to thank the minister. I raised this point deliberately under the definition section in order to relate it to further clauses of the bill. I want time to think about the minister's answer before we come to clause 6.

[*Translation*]

Mr. Laprise: Mr. Chairman, I would like to say a few words on Bill C-27, one of the most important pieces of legislation which, I believe, have been put before us during this session.

This bill binds the government for many years. The first question I am asking myself on this bill before us is to know if there are priorities in the field of transportation other than the relocation of railway lines.

Farm producers of western Canada as well as lumber operators complain, justifiably so, of a lack of railway cars. There are also reasonable complaints that the passenger service between the major cities is really of inferior quality, and I believe that these should be priorities to consider in order to improve transportation services.

The relocation of railway lines may have a sound basis. The environment needs protection, and urban beautification is desired. There is also talk of pollution, but knowing how fast has been the growth of urban centres in recent years, I think that this will continue for quite some time. And, in spite of the answer given by the minister to my hon. colleague for Comox-Alberni (Mr. Barnett), that urban development plans will prevent new construction along the relocated railway lines, I wonder to what extent they will work out.

● (2100)

A few weeks ago, I heard an interview on the radio about the pollution problems in Montreal. We know that in the metropolitan area that problem is rather serious at times and a director of Miron Co. Limited was asked his views, because the company was charged with polluting the air around its plants. The director's answer, in my opinion, was correct. He stated that when Miron Company was set up on its present location, that is a rather long time ago, it was practically open country where there was no residential area and it was precisely why it had been chosen. However, today the city is surrounding the plant. How can the people be prevented from getting close to that pollution centre? We know that such a large cement plant does create pollution problems.

In my opinion, the relocation of railway lines could create a number of problems.

In the past, people used to build their homes near waterways. For instance, they started with the St. Lawrence River. Then, they established their settlements along the main rivers, for these rivers provided the best means of transportation of that era. Later, people built villages along railway lines. Today, we mentioned Calgary, Montreal, Quebec City and some other great cities which have existed for hundreds of years. In those days, development was fairly slow. Today, railway lines can be relocated, but steps will have to be taken to prevent people from crowding around the new railway lines which will be rerouted out of the great cities.

If land is to be recovered in downtown areas, much will be lost in the areas surrounding the cities. When the hon. member for Scarborough (Mr. Harney) spoke a while ago—I do not know whether he had Montreal in mind—but he spoke of railway transport as an inexpensive mode of transport at a time of energy crisis.

In Montreal, for instance, we have commuter trains which offer the workers an inexpensive and convenient mode of transport. In Montreal East, railway lines will have to be replaced by another means of transport. Of course we have the subway and buses, but because of the large number of cars and trucks on our highways and streets, buses are not the answer to the massive movement of workers from the outskirts to the city or vice versa.

To my mind, commuter trains are very useful, and I wonder whether it is wise to cancel that means of transport.

There is another means of transport between large centres such as Quebec, Montreal, Toronto and the large cities in western Canada or the Maritimes, namely the plane. Still, one has to leave from downtown and drive several miles to reach an airport. For shorter trips, if you take the train to go to Halifax or Vancouver for example, you will still find a station downtown.

But if you relocate the railways, you will have to travel a longer distance before you can get to a station.

Mr. Chairman, we might create problems while solving existing ones.

I suppose that when he prepared this bill before submitting it to the House, the minister has made some research to see how much money had to be invested in travelling.

The minister said that more than 600 municipalities would benefit from this act. My opinion is that it will require a considerable investment. I do not know if the minister has figured out how much it would cost in total, but I guess that the budget will have to be allotted each year and that the House will have to vote these sums.

There is another point just as important. Has it been foreseen, since the amount invested each year is rather limited, which cities will be able to relocate these lines?

I think there will be violent controversies between municipalities and provincial or federal governments.

A few minutes ago, the hon. member for Calgary North (Mr. Woolliams) mentioned the need for three-level conferences so that the three levels of government can reach an agreement on this question. But I am not so sure it would be useful to invite municipalities to such conferences to discuss these projects.

Recently Mayor Lamontagne of Quebec City compared the current situation of municipalities to that of a child of divorced parents. It is never possible to speak to both parents simultaneously; in the same way, municipalities cannot meet senior levels of government at the same time to discuss problems together.

Therefore, if we want to be logical, if we want to implement this program in order that it may bring the satisfactory results we are anticipating, municipalities will have to be allowed to have their say about the development of their area.

It may be, as the minister said a few moments ago, that in a large city, a relocation may involve more than one municipality. At that time, serious negotiations will be required to bring about agreement among the parties involved.

I think that on the whole, the bill proceeds from a good principle, but I feel that care will be needed in its application and in the surveys and studies to be conducted.

Perhaps we want to solve some of our cities' problems. Well and good, but I am wondering whether in doing so we will not be creating new problems.

In any event, if we relocate these railway lines and stations that were in the centre of cities, I believe that we must consider at the same time developing a rapid transit service, not too expensive and suitable for workers living in the suburbs.

● (2110)

[*English*]

Mr. Forrestall: Mr. Chairman, if I might, I should like to pick up the thread of the remarks of my colleague the hon. member for Calgary North by making one or two comments regarding some of the fears we have on this side of the Chamber. It has been suggested by other speakers, I believe the hon. member for Central Nova and others, that we welcome this type of legislation. I liken it somewhat to a schooner with a full set of sails; but, as pointed out by the hon. member for Calgary North, we are a little bit concerned about the wind that is going to fill those sails. He was talking about the efficiency and adequacy of Canadian National Railways' management effectively to administer and operate within the parameters of this legislation.

This bill essentially extends to the CTC the authority for management of what is proposed and contained therein. While it is an arm of government, it seems we would be a little remiss if we were not to take a few minutes to look at the general competency of the CTC and the CNR to administer this authority. If you look at the past history of the CTC you will find it is not such as to give someone like myself any great encouragement that it will be able to deal efficiently with the authority and power as well as the funds given to it.

As in everything else, there are certain instances which occur from time to time that discourage one in this area, and I think in this type of debate it is appropriate to cite some of them. I intend to do so, as others have done, to indicate a lack of trust in the efficiency and adequacy of the CTC.

A case occurred only a month or two ago in which an application was made by the city of Dartmouth for funds to assist in the removal of one of our city's more inelegant examples of a CN 1920 baroque, if you will, and to replace it with something more modern, thereby doing away with a very dangerous intersection. Not only did the CTC take well over a year and a half to decide what to do, but having made a decision it failed to notify any of the parties that awaited its decision in order that they could get on with this work for well over a month. This would indicate not just a lack of concern on the part of the commission, but an absolutely disgraceful and callous attitude, if you will, toward municipalities and other bodies that simply must know of decisions like this for various reasons, including budgetary ones.

This undue delay in advising the parties of the decision of the CTC is continuing to have an effect on the progress of this work. Apparently having made a decision, it was filed away and forgotten. This happened a long time ago and I have seen nothing happen in this case, so it makes one question the efficiency of the CTC.

Another area of concern is this decision making process that is entrusted to the CTC. I have in mind the authority to make decisions in this whole area of urban rail transportation and to advise ministers of the Crown. I suppose the Minister of Transport is most likely to be the one

involved in this regard, particularly in respect of whether such shared cost programs should be initiated.

When we give authority to the CTC and a fairly heavy bank account, I think members of this chamber are quite justified in asking for some reassurance by way of action. We want some demonstrated reason for placing our trust in the ability of the CTC to administer, and I must say that my experience is such that I cannot help but be anything but concerned.

I suppose many examples could be given of this experience. I think of another one in the Halifax urban area involving a problem in the constituency of my dear colleague, our distinguished Chairman this evening. This has to do with a rail commuter service. I would cite this example to underline my concern about whether the CTC is in fact capable. This involved a long and protracted process, still underway, in the establishment of a commuter service to serve the outlying area of my own metropolitan Dartmouth-Halifax riding. In this instance all that was sought was a rescheduling of certain existing rail services to provide the people with a much needed service. The railway companies said no, not unexpectedly, citing their own problems, in the details of which I am sure hon. members are not interested.

To say the least, the railway companies, in this case both the CN and CP, were not very anxious or willing to do anything on their own and, accordingly, the citizens, with their somewhat impressive concern about this commuter service, presented a petition to their member of parliament. It eventually came across my desk and I wrote to the CNR, which again said no.

● (2120)

I then wrote to the Dominion Atlantic Railway which operated part of the commuter service on the tracks, and the reply I received was the same. They said they were merely a subsidiary of CPR and that since the terminal facility belonged to the CNR they could do nothing, that their hands were tied. I then addressed myself to the Minister of Transport, who in turn shuffled me off to the Canadian Transport Commission. He did so without any comment at all, I suppose believing I would flounder there.

On January 28 this year I addressed myself to the Chairman of the CTC and asked if he could advise me of the progress to date. That letter has not been answered to this point in time, April 25. Hon. members with longer memories will remember with some interest the contribution made in this chamber by a former member from Hamilton West who has since departed to a committee of the CTC. I believe he has been elevated to the position of executive director of the committee.

Mr. Macaluso, in a letter written to me over a month ago, advised me that studies in respect of this commuter service were underway but that no progress could be reported. I called his office this afternoon and the response was that there was still no word. Apparently the railway companies have not seen fit to answer the committee. So obviously the railway companies no longer tread in any fear of the CTC and feel they have successfully captured the commission.

[Mr. Forrestall.]

This tale of frustration and indecision would seem to me after having been in this chamber some years, to be typical of the incompetence of the government. In addition, I am by no means convinced that the commission itself is being chaired, as it is in a sense by another of our former colleagues, in a manner that in any way demonstrates any concern, or indeed any desire, to accept the responsibilities charged to the commission under existing legislation, let alone any ability to deal efficiently with this new legislation. The inescapable conclusion I suppose one might draw from this is that the government in a sense lost the initiative to assist, let alone sustain, the CTC, which is being asked to exercise considerable authority under this particular bill.

I suggest that the apathy has spread to various other commissions and agencies. There would appear to be a lack of leadership and drive. There is frustration over the difficulty of obtaining simple things or getting things done for people, and yet when asking us to accept what is essentially a long overdue piece of legislation the government also asks us to give powers to a body whose chairman, and perhaps even the other members, should be fired.

With new blood on the commission perhaps it might be stirred up and we might get a little action. I suggest we will not get such action under the present system. I cannot even get an answer after 18 months in respect of a simple matter like a commuter service or the reason that a train schedule cannot be altered by five minutes in order to accommodate thousands of families who live in a very rapidly growing area, albeit not the largest area of Canada but a healthy and growing area.

I do not wish to wander from the subject matter before us and cover other areas, but there are a number of other matters which have been touched on by the hon. member for Abitibi and by my hon. friend from Vancouver Island, who spoke about planning priorities and so on. I do note that in virtually every phrase in the bill there is some reference to the convenience and safety of the travelling public.

I would be somewhat remiss if I did not direct another shot at the minister, not necessarily the minister who is guiding this bill through the House, in respect of safety and the assurance that Canadians must have in respect of their transportation facilities. This is the assurance that institutions such as parliament owe to the people who use the transportation system. I refer to the regulatory body which investigates accidents within the parameters of its regulatory authority. Here we are giving more authorithy to the CTC to administer a fund that will be established, yet we do not consider the other aspects. I suggest, and I believe other members in this chamber share my view, that there is nothing in the performance of the CTC to warrant any confidence in it with regard to the administration of this particular bill.

The requirement in respect of public inquiries is a permissive thing under this legislation. We might have wished the minister had provided within the bill a means by which the public at large could perhaps, by the simple instrument of a petition to the CTC or other body, apply for a public hearing. I note that my colleagues to the left in this chamber would like that provision to be mandato-

ry, so that there would be public hearings in every instance.

It would seem to me, however, that many applications for meaningful and useful assistance will be made under the provisions of this legislation, and not all of them by any stretch of the imagination will require public inquiries. Indeed, the process of establishing the mechanics of a public inquiry might in some cases unduly delay the issue. So rather than have this made mandatory, I wish the minister might have built in a provision for an inquiry to be made on the part of people who might be affected. I cannot help but say, perhaps just in passing but fairly seriously, that the Minister of Transport, and indeed even his delightful and charming parliamentary secretary, while sometimes agreeing with me, on many occasions are not prepared to do anything about ideas that are presented. They have not really demonstrated any enthusiasm in respect of the transportation needs of Canada. Perhaps that will change shortly, but there is no enthusiasm. That is a somewhat startling admission regarding those who have had a degree of absolute control over that area for long periods of time. But I think even the parliamentary secretary would admit that there are times when he himself is not enthusiastic, even though we are chiding him for being the only live spokesman for the department. The department has run out of steam; it has given no leadership. We have been waiting for this piece of legislation, as the provinces have been waiting for it, for ten years now, and the government asks us to approve it with enthusiasm when we know they will turn it over to a body which operates within their parameters and reports to them. But there is no steam there either; there is no energy. I do not think even Geratol will help the chairman of that commission. There is no demonstrated reason why we should express other than respect for the measure that is in front of us and a deep concern for the commission, the body that will administer it.

● (2130)

As I say, we praise the principle of the bill, but its implementation and effective administration cause me some concern, as I am sure they do many thousands of Canadians. I commend my colleague, the hon. member for Central Nova, for the remarks he made here this afternoon. This is indeed an interesting bill. One aspect of it is that it seems to bring together several ministries of the Crown.

Perhaps I should stress again the need for the government to assure us that as the body behind this piece of legislation they will accept some responsibility with regard to the attitude of the CTC to the implementation of the provisions of this bill. The government should perk them up a little bit and get them working. Good God, a few mistakes once in a while are nothing compared with the work that can be achieved. It would be a welcome and refreshing thing to most of us in this chamber compared with their track record in recent years, which has shown them to be somewhat less than useful, at least as far as I am concerned.

Obviously the commission will have to do better in the future, but they will not do better unless the government spurs them on. My colleague, the hon. member for Calgary North, earlier asked who runs the country. It seems to me that it is the CNR in these times. Obviously the CNR do not care about the CTC and they have never given a damn about the government. So I am not all that happy with the administrative mechanics behind this legislation, or with the demonstrated enthusiasm on the part of the CTC, indeed the absence of it on the part of the government, to make sure that the provisions of this bill are not only administered but administered with some imagination and enthusiasm. The government should ensure that this legislation does not bog down in some corner of somebody's back filing drawer, but rather that it is used to the extent that the provinces and municipalities require to correct some serious situations that have existed for many years and that worsen each year as property values go up.

Let the government take hold of the CNR and of the CTC and let them know once in a while that this chamber and they as the government do have some concern about the way in which these two bodies go about administering this act. When the government do this, some people on this side of the House will let them have the type of support that is required for the meaningful implementation of the provisions of this bill. For many of us this will mean a long overdue but very welcome involvement in work in our own communities.

We welcome this bill, Mr. Chairman, but I request of the government that they make absolutely certain that the administrative body is shaken up a little bit. Let the government point out to them the necessity for a more vigorous approach to the massive problems that they must tackle under the provisions of this legislation and make sure that they do so with some enthusiasm.

Mr. McKenzie: Mr. Chairman, earlier today I spoke in support of this bill, and now I would like to ask the minister two questions. I have a copy of the Winnipeg railway study which covers a number of aspects of rail line relocation with regard to the economic benefits and the social and environmental impact of such. I should like to quote from a letter from the Damas Smith consulting firm in the city of Winnipeg. They refer to CP Rail and say: "The railway has acquired land south of the main line". However, they do not say how far south. If they go as far south as they can, they will go up to Saskatchewan Avenue which is adjacent to residential property. They say:

> The railway has acquired land south of the main line between the Perimeter Highway and the Airport for a new classification yard. It will probably build this yard.

As I stated this afternoon, CPR has been acquiring property adjacent to residential property. I should like to ask the minister: What protection will the city have in this situation?

Mr. Basford: Mr. Chairman, I want to make it clear to the hon. member that I am not familiar with all the details of the Winnipeg proposals because I have not had to familiarize myself with them. The hon. member asks what kind of protection would be provided under this legislation. First, the initiation of the relocation proposal must come from the municipality or province. That is very clear in this legislation. They are the applicants to the CTC. They put together an urban development plan and a transportation plan on the basis of studies and work, and they

put that to the CTC. So it seems to me that the protection about which the hon. member asks lies in the fact that the applicant is the municipality, in this case the city of Winnipeg. That is the first general area of protection. I am not referring at this point to specific sections, although this would be clear as we go through this bill clause by clause.

The other point is that the CTC will deal with the application, and on any major ones, as I made clear this afternoon, they will undoubtedly hold hearings. So if there is an objection to what the municipality has done, they will have the right to be heard and will have protection in that way. So the fact, that the municipality prepares the application and is the initiator of the railway relocation proposals is the first line of protection.

● (2140)

The second line of protection is the public hearings. The third, of course, is the CTC itself. If some part of the plan was clearly not in the public interest in terms of the urban area, the commission would not go along with the plan. The railroad simply cannot put in a facility wherever it wants without the approval of the commission. Those three areas are the protection which the hon. member asked for.

Mr. McKenzie: Mr. Chairman, it would appear that the railways are being presumptuous in acquiring land already, so you can understand our concern. My second question is another quotation from the Damas Smith letter to the city of Winnipeg. At page 8, it says:

> The railway reception areas or impact corridors were studied in some depth in the railway study. It was concluded that these corridors should be designed so that the "community remains whole", that is to say the adverse effects of the railway should be designed out. This means that the cost of railway relocation will automatically include the cost of environmental protection.

When I see a map in the Damas Smith report showing a new rail line going through an area like Assiniboia Park, I wonder how the environmental protection cost would be covered for the largest environmental park in Winnipeg.

Mr. Basford: Mr. Chairman, what the hon. member is reading from is a set of proposals which set out a series of options for railroad relocation in Winnipeg, none of which has the approval of the municipality, the province or the federal government. They are just a set of proposals. If there is one proposal about the use of Assiniboia Park which is environmentally damaging to the municipality involved, I presume it would not be part of the urban plan.

Mr. Frank: Mr. Chairman, I will try not to take too long. I appreciate the opportunity to ask the minister or the Parliamentary Secretary to the Minister of Transport for clarification on the funding of a specific relocation project which I feel should be a tremendous urban renewal step forward for the city of London, part of which represents an important part of my riding. The part of the bill that I am not too clear about is the percentage of funding that could be expected for such a project. In order to give the minister a picture of what I am speaking about, I should like to outline what is there now and the tremendous improvement that could be made by its relocation.

[Mr. Basford.]

First of all, we have both main lines operating through the city of London. Both CPR and CNR are there, they operate as separate entities, but the facilities are somewhat different. The CNR has a relatively new station and the facilities are in reasonably good shape. The CPR station is somewhat antiquated and I doubt very enticing to passengers. The two railways operate about a mile apart, through the main core of the city. The CPR has only two crossings that are not open through the whole area, which is approximately four miles long. You can imagine the number of level crossings that people have to contend with, particularly in the mornings and evenings. Even though it is a single line track that the CPR operates on, it is hard to estimate how many hundreds of man hours are lost by people each day waiting on train switching or for a freight train of over 100 cars passing through. The yard area is on the east side of the city.

The CNR right of way is a double line track and, as I said before, is in reasonably good shape. The CPR right of way is located in such a position that it could fill a very desperate need for an east-west, in-city traffic route for rapid transit, automobiles, or whatever would best serve future in-city traffic flow.

I feel the possibility of dualing these two main lines through the city of London is unique. Some six miles from the present CNR station and less than two miles from the city limits to the west of London the two lines are literally side by side, separated only by a telegraph line. I know this area well because the two main lines go through property where I have lived all my life. The side by side area I speak of is immediately east of my property. It would be a natural thing to route these two traffic potentials to the two-track CNR line, and would be almost equally convenient to separate them to go their separate ways east of the city by way of a spur CNR line that already heads north east and presently crosses the CPR line. It would be quite easy to reroute them. After they have progressed through the city on the dual line, they could go their separate ways again.

No doubt the proposed in-city relocation would present some technical and manpower problems, but the many advantages would far outweigh the disadvantages. One problem, of course, that would have to be overcome would be the relocation of some employees in the yards in the existing facilities that operate within the city on the CPR line. However, I am sure that would not be a major problem.

This is a very brief explanation of the present situation and the possible future of the railroads in London. My question to the minister is for some clarification of the percentage of funding that would be possible. If I have made myself clear I would like an answer to that.

Mr. Basford: Mr. Chairman, I appreciate the remarks made by the hon. member for Middlesex. They point out a wonderful example of what happens in cities. He has chosen the city of London to demonstrate the need for this legislation. It is just such situations that are to be dealt with, and that is why I think the legislation should be passed as soon as possible.

With reference to the city of London scheme, I understand that they have consultants working on this. We have

been informed that the city is at a preliminary study stage, but the scheme is being worked out within the framework of the proposed railroad relocation bill. So that when the bill is passed the work of the consultants will fit the mechanism of the bill. The financial mechanism provided in the bill would mean that the city of London could apply to my department for 50 per cent of the study costs of developing the urban plan, and to the Department of Transport for 50 per cent of the cost of developing the transportation plan.

● (2150)

Then, once the relocation scheme is approved, they can get a grant equal to 50 per cent of the net cost to the railroads of the relocation scheme, plus moneys—we will deal with this when we come to the appropriate section—which might be required if some of the land were used for housing. That is, they could get money for housing or funds for special crossings under Parts II and III of the act.

Mr. Frank: I appreciate the minister's explanation, Mr. Chairman, and I hasten to add I appreciate what this bill will provide. I am well aware of the study which is under way. However, I am confused about the 50 per cent and the 80 per cent. Is there any possibility of an 80 per cent area coming into effect by this relocation provision?

Mr. Basford: No, Mr. Chairman, but I prefer to answer that when we deal with specific clauses under Part III which relate to funds payable with regard to grade crossings, new grade separations, or the construction of existing ones.

Mr. Knight: Mr. Chairman, I approve of the bill. I should like consideration to be given to the tax load borne by communities smaller than Winnipeg or Toronto. I am referring to places like Weyburn. We should examine some of the cost factors involved in this legislation.

In the last 50 minutes I have heard many good questions asked, but have not heard one member say he opposes this bill. Within the last ten days the Federation of Mayors and Municipalities has told us to pass this bill. Considering the present situation of this parliament and the prospect which may arise in the coming weeks, I suggest that this bill should pass. Unless the next speaker says he opposes the bill, I suggest we should pass it. Of course, if someone opposes it we should be prepared to listen to him.

Mr. Blenkarn: Mr. Chairman, I have some serious reservations about some proposals of the bill.

Mr. Knight: Every member from Toronto should vote for it.

Mr. Blenkarn: The definition of "urban development plan" is fatuous. We are told that:

> . . . 'urban development plan' means a plan respecting the development and use of land within or within and adjacent to an urban area whereby it is proposed to control and regulate the use of such land for purposes of industry, commerce, government, recreation, transportation, hospitals, schools, churches, residences, homes for the elderly or for other purposes or classes of users . . .

I suggest that such definition in a bill in the name of the Minister of Transport is fatuous. If the urban development plan does not provide for a home for the elderly, for a church, for a school or for a recreation centre, it cannot be considered by the minister. Perhaps the minister will say something about that.

Presumably the plan would be examined by the Canadian Transport Commission. Despite what the hon. member for Assiniboia said, members on my side have serious reservations about the Canadian Transport Commission. In September, 1972 560 people worked for the commission. It is now seeking budgetary authority for some 860 employees, representing an increase in employment of 60 per cent. The commission is under the chairmanship of a former member of this House. He was minister of finance but is now head of the Canadian Transport Commission. He is to be responsible for determining if transportation corridors in our cities presently owned by the railways are to be turned over to other authorities for other purposes.

The House must look carefully at the relocation provisions of the bill. While it may be necessary to relocate some railway routes, we must make certain that we do not lose valuable transportation corridors through cities, as cities can no longer obtain them by filing a plan with the commission and having the commission rubber stamp it.

Look at what happened in Ottawa. A conference centre was built where the downtown railway station used to be. That station was convenient for travellers who came from Toronto or Montreal. To get to and from the Ottawa railway station nowadays, you must take a cab or some other conveyance.

As a rapidly changing urban society we face many difficulties. Changes in our urban society will be reviewed by the Canadian Transport Commission. Members are concerned about the personalities of commission members who are to make determinations in these areas. We are concerned because through such determinations we could easily lose valuable existing rights of way in our cities.

That brings me to the situation in Toronto. People are concerned about the CPR line which runs through the city. That line causes some residents annoyance, because trains make a noise. One of the problems is this. That line could be abandoned in compliance with a redevelopment plan, and the result would be, say, some 176 extra acres for housing, for industry or for other innumerable purposes. The right of way could be preserved. However, the sale of a crucial five or even ten acres of that 176 acres might mean that there would no longer be a right of way through the city to meet the city's rapid transit requirements. It is so easy, when pretending to be bright, to be intelligent, to be capable, and with the best intentions in the world for improving the city, to wind up losing valuable rights of way which can never be replaced. The provisions of this bill would make it easy for rights of way to be lost. May I call it ten o'clock, Mr. Chairman?

Progress reported.

Adjournment Debate

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*English*]

FINANCE—STATEMENT OF MINISTER CONCERNING LEVEL OF CORPORATE PROFITS AND NECESSITY TO PASS ON COST INCREASES

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, some weeks ago I directed a question to the Minister of Finance (Mr. Turner) relating to the skyrocketing prices in the construction industry. I asked what measure was being considered to stabilize prices in this important sector of our economy. I raised that question because of the way in which prices are soaring. Many small construction firms are finding it all but impossible to continue in business. The report from one firm of chartered quantity surveyors, for example, indicated the following claim:

> Material shortages and labor and material price increases will continue into the 1974-1975 period and contractors and sub contractors will be forced to carry substantial contingency sums in any estimate prepared during this period in order to cover costs that cannot be determined at the time of tender.

This is all but impossible for small companies to undertake. Many find this kind of provision all but beyond them because many of their would-be customers demand a firm price. Many of these small firms are not capable of absorbing the losses they risk in the present period of price instability.

To give an example, I draw statistics provided by the Department of Industry, Trade and Commerce. With regard to residential buildings, if we take as a base index 1971 prices and signify that by the number 100, we find that prices of material rose in 1972 from 104.1 in the month of January to 115.1 in the month of December. In 1973, they rose from 116.8 in the month of January to 125.5 in the month of September.

In the same period, the cost of labour rose in 1972 from 105.8 in January to 116.1 in December and in 1973 from 116.5 to 123.4.

In the non-residential building sector, the same process was followed. If we take as a base index the costs in 1961 and signify that by the number 100, we find that the cost of materials in 1972 rose from 138.1 in January to 146.7 in December and in 1973 from 148.9 in January to 160.1 in December.

From this can be seen the predicament that is challenging every firm in the construction industry. It is an almost impossible problem for many small firms that have very little margin to go on. The escalation of prices continues, so that between the time a firm submits a tender to a customer and delivers its product, the contractor is almost doomed to suffer a loss. This is a risk that small firms find they simply cannot bear.

To illustrate, I will cite an example of one company just outside the area of metro Toronto. It found that electrical conduits increased in price 100 per cent in one year. The

[Mr. Blenkarn.]

cost of small items like switches, outlet boxes, fasteners and so on rose from 50 to 100 per cent.

This kind of escalation of prices resulted in the following experience. They submitted a tender on October 30, 1973. They estimated that the job would require $2,815 per 1,000 feet of cable. When the order was placed for supplies on December 18, 1973, the price had risen to $3,303 per 1,000 feet of cable. When the cable was delivered in mid-January, 1974 they were billed $3,517 per 1,000 feet. That meant an increase of $702 per 1,000 feet, or 25 per cent, in two and a half months. It was for that reason that an officer of that company wrote that the situation is running wild and urged that the government put on controls to end these large price increases.

I cite the predicament of that small firm as an example of small business who have various people working for them. I plead with the government to take more seriously the predicament of these small companies in the construction industry. They simply cannot carry on. I the present price escalation continues, some action will be necessary.

I plead with the government to pay more attention to the plight of these companies and to give them more support. What we need is an effort at price control, an effort to stabilize prices so that small companies submitting tenders and offering contracts can have some assurance that prices will not run hog wild during the period between tender and delivery. It is all but impossible for a small company to absorb a 25 per cent price increase in a period of two months.

This is a serious matter not only for businessmen but for the consumers involved. We read in one newspaper a report that the cost of building or replacing the most unpretentious house in metropolitan Toronto in 1974 will be 25 per cent more than last year. We are all aware of the difficulties faced by would-be house purchasers. These difficulties are now becoming almost insurmountable by people contemplating the purchase of a home, with costs going up at this rate.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it must be agreed that the profit picture varies from one industry to the other, and that the risks involved in doing business come from various areas and reach different levels.

Looking at Canadian industry as a whole, it may be seen that profits increased substantially in 1973. Their relationship to sales is not however at record level. Higher ratios were experienced in the 1950's.

Recent profit improvement derives mainly from the increase in prices relative to inventories. Disregarding gains on inventory revaluation, operating profits as compared to sales did not even reach in 1973 the average level of the period since 1949.

The profit increase was parallelled by very strong growth in capital expenditures by corporations. This is an encouraging sign for, in an inflationary economy, rising offer stemming from increased spending on capital goods will have positive results.

It must be remembered that a large part of those investments has taken the form of industrial and commercial

buildings, and this, allied to rapidly increasing housing construction, has led to considerable activity in the construction industry. Businesses in that sector are extremely varied and I am sure all of them have not managed to the same extent to match their profits with rising costs.

The Minister of Finance (Mr. Turner) has said that, to his mind, higher profits, although useful from the point of view mentioned, would become undesirable if they were to exceed the level required to encourage the necessary productive investments. Basing himself on a study of currently available statistics, he said that, generally, the Canadian industry now enjoys enough prosperity to produce those investments, but that additional profits would be unjustified.

In closing, Mr. Speaker, I will say that the minister has in fact asked Canadian businesses, each in the light of its particular situation, to take into account the interests of the people. Those interests are not well served by price increases that produce profits exceeding those the companies need to finance the expansion of their production capacity, which is so important in present day circumstances.

● (2210)

[*English*]

TRANSPORT—ACTION TO IMPLEMENT TRANSPORT COMMISSION RECOMMENDATIONS FOR PREVENTION OF RAILWAY ACCIDENTS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I believe it is both appropriate and timely that I speak tonight about railroad safety since the Canadian Transport Commission hearings concerning the recent tragic deaths of railroad enginemen Boyd and Battuci in the middle of March are expected to conclude tomorrow in the city of Vancouver.

I think it is sad but true that it usually takes a death or two to bring everyone to his senses regarding the lack of track maintenance and sufficient regard for safety procedures, both of which items are and have been appallingly lax in my province of British Columbia for a decade at least, and certainly since the introduction of unit trains.

During these current hearings of the CTC we learned that the rock face which let go in March killing the two men, and one which is contiguous to the CPR main line rail track, have been described by a Canadian Pacific geologist as unstable and likely to crumble at any minute. Probably if they do it would rain death and destruction on the trains that pass beneath every day.

A 10-mile per hour slowdown was first issued, then cancelled, then reinstituted by the CPR in that slide area near Spencer's Bridge where the tragedy occurred. The CP main line number one passenger TransCanada passes this spot every day. I am told that a watchman has been placed in the slide area with a lantern, but if that rock face ever lets go it is goodbye watchman, bringing the tragic death total to three.

We have also assumed, because of these hearings and the nature of some of the testimony, that many CPR engineers tend to be a bit reluctant to be over-explicit in giving evidence before the hearings. I wonder if this could be because of the jeopardy their testimony might place them in with the company, since for two years or so engineers have had hanging over their heads approximately $130,000 worth of court injunctions which followed their protest in 1972 over an identical lack of safety features and decent working conditions. I could detail this if I had time.

In any event, their protests were the result of these identical conditions that caused the deaths of Mr. Boyd and Mr. Battuci in March. Only a sudden shock, such as the news in the middle of March that these two Kamloops men had died in the train wreck, makes us think about the fact that for railroaders the Fraser Canyon is an exceedingly dangerous place to work. Yet hundreds of men who live in my riding and surrounding ridings constantly face snow and rock slides and numerous other hazards as part of their normal routine, especially in winter months.

While each fatality is tragic and brings headlines rail deaths in the canyon, or for that matter all across Canada, are by no means uncommon. Derailments caused by track conditions on both national railways in 1972 were up three times over 1959, and nearly double the mishaps in 1969. Over the past 20 years the lines from Kamloops to the coast of Vancouver have been the scene of 115 accidents, with 14 killed and 51 injured. Additionally, in another 29 accidents at level crossings, and similar accidents associated with railroads, there occurred three fatalities and injuries to 42 people. In the last month since the tragic deaths of the two men there have been six serious derailments in that canyon.

The picture is so grim that in 1970 the CTC launched a study into rail safety and has published three fat reports, devastating in their condemnation of CN and CP safety practices. These reports only confirm what the CN and CP engineers, conductors and trainmen have been telling me for years. It is time the CTC got tough with the railroads who have stalled decent safety measures for years. The decline of track maintenance is criminal at a time when trains are longer, 150 cars, and heavier than ever before. In the Spencer's Bridge wreck the engines that plunged to the highway carried no ditch lights, no roll bars and no padding in the cab, permitting the cab to collapse like a tin can. But track maintenance, slide fences, ditch lights and roll bars cost money, and both our national railroads are far more interested in profit than they are either in service or safety. I think that has been demonstrated particularly over the past year.

Treating the railroads as a public utility is bound to improve service, but only an aroused public and a zealously vigilant Canadian Transport Commission can reduce the accident rate to a reasonable level. There have been far too many mornings when some railroader's family have awakened in horror to find that they no longer have a daddy.

One of the many reasons for the derailments has to be the heavy unit trains. Some railways, notably the Santa Fe in the United States, have quietly experimented with much smaller trains. They have found that the turnaround time is much faster and more productive despite the matter of economy of scale which suggests that longer trains are more efficient. They find that is not true at all. They are getting far more use from their rolling stock and equipment by using shorter trains, even though they have

to use the same crew on a 100-car train as they might have had on a 150-car train. This is the kind of innovation that I think could be copied in Canada.

I close, Mr. Speaker, because I see you are getting ready to leap, but may I say I do not think the CPR would mind if the government took it over tomorrow. In fact I think the CPR has let its tracks and rolling stock run down in anticipation of this very move. But just the rail takeover would not be enough; we must do something immediately to stop this carnage in the canyon.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Canadian Transport Commission has the obligation of ensuring that all railway operations in Canada are carried out in maximum safety. In order to identify the factors involved in railway accidents and explore the effect on safety of operation of the longer heavier trains now being operated, the commission undertook to conduct a railway safety inquiry.

The third report, issued on December 28, 1973, contained the committee's findings and recommendations in specific areas such as signal systems, staff training, slide detectors, fences, and track and bridge maintenance. This report indicated that the earlier formed railway safety advisory committee, consisting of members representing CNR, CPR, Canadian Railway Labour Association and chaired by the RTC, would be expected to work on the conclusions and findings of the general inquiry, and would provide a forum for discussion on matters of railway safety. The work of the advisory committee is on a continuing basis and the committee is scheduled to meet at regular intervals for the purpose of dealing with material before it in accordance with established priorities.

The committee met on January 25, 1974 at which time the terms of reference of the committee were approved. During this meeting the following two areas were designated as priorities regarding the establishment of higher safety standards: first, condition of track—movement of long trains, heavy trains and high speed trains; and second, inspection of track, and so on. The advisory committee also gave official recognition to the formation of a group to deal with the subject of public disclosure of railway accident reports.

● (2220)

On April 5 the Minister of Transport (Mr. Marchand) released copies of correspondence which was exchanged between himself and the railway presidents on the subject of the CTC report and safety on the railways. These letters certainly highlighted the minister's concern that prompt, sensible and practical measures be taken. The minister has also announced his support for a new type of transport accident investigation structure.

We feel that through the mechanism of the railway safety inquiry and with the co-operation of those who manage, operate and maintain the country's railways, acceptable standards of operation and maintenance of railway trains can be achieved.

Motion agreed to and the House adjourned at 10.22 p.m.

HOUSE OF COMMONS

Friday, April 26, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PARLIAMENT

ANNOUNCEMENT OF MEMBERSHIP OF ADVISORY COMMISSION ON PARLIAMENTARY ACCOMMODATION

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, the House will doubtless remember that on July 20, 1973, I announced our intention of expropriating the land enclosed within Wellington, Elgin, Sparks and Bank streets in order that we might enlarge parliamentary facilities and protect the Parliament Hill environment. I also announced that we would try to get the co-operation of all parties of the House in creating an Advisory Commission on Parliamentary Accommodation to determine what facilities Parliament will need to operate efficiently in the future.

Since then, we have met the first requirements of the Expropriation Act and have made offers, as the fact requires, to all former owners. We are now studying, with them, the administrative steps to be taken to ensure the administration of real estate, and, especially, to make sure that the unique and attractive aspect of the Mall is preserved, an aspect on which I insisted in my previous statement.

[*English*]

Thanks to the co-operation of all parties, Mr. Speaker, I am in the happy position today to be able to announce the membership of the Advisory Commission on Parliamentary Accommodation. The commission will be comprised of members of all parties and both Houses and will include former distinguished parliamentarians. I trust that the Speakers of both Houses will accept to serve as ex officio members of the commission. The chairman will be a former cabinet minister and former Justice of the Supreme Court of Canada, the Hon. Douglas C. Abbott. With your permission, Mr. Speaker, I will table after my brief statement the order in council and the names of the 16 members of the commission.

● (1110)

I believe all members will share my pleasure that we have been able to secure such distinguished participants to pursue this historic and important task on our behalf. It is vital that parliament, as the paramount legislative body of the nation, should be extended the full facilities it requires to perform effectively in this modern age. It is expected that in arriving at its conclusions the commission will look into how parliamentary needs should be met in this country and compare with other countries with similar parliamentary institutions. Many complex problems about space, convenience, tradition and effectiveness will have to be faced and resolved by the commission on our behalf. The commission is being asked to look into these matters and to advise on the amount and type of accommodation and facilities, and how these will interrelate in order to permit parliament to operate effectively in the future.

The first stage in this process was the acquisition of the land and real estate and this has now been completed. The second stage is the one I just described, namely, the definition of the needs of parliament, as will be established by the advisory commission. The third stage will be the implementation, and I trust this will be facilitated by launching a competition open to all Canadian architects for providing the most inspiring concept of parliamentary architecture. This planning will be done in conjunction with the National Capital Commission and the city of Ottawa.

As I indicated in my earlier statement, the parliament of Canada is a vital symbol and presence in our country and we intend that its expansion will enhance and protect its dignity in accordance with the fundamental position it occupies in the life of the nation.

May I therefore, Mr. Speaker, on behalf of the House, wish the commission full success in its deliberations.

Mr. Walter C. Baker (Grenville-Carleton): Mr. Speaker, on July 20, 1973, when I spoke for the official opposition in reply to the minister's initial statement, I indicated at that time that we believe this project to be a significant development for parliament, and the calibre of the members of this special and important advisory commission honours the magnitude of the undertaking. The membership of the commission is a good balance between the various parties in the two chambers of parliament, but most important of all it represents, in the parliamentary sense, a good blend of experience on the one hand and freshness on the other.

We welcome reconfirmation of the intention to preserve the unique quality of the Sparks Street Mall which is important to the centre-town core of the national capital. We urge upon the minister, his department and the advisory commission the importance of consultation on a continuing basis with tenants and others who have an economic interest in that area because of the understandable uneasiness that can develop from an announcement of this kind.

I am sure that all of us urge upon the commission the importance of considering the changing role of the parliamentarian as one which is moving from the legislative on the one hand to a greater mixture of the legislative role and that of ombudsman on the other, where personal contact and frequent and direct communication are

becoming of increasing importance. I am sure that the commission will consult with serving members of parliament to ensure that the facilities are such that they can be adapted to these changes as they occur.

We welcome as well the aspect of competition for design to be limited to Canadian architects who, as a profession, are more than equal to this challenge. I hope there will be no unreasonable limitations placed on the ability of the commission to travel and to view innovations in legislative facilities throughout the world.

Lastly, Mr. Speaker, the job of consultation and resolution of differences of opinion that will undoubtedly arise with local governmental authorities is a formidable one indeed, but we all share the view that this commission will be equal to that particular task. I should like to join with the hon. gentleman in wishing the commission every success.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member who has just taken his seat, I had the privilege on July 20 of last year of responding to the statement made that day by the Minister of Public Works (Mr. Dubé). In doing so, I indicated the pleasure of this party with respect to the decision to appoint an advisory commission, the membership of which is now being made public. We welcome the progress that the government has now made concerning this matter in that it has proceeded with the expropriation arrangements.

I join with the Minister of Public Works and with the hon. member for Grenville-Carleton (Mr. Baker) in wishing the very best to this commission. We are happy to have named two members of our party to it and we believe that they, along with others, will do a useful and imaginative job.

The fact is that the functions of members of parliament have multiplied greatly during the past few decades. Those of us who have been here for a while can testify to that fact. Even though we have not planned for change, we have had it. As the hon. member for Grenville-Carleton indicated, our functions as members of parliament include not only the legislative tasks that we have always had, even they are increasing; we have also become 264 ombudsmen, and it is important that the necessary facilities be made available so that these 264 ombudsmen can serve the interests of the people of Canada as a whole.

Every time this matter comes up I feel I must emphasize the desirability of realizing that this capital is not just an Ottawa institution, off somewhere removed from the rest of Canada, but that it belongs to all the people of this country. We can emphasize that by making it a place of beauty, and also by making it a place where the job that is supposed to be done is carried out. We must also, particularly in these days when there is so much more travel, increase the facilities for the visitors who come to this place. I am not thinking in terms of larger galleries so that more people can watch what is going on in this chamber. I am thinking of facilities for visitors in terms of increased committee space. I am thinking of facilities for people who come here to meet members to discuss their problems with their legislators and generally to express their concern about what goes on in their parliament which is, after all, what this institution is.

[Mr. Baker.]

I urge that the commission keep in mind the desire that the Hill be a place of beauty as well as a place that is functional and efficient. I emphasize once again that I hope there will be sufficient co-operation among this commission, the National Capital Commission and the city of Ottawa so that the view of Parliament Hill will continue to be one that can be enjoyed from all parts of this city. I object very much to the way in which high-rise buildings are blotting out the view of this place which is, after all, important to the whole of Canada.

We welcome the announcement of the appointment of this commission and we wish its members well in the job they are undertaking.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I listened carefully to the statement of the Minister of Public Works (Mr. Dubé), and like those who spoke before me, I am pleased to see that two stages have been passed. There is one more to go and that is the realization of the wishes expressed last July.

Mr. Speaker, I would hope that the expropriations indicated in the statement will be carried out more fairly than has been the case at Ste. Scholastique. However, as a national capital, Ottawa must preserve a very distinctive character in this country. There are a great number of tourists, not only from Canada but from outside the country, who wish to see the capital. Ottawa is considered a national capital. I would feel then that Parliament is the first thing that attracts attention and the curiosity of visitors. For this reason, Mr. Speaker, the third stage, to implement the projects developed by the minister and this government, is most important. I point out, for example, the fact that those who come to Parliament to see their members have to be directed sometimes to another building, the West Block or Confederation Building.

Mr. Speaker, in my opinion the government and the minister should study the possibility of cleaning the central building to host all members of parliament, install air conditioning and appropriate offices, and transfer the senators to other buildings. As I see it, Parliament is indeed the Centre Block where we are now located and where all members of parliament should be.

The minister and the government should take measures to have all members of parliament located in the central Parliament building.

* * *

● (1120)

[*English*]

SHIPPING

WITHDRAWAL BY CANADA FROM BRITISH COMMONWEALTH SHIPPING AGREEMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the decision of the Canadian government to notify the government of Great Britain of Canada's intention to withdraw from the British Commonwealth Merchant Shipping Agreement, with the effect

that Canada can, at long last, move toward having its own merchant marine, I move, seconded by the hon. member for Skeena (Mr. Howard):

That this House express its appreciation for this action.

Mr. Speaker: The hon. member's motion is proposed to the House under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—REPORTED INTENTION OF VENEZUELA TO CUT BACK ON EXPORTS TO CANADA—POSITION OF GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I will direct my question to the Acting Prime Minister who I am sure is fully in the picture, as usual. I would ask him if Venezuelan oil coming to Canada has been cut back as announced and, if so, to what extent? Has the government of Canada sought an explanation for this action?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I was not aware of what the Leader of the Opposition has just said but I will examine these reports to see what substance there is to them and endeavour to obtain an answer for him.

Mr. Stanfield: Is it the intention of the government to have the Minister of Energy, Mines and Resources visit Venezuela once again or is it the intention of the Acting Prime Minister in his capacity as Secretary of State for External Affairs to state Canada's case to Venezuela?

Mr. Sharp: Mr. Speaker, if it is necessary to state Canada's case I will, of course, do so. I intend to be in Venezuela for the opening of the Law of the Sea Conference, but it may be necessary to take action before then if there is substance to what the Leader of the Opposition has said.

Mr. Stanfield: In view of the efforts of the government in the past year to offset possible shortages of oil by the government making contracts through the office of the Minister of Supply and Services, will the Acting Prime Minister inform the House whether the government is considering requesting the Minister of Supply and Services to contract for any more Roumanian oil to offset this difference?

Mr. Sharp: Mr. Speaker, I think it is very significant that Canada is one of the few countries in the world that did not experience any shortage of oil or gasoline.

Some hon. Members: Hear, hear!

Mr. Sharp: I think that the people of Canada, if not the Leader of the Opposition, are probably grateful. I have no hesitation in saying that if a similar kind of emergency arises in the future we will take whatever steps are necessary to protect the people of Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Vancouver Kingsway.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker—

[*Translation*]

Mr. Caouette (Témiscamingue): On a supplementary, Mr. Speaker.

Mr. Speaker: As usual, I shall try to complete the first round of questions, then I shall recognize the hon. member in a moment.

Mr. Caouette (Témiscamingue): I should like to put a supplementary to the minister.

Mr. Speaker: I do not want to make any difficulty. However, the hon. member for Vancouver Kingsway would perhaps allow me to recognize the hon. member for Témiscamingue, if he would sit down for the moment. The hon. member for Témiscamingue may have noticed that in the last few days on his own suggestion, I tried to limit the supplementaries to the first question in order to come quicker to his subject, and I rely on his co-operation.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

REFUSAL TO ACCEPT TELEVISION ADVERTISING OF CONTRACEPTIVES—POSITION OF GOVERNMENT

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I would be very willing to have the hon. member for Témiscamingue go first because my question does not have anything to do with the first question.

Mr. Speaker: Such generosity is very impressive. The hon. member for Vancouver Kingsway.

Mrs. MacInnis (Vancouver Kingsway): In fact, the type of question I usually ask is responded to more enthusiastically, so I hope I do not disappoint people. At this time when responsible people are anxious for the knowledge and the means to space and limit the number of their children, is the government aware—this is to the Minister of Communications—that the Canadian Broadcasting Corporation refuses to accept television advertising of contraceptives on the ground that this would be controversial? If the government is aware of this policy, is it in agreement with it?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, if the content of programs on the CBC is the concern of any minister, it would be my colleague, the Secretary of State. I do not know that the CRTC, for

which I answer to parliament, has made any pronouncement on the question.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, may I direct my question to the Secretary of State. Let me say that the CBC has made a pronouncement. It says that the reason it does not accept television advertising of contraceptives is that the matter is controversial. I ask the Secretary of State whether this reflects the policy of the government?

● (1130)

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I think that is a decision taken by the corporation, but I will certainly make the views of the hon. member known to the corporation.

Mrs. MacInnis (Vancouver Kingsway): In view of the fact that this is World Population Year and that so many television commercials deal with subjects which are contraversial and unacceptable to large numbers of viewers, will the government ask the CBC to reconsider its policy on contraceptives?

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, maybe I should ask the Secretary of State a supplementary, following the questions asked by the hon. member for Vancouver Kingsway.

Would the minister be prepared to establish a committee including the hon. member for Vancouver Kingsway to allow her to propagate her knowledge in the field of contraception?

Mr. Speaker: Order, please. The hon. member for Témiscamingue should keep to the supplementary he intended to ask earlier after the matter raised by the hon. Leader of the Official Opposition.

* * *

POST OFFICE

END OF POSTAL WORKERS' STRIKE—REQUEST FOR INFORMATION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I will now come back to my question. I should like to direct it to the Postmaster General.

We learned this morning that the postal conflict was apparently settled. We are not quite certain, but I would like, Mr. Speaker, to take this opportunity to congratulate the minister who acted like a man during the conflict. I am not a political friend of his, but otherwise we are on very good terms.

Mr. Speaker, my question is as follows: Can the minister tell us now whether, at the meeting held at 10 a.m. with the union, it was agreed that the strike was over and the postal service would be immediately restored?

Hon. André Ouellet (Postmaster General): Mr. Speaker, the agreement concluded early this morning provided for the immediate resumption of work by all employees. I know that a meeting is now held in Montreal. I do not know its results, but the union leaders approved that agreement yesterday and have undertaken to recommend resumption of work to all employees. I can assure the House that every possible step will be taken to restore as soon as possible an efficient postal service for the Canadian people.

[*English*]

END OF POSTAL WORKERS' STRIKE—RETENTION OF SERVICES OF MEDIATOR TO DEAL WITH ISSUES

Hon. W. G. Dinsdale (Brandon-Souris): In view of the great success of the mediator, Mr. Eric Taylor, in this matter—

An hon. Member: Don't forget the minister.

Mr. Dinsdale: —will his services be retained to deal with the real issues underlying the problem?

Mr. Lefebvre: Are you sorry it's over?

Mr. Chrétien: It's a sad day for you.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I believe it is proper to thank Mr. Eric Taylor for his continued efforts to try to settle this dispute. The agreement that was reached provides that Mr. Taylor will preside a committee of three members that will take a decision on the coders issue. Mr. Taylor has also been asked to consider a number of problems related to this dispute.

[*English*]

END OF POSTAL WORKERS' STRIKE—COST INVOLVED IN SETTLEMENT—EFFECT ON POSTAL RATE

Mr. Lloyd R. Crouse (South Shore): Can the minister tell us the estimated cost of the settlement? Will it result in an increase in the postal rate?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I deeply regret the inconveniences caused to Canadians by this long work stoppage. I am unable to give any figures relating to the costs of this work stoppage, but it is certain that under this agreement no salary increase is provided for our employees and I can assure the hon. member that I do not intend to recommend to Parliament an increase in postal rates.

END OF POSTAL WORKERS' STRIKE—ACTION TO EXPEDITE DELIVERY OF OLD AGE PENSION CHEQUES

Mr. Marcel Roy (Laval): Mr. Speaker, I wish to direct a supplementary question to the Postmaster General.

In view of the backlog in mail which has accumulated in the main centers, will the minister consider establishing a new priority, so that old age security pension cheques may be delivered without unnecessary delay?

Hon. André Ouellet(Postmaster General): Mr. Speaker, I can assure the House that precedence will be given to the sorting of all social security cheques, that a large number

of old age security pension cheques which have already been processed are being delivered, so that I feel they should be received in time.

* * *

[*English*]

ENERGY

POSSIBLE RELATIONSHIP OF CUTBACK IN OIL EXPORTS BY VENEZUELA TO CANADA TO PRICE RECEIVED BY CANADA ON EXPORTS TO UNITED STATES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my supplementary is related to a question asked by the Leader of the Opposition earlier. It is addressed to the Acting Prime Minister. Figures produced before the Standing Committee on National Resources and Public Works show that the price received by Canada for a barrel of crude petroleum exported to the United States was the highest the United States paid for any imports. Has this created a sense of irritation in the United States, and is there any relationship between the Venezuelan cutback and the price of Canadian crude petroleum exported to the United States having regard to the fact that if not now, then previously—I believe it is still the case now—the United States controls the interests of Venezuela when it comes to crude petroleum?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. I would doubt there is any such connection as put forward by the hon. member. The principle upon which we base our sales of petroleum to the United States is that we sell our petroleum at approximately the same price as we buy it, so I do not think there is any discrimination of that kind involved.

Mr. Woolliams: Has the minister had a chance to peruse the evidence placed before the standing committee which showed that the price Canada received from the United States for crude petroleum exported to that country during the last few months was the highest the United States paid for imports? Has there been any complaint from the United States in this regard, in reference not only to Venezuelan crude but also with regard to the apparently growing irritant involving the automobile pact? It is all connected.

Mr. Sharp: The hon. gentleman is obviously trying to cause trouble. There has been no complaint.

* * *

SUPPLY AND SERVICES

STEPS TO ENSURE COMPETITIVE BIDDING FOR GOVERNMENT OIL REQUIREMENTS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Supply and Services. Further to the minister's statement three weeks ago that his department usually receives just one bid when it calls tenders for the supply of oil for government use, which supply cost federal taxpayers over $100 million last year, would the minister tell us whether he has taken any steps to ensure there is more competitive bidding for the supply of the government's oil needs or whether competition is still practically nil as he indicated on April 2?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, it is very difficult indeed to obtain a wide open competitive situation in respect of oil despite our efforts to convince the companies to make submissions. We could certainly not force the companies to tender. Whenever we are dissatisfied with the price they are asking or when there is only one price, we try to negotiate for the best possible terms and conditions and the best service for the best price.

[*English*]

Mr. Stevens: My supplementary is to the Minister of Consumer and Corporate Affairs and it arises from the answer I have just received. In view of the indication by the Department of Supply and Services that not only is there lack of competition in connection with tenders to supply the government's fuel needs but that in many instances tenders are divided in two with one company bidding on one part and another bidding on the other part but never bidding against each other would the minister advise us whether the Minister of Supply and Services has informed him of this lack of competition, and, if so, has the Department of Consumer and Corporate Affairs investigated the matter to determine why there is so little competition in the field, and does the minister intend to take steps to rectify the situation?

● (1140)

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have already informed the House there is an inquiry under way under the Combines Investigation Act in respect of the petroleum industry arising out of a complaint formally made by people connected with the consumers association, which complaint was made public, and this information is a very useful input as well.

* * *

[*Translation*]

ENERGY

INQUIRY AS TO EXPORT OF ROUMANIAN OIL PURCHASED BY GOVERNMENT TO UNITED STATES AT LOWER PRICES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary for the Minister of Supply and Services.

He recently said that we had to buy fuel oil at 99.5 cents a gallon. Will he tell the House whether we have exported that oil to the United States at a lower price? The Secretary of State for External Affairs said a while ago that we had no shortage of oil in Canada. If such is the case, why then were Canadians asked to lower their thermostats, to move their furniture into the middle of their rooms and freeze peacefully while there was a surplus of oil in Canada?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, to that part of the question that concerns me the answer is no.

Oral Questions

[*English*]

HEALTH

DEATHS CAUSED BY MIX-UPS IN ANAESTHETIC GAS LINES—ACTION TO IMPROVE SAFETY STANDARDS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the minister aware of various reports from across Canada indicating many deaths by nitrous oxide have been due to mix-ups in anaesthetic gas lines and, if so, will the minister make representation to the provincial governments with a view to implementing better safety standards?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am indeed aware, as all hon. members are, of those infinitely regrettable incidents. I am sure that my provincial colleagues are also very much aware of them and that steps have been or will be taken to remedy the situation by those of my provincial colleagues who deal with the administration of hospitals.

[*English*]

Mr. McKenzie: Will the minister conduct a national inquiry into this matter to see if the CSA standards are being or have been followed in the installation of anaesthetic gas lines in any type of medical building?

[*Translation*]

Mr. Lalonde: I will certainly take note of the hon. member's suggestion and look into this matter.

* * *

EXTERNAL AFFAIRS

ENFORCEMENT OF AGREEMENT WITH UNITED STATES RESPECTING QUEBEC WORKERS EMPLOYED IN MAINE

Mr. John Harney (Scarborough West): Mr. Speaker, I wish to ask a question of the Secretary of State for External Affairs.

On April 2 I asked the minister about the 1942 and 1958 notes of agreement between Canada and the United States, inquiring whether these notes concerning the protection of Quebec workers employed in Maine were still in force. May I ask the Secretary of State for External Affairs whether he is in a position to answer this question today?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, with your indulgence, perhaps I might be given an opportunity to look up my file. I did get an answer to this question some time ago and I seem to have mislaid my piece of paper. Perhaps I might answer the question later.

Mr. Harney: Mr. Speaker, with your indulgence, after you have indulged the Secretary of State for External Affairs may I then ask a supplementary when he has answered?

[Mr. Goyer.]

FINANCE

ALLEGED STATEMENTS BY PRIME MINISTER AND ENERGY MINISTER RESPECTING PROPOSED TAX CHANGES—APPROVAL BY MINISTER OF FINANCE

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question is directed to the Minister of Finance. It involves the problem that seems to have occurred in the public stock markets. I should like to know if the Minister of Finance approved the statements by the Prime Minister and the Minister of Energy, Mines and Resources with regard to proposed tax changes that were distributed through the public media and have clearly affected the public stock markets?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, without accepting the preamble advanced by the hon. gentleman, I have no comment to make on any statement that may or may not have been made by my colleague, the Minister of Energy, Mines and Resources.

* * *

CANADA DEVELOPMENT CORPORATION

EFFECT OF DROP IN STOCK MARKET VALUES ON PROPOSED SALE OF SHARES TO PUBLIC

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my supplementary is for the President of the Treasury Board. Is it the intention of the government to allow the Canada Development Corporation, as a result of the significant drop in stock values, to market Canada Development Corporation shares this spring?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Canada Development Corporation is run by an independent board of directors. While it is true that the corporation reports through me to the House, no instructions have been given by the government one way or the other. It is a matter that will have to be left to the chairman and the board of the corporation.

* * *

NATIONAL DEFENCE

REQUEST FOR FASTER MAIL DELIVERY AND PROVISION OF NEWSPAPERS TO FORCES PARTICIPATING IN UNEF AND UNTSO

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, having had the privilege no other member has had of visiting the Canadian forces not only in UNEF but in UNTSO also, may I be permitted to say they are a wonderful group and do honour to all Canadians.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: They are making a magnificent contribution. There is one matter I wish to bring up. It has to do with the mail. I know that above everything else servicemen want to have mail delivered at the earliest opportunity. There is a rather long delay between the time letters are sent and the time they are received by these

two forces. I would ask the Minister of National Defence whether anything can be done to speed up this mail by having it sent on the military aircraft that go back and forth. This would add to the morale, which is high. As well, representative daily newspapers would be highly acceptable and deeply appreciated by the members of each of these units in which Canadians are serving. Will the minister do something in this regard as well?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I should like to thank the right hon. gentleman for the remarks he has made about the Canadian Armed Forces. I know their morale is high. The reason for that is that they are aware they are serving the cause of peace and are bringing credit to this country by what they are doing in the Middle East. We have tried from the beginning to supply Canadian newspapers. Daily newspapers are collected from across the country and are flown in by service aircraft. There may be some delay in getting them, but I think that mail and newspapers going in service aircraft in recent days have been getting there faster than has been the case in some places in Canada.

Mr. Diefenbaker: Mr. Speaker, it has taken even longer for mail to be delivered by the so-called expeditious means the minister suggests than mail from Toronto to Ottawa. Will the minister immediately take steps to improve communication in this regard? So far as newspapers are concerned, they are so old when they arrive that they are out of date. So far as mail is concerned, four, five, six, or seven days is normal and that is abnormally improper insofar as morale is concerned in the armed forces.

Mr. Richardson: Mr. Speaker, we have a good service but we will be doing our best to continue to improve it.

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EXTERNAL AFFAIRS

INQUIRY WHETHER MINISTER OF FINANCE INTENDS TO VISIT JAPAN

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is directed to the Minister of Finance. Will the minister inform the House if preparations are being made for a trip to Japan by him and, if so, when?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the question was directed to me but perhaps the Secretary of State for External Affairs would like to answer it. Under present circumstances I doubt very much whether I will be going.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, may I say that even if the Minister of Finance is not going to Japan other ministers are planning to be there.

● (1150)

ENFORCEMENT OF AGREEMENT WITH UNITED STATES RESPECTING QUEBEC WORKERS EMPLOYED IN MAINE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to answer at this time the question that was asked by the hon. member for Scarborough West. The 1942 and 1958 exchanges of notes dealt with arrangements for cross-border movement of seasonal workers between Canada and the United States but not with wages, working conditions or social security measures. The procedure for the annual renewal of these arrangements was discontinued in 1965. However, at that time an understanding was reached with the American authorities that this cross-border movement would continue. In practice, seasonal workers have continued to move across the border when conditions of demand and supply permit.

Mr. John Harney (Scarborough West): In view of the fact that 1,500 workers from southeastern Quebec work in the state of Maine in conditions of medieval difficulty and that their working and living conditions leave much to be desired, and considering that they are engaged to work in that state very much in the nature of indentured servants, may I ask the minister whether he has any intention to contact the government of the United States and the governments of Quebec and Maine to work out arrangements for the protection of the rights of these workers?

Mr. Sharp: If these workers have any reason to believe that they are being discriminated against because they are Canadians or that they are suffering different treatment from United States citizens, they can, of course, make complaints and these complaints will be dealt with immediately.

Mr. Nowlan: Mr. Speaker—

Mr. Speaker: Order, please. Perhaps the hon. member for Annapolis Valley will allow me at this time to recognize the hon. member for Scarborough West who has a supplementary, and we will then hear the hon. member for Annapolis Valley.

Mr. Harney: In view of the fact these workers have already complained about this situation and in view of the fact that because they work across the border in another country they do not have the protection of Canadian laws, both federal and provincial, would the minister undertake to look into their very legitimate complaints, which do not arise from the fact they are Canadians but simply because they are workers not under the protection of our laws?

Mr. Sharp: Quite obviously they are not under the protection of Canadian laws while they are working in the United States. But I will undertake to look into the representations the hon. member has made to see if there is a legitimate ground for complaint.

Mr. Speaker: Order, please. I will recognize the hon. member for Annapolis Valley. It is his turn. But at the same time I notice that the hon. member for Okanagan-Boundary has a supplementary to his previous question. I will return to the hon. member eventually.

Oral Questions

TRANSPORT

REQUEST FOR ASSURANCE FREIGHT RATE SUBSIDY ON MOVEMENT OF GOODS WITHIN ATLANTIC PROVINCES WILL NOT BE REDUCED

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Transport. I should like to ask him, now that some short-term labour stoppages have been partially and thankfully resolved, whether he will direct his attention to a few more fundamental transportation policies and give a specific undertaking to the House that there will be no reduction in the freight rate subsidy on the movement of goods within the Atlantic area until a more selective policy has been defined so that there can be protection for some of the industries which are going to be adversely affected?

Hon. Jean Marchand (Minister of Transport): I think that a few weeks ago I announced that there would be an increase in the outward subsidies for the Maritimes. It was agreed with the provinces that intraprovincial subsidies might be reduced, but this will be done on the recommendation of the joint transportation committee of the Maritimes. I do not think we have the intention of moving outside this framework.

Mr. Speaker: The hon. member for Okanagan-Boundary has a supplementary to a previous question.

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THE BUDGET

REQUEST THAT FORTHCOMING DEBATE NOT BE INTERRUPTED BECAUSE OF VISIT OF MINISTERS TO JAPAN

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my supplementary question is for the President of the Privy Council. Will he assure the House that there will be no interruption in the budget debate because of the trip to Japan?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I do not think I understand the full import of the question. As I indicated to the Leader of the Opposition earlier, it is the intention of the government to begin the budget debate immediately, or practically immediately, to use the words of the Leader of the Opposition. I cannot foresee circumstances that would cause interruption of that debate, but there may be circumstances that will arise at that time.

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AGRICULTURE

REQUEST FOR INCREASE IN SUBSIDY ON POWDERED MILK AND BUTTER

Mr. William C. Frank (Middlesex): Mr. Speaker, the Minister of Agriculture is not in the House and his parliamentary secretary has just left, so I will direct my question to the Acting Prime Minister. In light of the fact that the lack of long-term encouragement to our agricultural industry can ultimately result in less Canadian produce in the future—for example, the phasing out of the sugar beet industry in Ontario—thus causing a further increase in consumer food prices, can the Acting Prime Minister assure us that the cabinet will encourage the Minister of Agriculture to take the suggestions personally offered to him this week by his counterparts, the Ministers of Agriculture of Quebec and Ontario, that he raise the subsidy on powdered milk and butter?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sure the Minister of Agriculture will look at these representations and consider them.

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SHIPPING

COASTAL TRADE—WITHDRAWAL BY CANADA FROM COMMONWEALTH SHIPPING AGREEMENT—STEPS TO ESTABLISH CANADIAN REGISTERED AND MANNED FLEET

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Transport. In light of the fact the government has finally agreed to notify the government of Great Britain of Canada's intention to withdraw from the British Commonwealth Merchant Shipping Agreement, would the minister now outline to the House the steps necessary to establish coastal shipping by Canadian registered and Canadian manned vessels?

Mr. Speaker: Order, please. I am not sure that the minister can reply to this question briefly. He will be recognized if he can do so, but it seems to me that the hon. member is inviting the minister to make a statement on motions.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I can answer very briefly. The notice will be served on the Commonwealth countries immediately because it will come into effect in only one year. I do not know exactly what the situation of the shipping industry will be in one year, how many ships we can use and if we will have the crews to put on the ships that will replace those which will no longer be allowed to come to Canada. So I will have to wait some time before answering the question fully.

Mr. Frank Howard (Skeena): May I ask the Minister of Transport a supplementary question. Did I understand him correctly to say that the government has made the decision to remove British shipping and thus advance coastal trade for Canadian ships but he does not know what the prospects are of developing our own Canadian merchant fleet? If that is correct, would he be prepared to meet with people in the various aspects of shipping, including members of unions—the SIU and the Merchant Service Guild—and the Shipping Federation of Canada and shipping interests in an attempt to work out a plan, because we are only one year away from the withdrawal date?

Mr. Marchand (Langelier): Yes, Mr. Speaker.

CAPE BRETON DEVELOPMENT CORPORATION

REQUEST THAT BUDGET BE TABLED PRIOR TO APPEARANCE BY CORPORATION BEFORE STANDING COMMITTEE

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the President of the Privy Council. Would he undertake to have the budget of the Cape Breton Development Corporation tabled before that corporation appears before the Standing Committee on Regional Development?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I will check into that and, if it is possible, I will gladly do it.

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[*Translation*]

POST OFFICE

END OF POSTAL WORKERS' STRIKE—SITUATION IN MONTREAL

Mr. Yves Demers (Duvernay): Mr. Speaker, I would like to put a question to the Postmaster General.

Since people in the Montreal area are quite worried about that strike, I wonder if, in the last hour, the minister learned anything that he could announce about this morning's meeting?

Hon. André Ouellet (Postmaster General): Mr. Speaker, I would like to announce to the House that I received information since the same question was asked by another member earlier. The meeting in Montreal is now over and the employees all voted to return to work. They have already taken up their duties in the Montreal post office.

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[*English*]

CONSUMER AFFAIRS

RETAIL BEEF PRICES—INQUIRY AS TO INTERIM REPORT BY FOOD PRICES REVIEW BOARD PRIOR TO INTRODUCTION OF LEGISLATION ON PROFITEERING

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs if we can expect an interim report from the Food Prices Review Board on the retail beef situation before the government brings in its proposed profiteering legislation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, my information is that the board is continuing its meetings today and is discussing this question. I hope it will be possible for them to issue a report as soon as they conclude their meetings, hopefully today.

CRIMINAL CODE

REQUEST THAT FORTHCOMING AMENDMENTS NOT RELAX CONTROL OF SOFT DRUGS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Justice. Will the minister, with regard to the amendments to the Criminal Code he will be introducing in the near future, assure the House that there will not be any relaxation of the control of soft drugs despite the fact that a member of the Immigration Appeal Board, in quashing a deportation order, stated it was probable that in the future parliament would amend the Criminal Code to permit the legal use of cannabis on a small scale, such as at social gatherings?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there is no intention to include in the upcoming amendments to the Criminal Code any changes in regard to the law relating to drugs. The law relating to drugs is largely contained in other statutes, and it is the announced intention of the government to transfer certain drugs from the Narcotic Control Act to the Food and Drugs Act and to lessen the penalties. This matter is under the general jurisdiction of the Minister of National Health and Welfare.

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● (1200)

IMMIGRATION

DISCONTINUANCE OF USE OF DON JAIL, TORONTO, TO DETAIN ILLEGAL IMMIGRANTS—INTENTION RESPECTING VANCOUVER

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Parliamentary Secretary to the Minister of Manpower and Immigration. Can he give us a date when the Don jail in Toronto will cease to be used for the detention of illegal immigrants in the Toronto area, and is a similar program to be implemented in Vancouver where at the present time the Vancouver city jail is being used for these detainees?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the minister issued instructions with respect to the cessation of the use of the Don jail in Toronto a week or two ago, and the department is now in the process of effectuating that. The Vancouver situation is under study.

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CANADIAN NATIONAL RAILWAYS

PROPOSED COST OF LIVING ESCALATION IN PENSIONS OF RETIRED EMPLOYEES—DATE OF ANNOUNCEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct my question to the Minister of Transport. In view of the fact that for some considerable time there has been anticipated an announcement concerning a 1974 cost of living escalation in the pensions of retired CNR employees, can he say how soon we may expect that announcement?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope I can complete my discussions on this matter very soon. Next week I am going to meet with the new managers of the CNR in Montreal, Mr. Bandeen and Mr. Taschereau, the new top officers of the CNR. I have to look into this in relation to the bill that was introduced by the hon. member for St. Boniface, and I hope I can announce something before too long.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the minister also have words with the management of the CPR in respect of the same question?

Mr. Marchand (Langelier): If I can reach them, Mr. Speaker, I will be pleased to.

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I would ask the minister why the government cannot bring forward measures in the proper way in this House, pursuant to an announcement by the government House leader, in order that hon. members do not have to use Standing Order 43 motions and private bills, thereby mixing everything up? If the minister wants to do something for the CNR pensioners, why does he not act in a straightforward manner in the House, announce it, and then go ahead with it?

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EXTERNAL AFFAIRS

OVERFISHING OF HALIBUT BY SOVIET UNION IN NORTH PACIFIC—CANADIAN REPRESENTATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Has there been any agreement or any conversations with the Soviet Union with a view to having the Soviet Union cease its overfishing of halibut stocks in the North Pacific since this species in that area faces extinction as a result of present Soviet fishing practices?

Mr. Speaker: While the matter is being looked into the Chair will recognize the hon. member for Don Valley.

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FINANCE

EFFECT OF MOVEMENT OF SPECULATIVE FUNDS ON CANADIAN DOLLAR

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Is there any evidence in the balance of payments information that the Canadian dollar is being unduly affected by movements of speculative funds?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the evidence is mixed.

Mr. Speaker: Order, please. The Chair will recognize the hon. member on a supplementary question, but we are just about at the end of the question period. With the co-operation of hon. members we might be able to accommodate two or three more questioners without supplementary questions.

Mr. Gillies: Would the minister look into this matter and sort it out for us so we will know the answer and perhaps give us this information on Monday?

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[*Translation*]

LAW OF THE SEA CONFERENCE

PARTICIPATION BY EXPERTS FROM DEPARTMENT OF SCIENCE AND TECHNOLOGY IN FORTHCOMING MEETINGS

Mr. Maurice Dupras (Labelle): Mr. Speaker, I have a question for the Minister of State for Science and Technology.

Could she say whether experts from her department will take part in the Law of the Sea Conference?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Yes, Mr. Speaker.

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[*English*]

PENITENTIARIES

ALLEGED SHORTAGE OF GUARDS CAUSING BREAKDOWN IN SECURITY—GOVERNMENT ACTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Solicitor General. Because of the apparent acute shortage of staff in our penal institutions under federal jurisdiction resulting in almost all officers in these institutions being called upon, and compelled in some cases, to perform double duties with a resulting breakdown in security and safety, what program has the minister designed and what is his department doing to overcome this situation and to improve the morale and get people back to work?

Mr. Speaker: I suggest that this is a question that ought to be answered by way of a statement on motions.

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HEALTH

REQUEST FOR INCREASE IN FUNDS FOR CANCER RESEARCH

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of concern over the incidence of cancer in Canada and reports that researchers are leaving Canada for greener fields because of a shrinkage in research funds through rising costs, does the government have any plans to increase the present allotment for cancer research substantially?

Mr. Speaker: Order, please. I would suggest that the hon. member's question is of the same nature as the previous one and should normally be asked to determine whether the minister proposes to make a statement on

motions. Otherwise, if there is urgency the matter can be considered at the time of adjournment.

Mr. Oberle: Mr. Speaker, I rise on a point of order. Penitentiary guards should also be considered to be an endangered species in Canada. The situation is like an accident waiting to happen. I think the minister would like to reply. This is a serious problem, and if he has a program or a plan perhaps he might refer to it.

Mr. Speaker: If the minister has a program he wants to announce to the House, I suggest to the hon. member that such a program would normally be announced by way of a statement on motions. I do not want to be difficult, but I do not think we should encourage too many questions of this kind.

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TRANSPORT

WAGE DISPARITY BETWEEN SHIP PERSONNEL WORKING FOR DEPARTMENT ON ATLANTIC COAST COMPARED WITH PACIFIC COAST—GOVERNMENT POSITION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Transport. Will he tell the House what action he is taking in respect of the wage disparity that exists between personnel working on ships under the authority of his department operating off the Pacific coast as opposed to those operating off the Atlantic coast as there is quite a disparity existing between those two branches of his department?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know that not only in that field but in many fields there are disparities in wages in the east, in Quebec and Ontario, and in British Columbia. These rates are established through negotiations between union and management. As I do not personally negotiate I cannot give an answer today to the question the hon. member has put.

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EXTERNAL AFFAIRS

OVERFISHING OF HALIBUT BY SOVIET UNION IN NORTH PACIFIC—CANADIAN REPRESENTATIONS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the hon. member for Esquimalt-Saanich asked me about the overfishing of halibut. As he probably knows, a special meeting of the International Pacific Halibut Commission was held in Washington on April 16. The results of that meeting have not yet been communicated to the various governments, but we do understand that they have called for discussions with the Soviet Union, Japan and the Republic of Korea to seek measures to preserve the halibut resources in the north-eastern Pacific Ocean and the Bering Sea. As soon as we have received a copy of this report we will follow it up.

Mr. Speaker: Perhaps with the agreement of the House the hon. member for Esquimalt-Saanich might be permitted to ask a supplementary question and then we will call orders of the day.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I simply want to ask the minister whether by any chance there is any interim action such as representations being made to the Soviet Union at this time to encourage them to support this?

Mr. Sharp: Mr. Speaker, when we have received the report of the commission we will certainly support their recommendations.

GOVERNMENT ORDERS

[*English*]

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO PROVIDE FOR INCORPORATION, OBJECTS, REGIONAL ADVISORY COUNCILS, POWERS

Hon. Herb Gray (for the Minister of Industry, Trade and Commerce) moved that Bill C-20, to incorporate the Federal Business Development Bank, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (1210)

He said: Mr. Speaker, last July the Minister of Industry, Trade and Commerce (Mr. Gillespie) announced in general terms some important measures to further encourage and assist the establishment and growth of Canadian small business. In order to implement these measures, Bill C-20 was tabled on April 8 to provide for the creation of a new Crown corporation which will bear the name Federal Business Development Bank. I am pleased, on behalf of the Minister of Industry, Trade and Commerce and for the government, to present this bill to the House today for second reading.

The new bank is the result of a careful assessment of the requirements of small business. This assessment has been based on the considerable experience which the government has gained with a wide range of programs designed to meet specific needs which it has introduced over the years. What the Federal Business Development Bank will do will be to combine a number of these programs, giving them new thrust and orientation, and provide a new organizational structure and guidelines under which they will be operated in a co-ordinated manner.

The new bank will provide a focal point for information, management counselling and training, and financing. Small businessmen who need information on government programs will find such information available in the branches of the bank. Those in need of management counselling to solve business problems will find it available at rates which they can afford. If financing is the requirement, small businessmen will find that loans are available under new flexible arrangements when such financing is not available on reasonable terms and conditions from the private sector. Moreover, the new bank will institute management seminars and, in general, provide

management training courses in conjunction with the provinces, universities and community colleges.

While the Federal Business Development Bank will bring together the necessary facilities to meet the main requirements of small business, it is not intended to meet all of them. When facilities outside the banks are required, the Federal Business Development Bank personnel will be able to refer clients to the sources of the additional help they may require and provide competent assistance to enable them to secure it.

In taking steps to create the Federal Business Development Bank, the government is primarily concerned with the needs of small business which are not being met by the private sector on terms and conditions that the small businessmen can accept. The intention is to supplement or complement these private services when, for one reason or another, they are not available to the small businessman.

The bank, Mr. Speaker, will be under instructions to encourage small business enterprises which have developed an appropriate degree of strength, to secure future financing and counselling services from the private sector.

Thus, Mr. Speaker, the three key elements in the philosophy behind the Federal Business Development Bank are: first, co-ordinated programs under independent management to meet the major needs of small business; second, the provision of a focal point where the small businessmen can find a competent person to talk to about his problems and requirements, and third, concentration on filling the gaps which exist in the private sector rather than competing with private institutions.

These elements are summed up in the objectives of the new bank which you will find set out in clause 4 of the bill, which reads as follows:

(1) The objects of the corporation are to promote and assist in the establishment and development of business enterprises in Canada by providing, in the manner and to the extent authorized by this act, financial assistance, management counselling, management training, information and advice and such other services as are ancillary or incidental to any of the foregoing.

(2) The corporation in carrying out its objects shall give particular consideration to the needs of small business enterprises.

In order to carry out these objectives, the new bank will require certain powers and an indication of how these powers should be used. With regard to financing operations, the legislation provides the bank with a full range of powers to enable it to meet any financial need of small business. It will be empowered to make or guarantee loans, to enter into underwriting agreements, to make equity investments and to engage in the financing of equipment and in leasing operations.

Great care has been taken in setting out the criteria under which these powers will be used. Financing is to be made available only when a person is engaged, or about to engage, in a business enterprise in Canada; when credit or other financial resources would not otherwise be available on reasonable terms and conditions; when the amount invested, or to be invested, in the enterprise by persons other than the bank, and the character of that investment, are such as to afford a reasonable expectation of a continuing commitment to the enterprise by such persons, and when the enterprise may reasonably be expected to prove successful.

[Mr. Gray.]

The objective of the bank, coupled with powers and criteria for the financial services program is designed not only to enable the provision of financing when it is not available from the private sector on reasonable terms and conditions, but also to encourage private institutions to provide such financing. The decision on what are reasonable terms and conditions will be the responsibility of the board of the bank, as it is not possible to provide other than broad guidelines in the changing circumstances of the financial markets. While these powers are similar to those under which the Industrial Development Bank has operated successfully for many years, it is expected that the new bank will make fuller use of them.

For example, I expect that the new bank will give more careful consideration to the financial structure of small businesses and provide equity financing when this meets the financial and other needs of the client, such as extending the equity base to enable the firm to raise additional financing from private sources. With regard to term lending, no specific limitation is placed on the size of loan or size of business which may be financed, but general guidance is given that particular attention is to be paid to the needs of small business. Under similar guidelines, 77.4 per cent of the loans made by the Industrial Development Bank are for $50,000 or less, and the average authorization is now around $44,000. It is the government's intention that the Federal Business Development Bank concentrate its financing activities in the same way to meet the needs of small business.

The new bank will also introduce new and flexible lending techniques in recognition of the sometimes difficult financial situation of small businesses. For example, consideration will be given to delaying of repayment of principal for several years, arranging repayment schedules with balloon payments at maturity. These are only two of a number of new flexible techniques which I expect will improve financial services to small businessmen.

Mr. Speaker, members may recall that the Minister of Industry, Trade and Commerce stated on July 11 that the new bank would build on the existing strengths and organizational network of the Industrial Development Bank. This will indeed be the case. The Industrial Development Bank has, at present, 60 branch offices operating out of five regional offices. These will provide the initial office structure of the new bank. On the financial side, the Federal Business Development Bank will start from a strong financial base as the outstanding loans and commitments of the Industrial Development Bank total more than $800 million. Its clients currently number more than 19,000. Thus the new bank will begin its operations with a strong organization structure and a substantial clientele.

The new bank will have the power to provide management counselling services, directly or through others, to persons who are engaged in, or about to engage in, a business enterprise in Canada, who meet criteria established by the board, and when such services will supplement other available services from the private sector. The bank will have the power to underwrite the cost of providing counsellors when the requirements cannot be met by the bank's own staff.

The management counselling service will initially be provided by the Counselling Assistance to Small Enterprises, known as the CASE program, of the Department of Industry, Trade and Commerce, which program will be absorbed into the new bank. However, officers in all branches of the bank will be available to provide a sounding board for ideas developed by existing or prospective small businessmen to assist them in working out a viable idea that could be the basis of a commercial plan. Accordingly to need, the small businessman could then be directed to the appropriate source of information, expertise, or financing to meet his need. The bank will also have available counsellors who will provide detailed management advice in particular areas. This will be done initially by following the pattern already established by CASE in the use of retired executives as counsellors and by the use of private counsellors when retired executives are not in a position to deal with particular assignments. The CASE service is accordingly being expanded geographically in close consultation with the provinces, and the intention is to extend the coverage to the service sector in addition to the manufacturing and tourism sectors which are covered at present. As the bank gains experience in the area of management counselling, it will explore ways of improving, modifying and expanding these services.

● (1220)

In the management training field, the new bank will have the power to provide or enter into contracts with governments, agencies, associations or individuals for the provision of management training services. It will also be empowered to sponsor, support or organize conferences, seminars or other meetings for the promotion of good management practices.

In this area, the prime responsibility of the bank will be to pinpoint the needs of small business which can be filled most effectively by training and to meet those needs with the most effective training methods available. Consultation with provincial educational authorities, business associations, small businessmen and educational consultants, will all be necessary to ensure that training initiatives are appropriate, effective and complete. The training service will establish priorities, develop courses, or make contractual arrangements for the preparation of course materials by recognized experts and assist provincial government departments in the implementation processes. It will also play a useful role in developing and facilitating the exchange of information on implementation techniques, publicity, teacher training and other related teaching aids.

To fulfil these responsibilities initially, the bank will take over the owner/manager training program of the Department of Manpower and Immigration. The relevant courses are short and oriented to specific aspects of small business management. The bank will also continue the one-day small business seminars provided by the Industrial Development Bank at different locations across Canada, with emphasis given to small cities, towns and remote areas where such services are not otherwise available.

The new bank will have the power to develop and operate an information service, publish and distribute information relative to the mandate of the bank, as well as to provide advice on federal programs for small business and on assistance available to small business from others. To this end the bank will seek to establish close and continuing communication with provincial authorities.

This will be a major new thrust as the bank will act as a focal point for information on the wide range of federal services and programs designed to meet the needs of small business. The information services, to be provided locally through all offices of the bank, will be free to all interested persons and will be aimed at small firms that do not have the resources to seek out help from the multiplicity of specialized sources of assistance to small business—particularly those of the federal government. The services of the bank itself will also be made known more widely in this way. In addition to the immediate practical value to the inquirer, the information services will represent another two-way channel of communication between the businessman and the bank.

The activities of the information services will take several forms. The experienced local officers providing the services will give inquirers comprehensive information, competent advice and direct referral on the entire range of federal assistance programs and services for small business. The bank will provide reference libraries and booklets on a broad field of small business management subjects, and will publish and distribute industry profiles containing typical costs and operating date for specific industries. In this way, it will share with the public the experience gained by the bank and its predecessors in dealing with thousands of small businesses over many years. A Small Business News Bulletin, highlighting various assistance programs, business developments and many other forms of guidance to its readers, will be distributed to many thousands of small business operators.

In deciding on a corporate structure for the new bank, the government has had several considerations in mind. The first is that the new bank should have a considerable degree of independence in its day-to-day affairs. The second is that it should be guided by a strong top management that is well versed in business practice and representative of small business interests. These considerations have led to the decision to establish the Federal Business Development Bank as a proprietary corporation pursuant to Section 66 of the Financial Administration Act. It will report to Parliament on its activities through the Minister of Industry, Trade and Commerce (Mr. Gillespie).

These same considerations were of importance in determining the number and composition of the board of directors. Ten of the fifteen directors will be chosen from the private sector to ensure broad business representation and access to business experience and expertise. To provide equitable geographic, cultural and population representation, two directors will be chosen from each of the five geographic regions of Canada. These members of the board will be appointed for a term of three years by the Governor in Council on the recommendation of the Minister of Industry, Trade and Commerce. The remaining members of the board will be four senior federal officials and a full-time president who will also act as chief executive officer. A chairman, who will preside at meetings of the board, will be appointed by the board from among its members.

Provision is also made for an executive committee to deal with matters within the competence of the board when the latter is not in session. Its composition is outlined in the bill.

In order to emphasize the regional character of the new bank, and to ensure that regional and local views are taken into consideration in establishing the policy and operations of the bank, regional advisory councils will be established for each of the five geographic regions of the country. Each council will be composed of up to 12 members from the region, including the two board members, a senior bank officer and a senior officer of the Department of Regional Economic Expansion. Private members will be appointed by the Minister of Industry, Trade and Commerce. These councils, while purely advisory in nature, will assess the bank's activities in their regions and will draw the board of director's attention to the requirements of the small business community in their regions. I believe that these regional advisory councils will serve a useful purpose and will further accent the regional character of the new bank.

The organizational structure of the new bank will be a matter for the board to decide, but it can be envisaged that its corporate structure will be built around two major components, one a financing division and the other, a management services division. These two components will have to be well co-ordinated at different levels of the bank's organization so that a fully client-oriented and comprehensive service is made available to small business in Canada.

While the services of the new bank will be able to build on the experience and organizational structure of the Industrial Development Bank and CASE and other programs which will be brought into it, it will be a big and probably lengthy job to structure a complete service which can meet the requirements of small business in all parts of the country. The government will ensure, however, that those who are put in charge of these services will be qualified to undertake their tasks with initiative and energy.

The financing of the new bank will involve separate budgets for the financial services and for the management services operations. For its financial operations the bank will have an authorized capital of $200 million and a debt-to-equity ratio of ten to one. A capital budget for financing activities will be submitted each year for the approval of the Governor in Council. In accordance with this budget, the Bank will borrow at the Crown corporation rate for the appropriate term. The management services elements of the bank will be financed through parliamentary appropriations in accordance with the normal steps of the budgetary cycle.

● (1230)

The organization which I have outlined will, I think, enable the Federal Business Development Bank to carry out its mandate with a substantial degree of independence. However, its operations will be followed closely by the Department of Industry, Trade and Commerce which, along with other departments, will be represented on the board. It will also be possible for parliament to keep in close touch with the operations of the bank when appropriations are considered each year for financing the management services operations.

In concluding, Mr. Speaker, I should like to pay tribute to the small businessmen of this country, who, by their initiative, their willingness to take risks and their management of often difficult situations have played an important role in the growth of our national product in the provision of goods and services and in making available substantial employment opportunities. Approximately 60 per cent of the labour force or about five million persons are employed in small business enterprises, broadly defined. Through the Federal Business Development Bank and its other programs the government is showing its support for small businessmen and that it stands ready to help when help is needed.

If such help can enable many small businesses to become medium sized or even big business or at least to become more soundly established and more economically viable, our policies will have shown their worth. If, as well, the Federal Business Development Bank can encourage a substantial number of potential entrepreneurs to enter the field of small business by providing the services they require, the bank will perform, over the years ahead, a very important service to the economy of the country and to the small businessmen who operate a very important part of it. I believe this bill will bring about in a very substantial way the achievement of these important objectives. Therefore, Mr. Speaker, may I urge all parties in this House to support this bill which will provide such important benefits to the nation's small businessmen.

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in introducing the bill before us today, the Minister of Consumer and Corporate Affairs (Mr. Gray) on behalf of the Minister of Industry, Trade and Commerce (Mr. Gillespie) concluded by commending the small businessmen of this country for their aggressiveness and willingness to take risks. He pointed out that in fact 60 per cent of the labour force in the country is employed in small business.

I wish to point out to the minister it is partly due to his government's action that the small businessmen are in the position they are today, namely that of finding it increasingly difficult to sustain their position in the Canadian economy. To be frank about it, when the minister commends them for their willingness to take risks, one of the greatest risks a small businessman has to live with today is what action this government may take tomorrow.

Some hon. Members: Hear, hear!

Mr. Stevens: I am not speaking in general terms. I am speaking in specific terms. For example, in 1962 the small businessmen of this country had a 10.4 per cent share of the nation's national income. In 1973 that share had fallen to 7.5 per cent. I would point out also that the small businessmen of this country lost every year in percentage terms in relation to the national income. Those are the facts. Whether the government likes to admit it or not, they know they have failed small businessmen in this country at the present time.

Some hon. Members: Hear, hear!

Mr. Stevens: Sometimes it is more meaningful to translate what I have just put in percentage terms into actual terms. In 1963, small business net income in this country was $3.5 billion. In 1973, it was $6.8 billion. It did not even double in that period. On the other hand, let us take a look at corporate profits before taxes in the same period. I remind hon. members that when I say corporate profits before taxes, I am dealing substantially with the non-small business sector of the economy. The fact is those profits rose from $4.9 billion in 1963 to $14.8 billion in 1973. As can be seen, they almost tripled in the period this government has ruled Canada whereas small business did not even double its net income in the same period.

As has been pointed out, in recent years, due very heavily to the income tax revisions that this government put into our corporate income tax system, the taxation of corporations has not maintained its relationship to their profitability. Unfortunately, the same tax act has put almost insurmountable difficulties in the way of small businessmen attempting to carry on in the country.

It is an odd government that we have ruling at the present time. I sincerely hope the members of that government will, on this bill at least be given an ample opportunity to stand in their place in this House and give their true feelings concerning the lot of small businessmen in Canada. I say that because I have a certain sympathy for the backbench members in the Liberal party at the present time. In debate after debate, I have witnessed them being required to sit in this House but not to speak, and to vote only when and how they were told. In fact, the only role that seems to be left for them is to tap their desks at the appropriate time if they feel the minister involved wants a little desk tapping.

Mr. Hopkins: What a bunch of garbage.

Mr. Stevens: Surely, the members sitting in those back benches must be completely frustrated when they see things going wrong in this country at the present time and there is so little they can do or say.

An hon. Member: You talk too much.

Mr. Stevens: I see I am getting a response. I am glad. It is good if we can find some way of getting them to speak, and hopefully start speaking up for the people of Canada.

Some hon. Members: Hear, hear!

Mr. Stevens: If those backbenchers had the courage to buck their cabinet, they could perhaps be more useful. If their only role in this House is to hit their desks, possibly every cabinet minister could be equipped with some kind of button he could press so that a recording of suitable desk thumping could play whenever he desired it. Those unfortunate fellows have the manual job of desk thumping which could be pre-recorded.

Mr. Lefebvre: Ask Bill Davis about that. They are experts in Toronto. Now start talking about the bill.

Mr. Gray: Have you not seen the bill? Can you not talk about it? You are demonstrating you have not looked at the bill. Tell us about your banking experience.

Mr. Lefebvre: Quit wasting the time of the House and sit down.

• (1240)

Mr. Nowlan: Who gave them a blood transfusion?

The Acting Speaker (Mr. Laniel): Order. The hon. member should be allowed the opportunity to continue his remarks, but I might remind him it would probably be easier for him to continue without interruption if he were to follow the rule of relevancy.

Mr. Stevens: I see the President of the Treasury Board (Mr. Drury) in his place, and I know he is interested in practical matters which arise from time to time. Even the government I understand, is worried about runaway expenses, and I suggest money could be saved if we could find a more efficient way of handling Liberal Party backbenchers. Considering it costs roughly $110,000 a year to keep a member in the House. Multiply this figure by the number of backbenchers in the Liberal Party and we arrive at a figure which suggests that a considerable saving—

Mr. Lefebvre: You would save us a lot of time if you sat down.

Mr. Hopkins: Think of the poor people of York-Simcoe.

Mr. Lefebvre: You should be paying them.

Mr. Stevens: Judging from the response of those backbenchers, I have struck a chord and it hurts them deeply.

The bill before us has been described by the minister who introduced it as a great step forward, a mechanism enabling him to do things for small business which have not been done to date. I think we should not accept a statement of that kind without analysis. The fact is that the measure relates in the main to the reconstitution of the Industrial Development Bank. It does contain certain new features, for example, clauses 21, 22 and 23 dealing with management services the bank could offer small businessmen, advisory services to small businessmen and general counselling. But we should not lose sight of the hard fact that the government has always been a friend of big business, and I am fearful it will continue to be so. I say this advisedly, because what we are seeing today is a shifting of the Industrial Development Bank from the Department of Finance to the Department of Industry, Trade and Commerce.

We have had some experience of the way in which the Minister of Industry, Trade and Commerce has run similar corporations in this country. I am referring, of course, to the Export Development Corporation. The minister has been quite willing to make loans to foreign governments for the benefit of relatively large corporations in Canada, most of them more than 50 per cent foreign-owned. He has been willing to make those loans on a long term basis at interest rates of approximately 7 per cent. Contrast this with the situation today—and I have just checked—in which the current interest rate of the Industrial Development Bank is 11 per cent; for the larger loans it is 12 per cent. The person from whom I obtained this information said it was 12 per cent plus. That is the attitude the

government takes toward the small businessmen of this country.

There are two annual reports available to us. One is from the Export Development Corporation and the other is from the Industrial Development Bank. Both spell out what it costs to borrow money from the treasury or from the Bank of Canada. The Export Development Corporation points out that loans and advances from the government of Canada totalling 682 million bore interest at rates up to 7¾ per cent. Dwell on that figure. When we turn to page 22 of the Annual Report of the IDB, we find that loans from the Bank of Canada to the IDB bore an interest rate ranging up to 9⅞ per cent. In other words, the government is currently lending money to the Export Development Corporation at 7⅜ per cent and to the Industrial Development Bank at 9⅞ per cent. That differential, something over 2 per cent, has to be passed on to the small businessmen. On the other hand, the saving which is represented by the low rate financing on the part of the Export Development Corporation goes indirectly to the benefit of large corporations which, as I have mentioned, are more than 50 per cent foreign-owned.

The needs of businessmen in Canada are simple. First, they need relatively cheap money. They would like to fill out fewer forms for all levels of government. They would like the requirements for collateral in respect of whatever loans they are getting to be reduced. I am not in disagreement with the proposition that they should get advice in management from whoever the new corporation may choose to hire for this purpose. But it is important to realize that the small businessman already knows what his needs are and in most cases there is no point in high-priced Ottawa executives coming down to tell him how to run his business. What he really needs are relatively cheap funds, less government interference in the line of forms to be filled out and a competitive atmosphere in which he can continue and grow.

We should never lose sight of the fact that there is a great difference between big and small business. The socialists to my left often forget this, as do the Liberals from time to time. It is completely wrong to confuse big business with small business. I would think that 90 per cent of the business in this country is carried on by small businessmen who are the backbone of our productivity. I would go further and say that this includes other businessmen such as the farmers who, in truth, are one of the most obvious groups of small businessmen in this country. I would suggest that the small businessman is the great buffer between big business on one corner, big government on another corner and big finance on the third corner of the triangle, if you like.

● (1250)

In my opinion, it is important that the government accept the fact that this is a sector or our economy which requires help and protection, and that this sector at all costs should be preserved. I believe there are five or six points which should be raised as reasons for ensuring that small business continues to prosper and exist in this country. I suggest that a large number of small independent businesses helps preserve competition through ensuring increased efficiency, high quality and reasonable prices for consumers. I suggest also that if we had a truly small business oriented economy, we would not have the lack of competition and the problems we have today in our country.

If small businesses decrease there is a likelihood that there would be a concentration of excessive economic or political power. Surely, we should always be conscious of the fact that it is just as wrong to have a concentration of economic power as it is to have undue concentration of political power. In my opinion small business constitutes a large and diversified source of employment opportunities. This is something that seems to be overlooked so often by the present Minister of Finance (Mr. Turner). Many of his tax measures are designed really to help the larger corporate entity in this country as opposed to the small businessman. In fact small businessmen have mentioned to me that it is extremely difficult for them to live with the current income tax legislation. I am referring to the fact that so many small businessmen find the legislation so confusing that they virtually have to turn over the entire reporting of their income for taxation purposes to their accountants, a service for which they pay substantially higher fees than was the case under the less complicated income tax structure.

I might mention that in the field of new products and new methods, small business is second to none in its innovative stance in ensuring that the country pioneers and develops new fields. I would also suggest that certain things are best done by small business. Small business has the adaptability, resilience and ability to respond to change which bigger companies rarely have. On that point I think it is fair to say that in many cases there is a role for large corporations. Certainly if we expect to become competitive in international markets we need large corporations to meet large corporations. However, I am stressing that this government's passion to help and support big business must be modified so that small business will get a fair share of the national income. I believe personal initiative and individual judgment can be reflected through small business to a much greater extent than is the case in respect of many large corporations, certainly in respect of big government and in respect of being a backbench member of the Liberal Party.

To some extent it has been suggested that small business gives people the opportunity to do in effect their own thing. So many people find frustration in being a relatively insignificant employee, even an executive, in a large corporation that they welcome an opportunity to become active self-employed businessmen in this country. If we agree that small business is an extremely important factor in the economy, I feel we then must analyze the bill before us to determine whether in fact it goes as far as the minister indicates. I suggest it does not. It may be the intent—and I hope in fact it is the intent of the government if it remains in power—to utilize the new corporation to genuinely assist small business, but on the surface I would emphasize again that the bill does not appear to do much more than re-constitute the Industrial Development Bank and give certain other powers to the new corporation.

There are some specific points on which I would like to touch in respect of this new legislation to incorporate this new bank. The minister referred to clause 4 which deals

with the corporate objects of the bank. Subclause (2) specifically states:

> The Corporation in carrying out its objects shall give particular consideration to the needs of small business enterprises.

I am not sure why subclause (2) is phrased in that manner. I would have thought this bank would give its entire emphasis to supporting small business and not just particular consideration. I say that because if we turn to the annual report of the Bank of Canada we find that in the past year the rate of growth of business loans to small businessmen under authorizations of $100,000 or less was 14 per cent. That is in sharp contrast to the first six months of 1973 when business loans generally went up 23 per cent, and in the last six months of that year went up 31 per cent.

Mr. Speaker, I should like to continue, but if I may I will call it one o'clock and after lunch deal further with specific points in this bill.

The Acting Speaker (Mr. Laniel): Order, please. It being one o'clock I leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Stevens: Mr. Speaker, I should like to summarize what I was saying before the lunch break. The Liberal government is hostile to small business. There has been a torrent of new laws and regulations, difficult enough for a specialist to understand; interference with small business has increased; extra costs have multiplied for purposes sensible, perhaps, if taken individually, but in the aggregate they are truly excessive; taxes have rocketed for the individual and especially for the individual businessman at a disproportionate rate; incentives have been smothered by the conjunction of a capital gains tax with the present levels of succession duties that still exist in most of our provinces; disclosure requirements have been carried to absurd lengths for small companies; and the rules of the family business or closed company add up to a virtual nightmare for the average businessman in this country. Those rules make his expansion from retained profits virtually impossible.

This Liberal government which has made life so difficult for the small companies has actively encouraged the development of larger corporations, especially those that are foreign controlled. I gave certain figures concerning interest rates where we find that the Industrial Development Bank is lending at rates in excess of 12 per cent to small businessmen in this country, whereas the Export Development Corporation is still facilitating loans to foreign countries to help mainly larger corporations at interest rates which are in the 7 per cent range.

In fact, the country needs businesses of all sizes. Giants make sense in certain world markets—there is no doubt about that. Their production capabilities are needed to compete realistically in the world markets. But I believe that sight should never be lost of the fact that small business is an integral part of our economy, certainly as integral as the larger business sector.

I was referring to clause 4 in the bill before us which gives the corporate objects for the new corporation and states, in subclause (2) that it will have particular consideration—that is the new corporation—for the needs of small business enterprise. I find it rather remarkable that no place in this act is there any definition given of a small businessman. I think in fact a small businessman wants to be defined, he wants to understand and to have the government understand what his place is in the economy.

I would also point out to hon. members that no place in the bill is there any suggestion that preferential treatment will be given to Canadian owned concerns as opposed to those that may be controlled in a foreign land. Surely, this could be an integral part of the over-all planning of any government in power. Yet, we find that this government, which at least has given lip service to the idea of some restraint on foreign ownership in Canada, is proposing the incorporation of a new industrial bank, which presumably is completely free, judging from the wording of the act, to lend as much money as they may see fit to Canadian concerns, notwithstanding that they may be foreign controlled. In this respect a former minister of finance in 1963, who at that time was a Liberal member, and I do not mean "Liberal" in today's context as there is no similarity between the Liberal party now and that of 10 or 20 years ago, advanced certain budgetary measures in this House. I refer, of course, to Walter Gordon.

● (1410)

Yesterday in Washington, speaking to the annual meeting of the American Society of International Law, Mr. Gordon indicated that he felt the government's passage of the foreign investment review legislation only covered what he regarded as 20 per cent of the problem in respect of foreign ownership in this country. He stated:

> The other 80 per cent of the annual increase in foreign control of Canadian industry is represented by the expansion of foreign controlled companies already established in Canada, companies which often hold a dominant position in their respective industry.

I would tend to agree with Mr. Gordon. Certainly, the legislation passed by this government to date has not had as much effect in restricting or containing foreign ownership in Canada as one would desire. I do find, however, that it is encouraging that Mr. Gordon, in his speech in Washington, has come up with some suggestions for the repatriation of ownership of Canadian concerns now controlled by foreign hands. In fact, in many respects Mr. Gordon's comments are similar to the suggestion contained in the policy papers passed by this party at its recent convention. Most members will recall that at that time we proposed that in the non-renewable resource industry field, at least 50 per cent of equity ownership in these companies should be repatriated into Canadian hands.

I mention this because I feel that so much of what the Liberal government does, it does in an ad hoc fashion. It passes one act which is supposed to restrain foreign ownership expansion in this country and yet, apparently with no inter-relationship whatsoever, it has its Crown corporations actively supporting foreign corporations in the land,

or is passing new acts which in all likelihood will benefit some foreign corporations presently active in the country.

In introducing the bill the Acting Minister of Industry, Trade and Commerce (Mr. Gray) indicated how well he felt the government had done in respect of small businesses. He perhaps did not realize at the time he was speaking that the Canadian Federation of Independent Businessmen was at that moment suing the Canadian government for almost $100 million. That association, on behalf of 13,000 members, feels that it has a claim against the federal government as a result of its haphazard handling of the post office dispute. What an odd twist in that here we have a government introducing a bill which it professes to be in the best interests of small businessmen in the country, who it indicates it has been supporting, yet we have a 13,000 member federation of independent small businessmen at the same time suing the same government for $100 million as a result of its mismanagement of the post office strike.

If I may deal with other aspects of this bill, I should like to touch on provisions 21, 22 and 23 which deal with management consulting, management training and the provision of information and advice to small business people. We believe this is probably a good step as we think such consulting, advice and information should be given by the federal government to small business. We do question, however, and if this bill reaches committee we intend to question this further, whether it is necessary to have this type of service within the bank itself. We question whether the responsibility of the bank in lending money, and in ensuring its return, will blend well with the counselling and advisory services such as contemplated in these clauses.

I would point out in this regard that in the United States, in the United Kingdom and in certain other of the western industrialized nations there has been a tendency to set up separate bureaux to help small businessmen in the same way as is contemplated in the three clauses. It may be that the divorcing of that advisory type of function from the banking function is a wise move. We are in agreement with the provision of that service, but we should like to know why it is being included within the banking function itself.

I believe we, as members, should not accept the suggestion that the chartered banks in Canada do not wish to lend money to small businesses. In all fairness, this is a business proposition as far as our chartered banks are concerned. The banks must determine whether they can make advantageous loans, properly secured to ensure the return of capital at a fair rate of return. It is only common sense to realize that it is much easier to make a million dollar loan, a loan of $10 million or even $100 million to a credit worthy company at a relatively good interest rate, and to make a worth-while return, than it is to make loans of $25,000 with all the added work and possible security risk.

I would emphasize that fact when I say there must be assistance to small businesses. I feel we are simply being realistic in respect of how the marketplace works, and that is why it is right and proper that institutions such as the Industrial Development Bank and, hopefully, the new Federal Business Development Bank, if and when it is incorporated, will be active in that field. I would point out, and this should not be lost sight of, that this is a field which has already been entered to some extent by provincial governments. Many of our provinces are quite active in the field of supporting small businesses. If you review the annual report of the Industrial Development Bank you may be as surprised as I was that one-third of the volume of its lending in the fiscal year 1973 was in British Columbia, involving 2,835 loans totalling some $124 million odd. I asked the Industrial Development Bank why that was so. They pointed out that British Columbia is one of the few provinces that does not have a provincial agency financing activities of small business. Consequently, the IDB has a bigger role to play in that province that in most other provinces.

● (1420)

The second reason they gave for their activity in British Columbia was the fact that more than most provinces, it has many frontier type businesses in operation which find their type of loan quite attractive. I am pleased that the IDB has been taking that type of lead, and I hope that the new Federal Business Development Bank will take a similar lead in support of small businesses if and when it is incorporated.

I would draw the attention of hon. members to clause 36 which deals with voting, or not voting, by directors if loans involving them are being considered by the board of the new corporation. It came as a surprise to me that it would even have been contemplated by the federal government that future directors of the new bank would be able to borrow from it. Granted, the clause requires that:

> A director shall not vote on a resolution relating to, or be present at a meeting of the board during the time at the meeting when the board is considering, a loan to, a guarantee to, a guarantee of a loan to, an underwriting agreement with, or a purchase from, that director or a firm or corporation of which
>
> (a) that director, . . .
>
> is a partner or shareholder, as the case may be.

If this bill reaches committee I think it should be explained, bearing in mind that there are only ten outside directors on this board, why it is felt necessary to have any one of those directors eligible for a loan directly or indirectly, from this bank.

Now, I should like to deal with clause 36 dealing with the appointment of an auditor. This is quite unlike the present Industrial Development Bank provision. The proposal is that there be only one auditor in future, although the Industrial Development Bank has two auditors. I think this should be explained. It should also be explained why it is proposed to appoint the auditor for five years instead of a more limited term.

I have reviewed what I believe to be some of the main provisions that should be considered in this act, and have tried to indicate why I feel that small businessmen deserve assistance as well as encouragement from any federal government. In addition, I have indicated why I believe this federal government has not given such assistance or encouragement to them, nor to the country, and also why in many instances they are openly hostile to small businesses.

Just before we recessed for lunch the hon. member for Winnipeg North Centre (Mr. Knowles) said that he found it interesting that I somehow linked his party with the Liberal Party, pointing out as he did that I, on the one hand, talked socialism and then suggested that the Liberal Party was quite close to big business. I would refer him to the comments of John Kenneth Galbraith, a sometime Canadian who said we must bear in mind that:

In North American society, the big business bureaucracy and the public bureaucracy work in close alliance and the goals of this alliance are essentially in conflict with the interest of most individual members of North American society. There is a system of several thousand giant corporations which dominate the economic life of the continent. The bureaucracy of this corporate world in alliance with the public bureaucracy is increasingly the focus of public power and is responsible for the inequities and irrationalities which are deeply inherent in the structure of the system in all developed countries.

I mention that because I feel that Galbraith is referring to the fact that there are the two extremes. You have big business, big bureaucracy and big money and in between you have this great mass of small businessmen and small farmers who are really the backbone of the productive capacity of any country. Any government that allows that central group of independent business people to be trampled by government or big business, is not a good government. That is why I feel it is so urgent that we, as members, make this our concern. I sincerely hope that the backbench members of the Liberal Party, on this bill at least, will have the courage to say what they think concerning the lot of the small businessman in this country in the last ten years under their rule.

Mr. Speaker, I know that we have people on this side of the House who wish to speak on this bill. I will conclude by saying that we are thankful for anything that appears to be helpful to small businessmen. We do not intend to vote against this bill on second reading. We hope that if it is as helpful as the minister has indicated, it will be well received by small businessmen. We feel that the bill should have good and extensive debate, that it should go to committee to be thoroughly reviewed and perhaps amended, then returned to this House in relatively short order for third reading.

Mr. William C. Frank (Middlesex): Mr. Speaker, I welcome the opportunity to rise and make a few comments in relation to the bill now before us, Bill C-20. First of all, I should like to thank hon. members of all parties for allowing a shift in speaking order so that I may make my remarks now. I assure them that I will not take too long.

One of the obvious areas in which this bill will apparently offer some benefit, is the area of small business. In his remarks this morning the minister agreed that small businessmen have not been properly encouraged to remain in business. While listening to the Minister of Consumer and Corporate Affairs (Mr. Gray) read the explanation of the bill, I started to become so emotional that I was beginning to worry that I might not be able to speak on it because of the change of attitude this government has suddenly adopted in respect of small business. It reminds me of another area in which their attitude has changed in the last year, and that is in respect of the monarchy. These two things are so obvious to any member, and I am sure to the general public, that they will be well recognized for some time to come.

Mr. Baker: It is known as deathbed repentence.

Mr. Frank: However, Mr. Speaker, now that I have had time for lunch I have recovered, and hopefully will be able to continue.

It would be interesting to tabulate the number of times the minister mentioned small business during that presentation, which emphasizes the point I have previously made. I remember that he mentioned small business many, many times. Actually, I ran for election to this House because I wanted to fight for better legislation for that important sector of society, small business. The government has recognized how important that segment is. I shall not go into more detail, as it may appear I am criticizing the Industrial Development Bank. At this point may I commend my own local bank office for the co-operation and encouragement it has extended over the years. Unfortunately it was restricted by the guidelines laid down in the act.

● (1430)

May I mention areas of concern to small business. Small businesses play an important role in the Canadian economy, creating over 50 per cent of Canada's Gross National Product, paying 50 per cent of taxes collected by government—an important consideration to bear in mind if the government is to continue spending more and more money—and employing more than 50 per cent of the people working in Canada.

There are at least eight important economic functions performed by small businesses. For instance, small businesses provide a productive outlet for the energies of that large group of enterprising and independent people who attach great value to economic independence. Many of these people are less suited to employment in a large organization but have much to contribute to the over-all vitality of the economy. Often, a small business is the most efficient form of business organization. That is why many important trades and industries are made up mainly of small businesses. Many small businesses act as specialist suppliers to large companies of parts, sub-assemblies or components which can be produced at a cost lower than that which can be achieved by large companies. In addition, small businesses add greatly to the variety of products and services offered to the consumer, because they can flourish in a limited or specialized market which it would not be worth the while of a larger business to enter.

In an economy in which ever larger multi-product businesses are emerging, small businesses provide competition, actual and potential, and provide some check on monopoly profits and the inefficiency which monopoly breeds. In this way they contribute to the efficient working of the economic system as a whole.

Despite their relatively lower expenditures on research and development, small businesses are an important source of innovation in products, techniques and services. May I refer to my own case. With the co-operation of employees, we brought forward new products. I am thinking of two cases in which we evolved equipment for which we took out Canadian and U.S. patents. I suggest that a bigger business would not have done this, as the sort of

equipment we make is sold in small quantities. It would not have been developed if we were not a small business.

Further, Mr. Speaker, the small business sector is the traditional embryo or breeding ground for new industries. What is most important, small businesses provide the means of entry into business for new entrepreneurial talent and the seed bed from which new, large companies will grow to challenge and stimulate the established leaders of industry. Despite its important economic role, the small business in Canada is weakening because it finds it increasingly difficult to cope with the many problems confronting it.

One of the major difficulties confronting small business today is the difficulty of obtaining funds. Fundamentally, the problem may be summarized this way: owing to their limited economic base, small businesses find it difficult to raise funds on the capital market and have had to turn either to self-financing or bank credit. In many cases self-financing involves difficulties owing to the limited profit margins. As far as bank credit is concerned, small businesses suffer from certain handicaps as compared with the big firms. In the first place they cannot offer the same security and, second, the smallness of their loans involves the banks in higher administrative costs. The small businesses are therefore less attractive customers to banks than the big firms and this fact has its repercussions on the terms they can obtain. Third, the volume of investment loans to the smaller enterprises is apt to fluctuate because financial institutions have a tendency to start by cutting their money supply to the smaller enterprises when the money market becomes tight and to increase it when the money market becomes easier.

While the most obvious source of capital is the venture capital firm, entrepreneurs are reluctant to use this source for the following reasons: first, venture capital firms tend to want to assume equity control of the firm in which they invest; second, venture capital firms insist on appointing their own company executives on the Board of Directors of the firm, and may go so far as to wrest complete control from the entrepreneur by having their own man assume the responsibility of chief executive officer; third, venture capital firms which have acquired effective control of the entrepreneur's company tend to prevent the entrepreneur from acquiring additional capital through equity participation for fear of weakening their control. The preoccupation with the issue of control appears to be the critical factor underlying the resistance of entrepreneurs against utilizing the services of venture capital groups.

Governments in many industrialized countries have found it necessary or desirable to make special provision for privileged access by small businesses to external finance. The measures taken for this purpose most commonly take the following forms: first, the establishment of specialist institutions—with access to loans or grants from government sources—which are able to co-operate with, and support, commercial banks in their lending operations; second, the provision of rediscount facilities to commercial banks by official institutions, including, ultimately, the central bank, for at least a proportion of their term loans; third; official financial support and encouragement for the establishment, by commercial banks of affiliated financial institutions specializing in term loans to small and medium-sized concerns; fourth, official financial support and encouragement for the formation of trade associations and co-operatives which make term loans available to their members; fifth, the establishment of, or financial support for, institutions and co-operatives which guarantee the credit standing of small businesses seeking term finance; sixth, subsidization of interest rates charged by institutions lending to small businesses.

The best known of such policies are those of the United States where the Small Business Administration, an administrative body set up specifically for small businesses, has been empowered to subsidize loans to small business, that is to say, the interest rate on loans to small businesses is subsidized.

May I mention two or three other areas which involve concern and frustration for the small businessman. For example, the numerous bureaucratic government forms which the small businessman must fill out when applying for a loan add to his confusion and difficulty. In addition, the large collateral demanded by the Industrial Development Bank makes it difficult for a small businessman to get a loan. The chartered banks have not been sympathetic in their administration of small business loans. I hope lending institutions will adopt a different attitude under this legislation. In any event, the government should adopt a Canada first policy when considering loans to businesses. I suggest that loans could be based on the percentage of Canadian equity in the company. The existing legislation has tended to favour foreign subsidiaires getting loans, simply because they can provide more collateral for loans than Canadian companies can. I suggest that we should favour giving priority to Canadian businesses seeking loans.

As the previous speaker suggested, a small business should be more clearly defined in the bill. The volume of lending assistance should be subject to parliamentary approval, as well. The bank to be set up should be more flexible in its attitude to collateral requirements. The requirement for collateral should be calculated on an overall, average basis, rather than for each individual loan. As I said previously and as my party has also pointed out, it has been almost impossible for the small businessman of this country to gain access to capital. The idea is this, if you put a maximum of $5,000 each year into a small business, a small business being defined as a company having a net worth of up to $1 million and annual revenue up to $10 million, you will be able to claim a tax credit in that year of $2,500. You can apply this $2,500 against your income tax or have it rebated to you directly.

● (1440)

The advantage of the tax credit will remain with you so long as you continue to hold the investment, but will be repayable to the government if and when the investment is realized. If you do not recover your investment, the amount of credit repayable will be half of your recovery. If you realize a gain, the gain will be taxable in the ordinary way and there will be no capital loss deduction allowed.

Regardless of how this bill may look to small businessmen, I question whether it will go as far as he really needs. As I emphasized in the remarks I made on Bill C-14,

the small business and farm improvements act, the most significant void in that bill was the lack of working capital available. I am sure this bill will pass all stages. I trust when that is done it will be of some benefit and encouragement to an area which is very close to me and for which, as long as I am here, I intend to stand up and fight.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the bill we are discussing today is little more than a renaming of the act which established the Industrial Development Bank. The reason we are changing the name of the act and expanding the programs this bank will be able to deal with is that in this country we tend to deal in a very fragmented way with social-economic groups which need assistance.

We have given the banks, insurance companies and trust companies the virtually unlimited right to decide how to dispense the savings of the people of Canada which are deposited with them for re-investment. With regard to the needs of those who want to borrow money, this is not done on the basis of social need, but on the basis of what is most profitable for the banks, insurance companies and trust companies. In that kind of situation, it is not surprising that the bulk of the money which the banks, insurance companies and trust companies lend goes to the largest and most profitable corporations in this country many of which, as the hon. member for York-Simcoe (Mr. Stevens) pointed out, are in fact multi-national corporations. Money is loaned to those foreign-owned and controlled corporations by the lending organizations such as banks, trust companies and mortgage companies. They are not concerned about the social return to the people who are asking the individuals or organizations for loans.

They do not deal with the kind of people and organizations which are forced to go to the Industrial Development Bank and, after this bill is passed, will be going to the new banking corporation which will be set up. That means very often those things which are most needed in this country are not available. We do not receive the amount of money that should be put into housing, particularly housing for people with moderate or low incomes. Rather, a decision has been made to funnel money into office buildings which very often are not needed. No wonder the small businessmen suffer compared to the large corporations.

I was interested in hearing the hon. member for York-Simcoe point out that profits of large corporations before taxes almost tripled in the past 10 years, increasing from $4 billion to over $14 billion. It was because we in the New Democratic Party knew this kind of situation was developing and accelerating that we were so active in supporting the recommendations of the Carter royal commission which was appointed by the former Conservative government under the right hon. member for Prince Albert (Mr. Diefenbaker) to look into the problems of taxation.

The Carter commission recommended that our tax system should be based on the simple principle that a dollar of income, regardless of whether it is earned in the form of wages, salaries, interest, real estate speculation or stock dividends, is a dollar that should be taxed in the same way. I remind the hon. member for York-Simcoe, who was not here at that time, that his party was very hostile toward those kinds of recommendations. They thought then, and as far as I know still do, that that kind of tax policy was bad. They basically supported the kind of tax policy we have had in this country for many years under both Liberal and Conservative governments whereby special consideration and concessions are traditionally given to big business, particularly the kind of concessions which have and care being given to the resource industries, the largest and most foreign dominated companies in this country.

An hon. Member: Read our policy paper.

Mr. Orlikow: Policy papers come and go. What I do is watch how members vote when the crunch comes.

Mr. Crouse: So do we watch how members vote when the crunch comes.

Some hon. Members: Hear, hear!

Mr. Orlikow: The members of the opposition can jeer as much as they want, but we have always made it clear that we are opposed to the kind of tax concessions which have been given by Liberal and Conservative governments to the large resource corporations. We moved an amendment expressing our point of view. What happened? The official opposition, which had been saying day after day and week after week that the one thing they wanted to do was get rid of this government, had that opportunity. What happened when the vote came? They voted the other way. We will give them another opportunity in another few days.

An hon. Member: Is that a promise?

Mr. Orlikow: That is a promise. We will give you that opportunity. When Mr. Kierans analysed tax policy in Canada and pointed out that the resource industries were paying less tax on their earnings than any other type of enterprise, there was silence on the Conservative benches.

● (1450)

An hon. Member: Why don't you speak to the bill?

Mr. Orlikow: I am doing so. If the hon. member will wait for a few moments he will find out what I have in mind. Mr. Kierans pointed out that the manufacturing industry in this country—and this includes many small manufacturers—were paying about 40 per cent of their earnings in corporation taxes; the retail industry was paying taxes on about 50 per cent of its earnings, and the mining companies, the oil companies and the gas companies were paying corporate taxes on somewhere in the neighbourhood of five to 15 per cent. When he drew attention to this situation there was silence from the Conservative benches.

It is estimated that the concessions made to industry in last year's budget, the reductions in the rate of tax, accelerated depreciation allowance and provision for fast write-off will cost the Canadian taxpayer $1400 million in the coming fiscal year.

An hon. Member: Oh, come on!

Mr. Orlikow: Those are the figures, and when we get to the debate on the budget we shall put the details on the

record. When that proposal was made by the Minister of Finance (Mr. Turner) it was supported by the Official Opposition. The hon. member for York-Simcoe was complaining that big industry had done well by comparison with small business. I suggest that if the large corporations paid a fair share of taxation, working men, farmers and small businessmen would do a hell of a lot better. If the government would adopt the principle that it has a duty and a right to take part in the planning required to meet the needs of the country, the kind of bill which is now before us would be superfluous.

The government already asks the banks to do certain things. It already tells the chartered banks they must maintain a certain level of reserves in relation to the amount they lend. We say the government should accept its responsibility for planning to meet the needs of the country and do so in part by directing the banks, the trust companies and other financial institutions as to the particular fields to which capital should be allotted. In other words, the banks, mortgage companies and the insurance companies should be required to direct a portion of their available money to housing instead of office buildings, to farms instead of gasoline stations and to small businessmen rather than giant supermarket chainstores.

In this way the lending institutions would use their resources—money which, in any case, is not theirs, but belongs to the people of Canada,—not merely to the advantage of the banks and mortgage companies, so that more profit would be gained, but in such a way that the basic needs of the people could be met. If this were government policy, the ad hoc approach inherent in the kind of bill before us would not be necessary, because money would be available through existing institutions. However, this is not the policy of Liberal governments, nor of Conservative governments. I am not surprised they are not prepared to accept this concept. As a result though, we find ourselves dealing with the kind of proposals which are before us today, and in the absence of anything better we shall support this idea with respect to change from Industrial Development Bank to Federal Business Development Bank.

However, I am a member of parliament from a have-not province and I must take into account the needs of the people of my province, my area and my city—the needs of all people, with no account taken of political differences or differences between cities and rural areas. The four western provinces, three of them—Manitoba, Saskatchewan and British Columbia—with NDP governments and the Province of Alberta, with a Conservative government, met in Calgary in July of 1973, almost a year ago. They discussed a number of subjects and reached agreement on a number of subjects—surprisingly, I suppose, in the light of the differing complexions of those governments. One of three subjects was capital financing and financial institutions. They were critical of the Industrial Development Bank and the manner in which it has functioned until now.

I want to spend a few moments putting on record the substance of this criticism, with which, essentially, I agree. The provinces made a number of suggestions which I commend to the minister and which I hope the new bank will keep in mind when it begins its operations, so that it will work better than the IDB did. Let me quote a few sections from the statement made by the four western premiers.

[Mr. Orlikow.]

● (1500)

The Western Provinces find the Industrial Development Bank deficient in several respects. To increase the effectiveness of the Bank as a vehicle for stimulating economic development in the Western Provinces in particular and the rest of Canada in general, the Western Provinces recommend that the Industrial Development Bank:

(1) provide substantially greater assistance than in the past to higher-risk ventures;

(2) explore the possibility of taking equity positions in existing firms and of establishing new companies based on joint private and public ownership; and

(3) broaden the types of services which it offers to small business.

They went on in some detail to explain what they meant when they listed the objectives I have already placed on the record. They say that small and medium sized businesses are of crucial importance to the economy of western Canada. They state that firms earning less than $100,000 of taxable income per annum comprise over 80 per cent of the total companies in both western and central Canada. These relatively small firms in western Canada contribute a larger portion of the total taxation income than do similar firms in central Canada.

Anybody who has visited western Canada or the northern part of Canada knows how important the branch bank, the local department store, the drug store and the clothing store are to the community and how the closing of one such store can lead to the virtual extinction of a small town or village. It is for that reason the premiers urged that the stimulation of the growth and expansion of small enterprise be given major priority at all levels of government. The Industrial Development Bank was supposed to be a major federal agency to provide assistance to small business. Since its establishment in 1944 its primary function supposedly has been to provide capital assistance to industry with particular consideration being given to the financing problems of small enterprises.

However, frequently it has been difficult, if not impossible, for many small companies to obtain assistance from the Industrial Development Bank. Before 1961 financial aid was offered only to firms in the manufacturing sector. Since then an amendment was made to the Industrial Development Bank Act and the bank was able to move into other fields, but the loans have been relatively small. Half the loans have been in amounts of $25,000 or less and 80 per cent of the loans have been for amounts of $50,000 or less. The bank has assisted in the development of many small scale enterprises but its participation has been limited for a number of reasons.

The Royal Commission on Banking and Finance and the Gray Report noted that the Industrial Development Bank's lending policies have tended to be too conservative. They pointed out that the bank's loan ratio has been only approximately 0.5 per cent of annual disbursements. This suggests that the bank has not been involved in very many high risk ventures. When the bank takes that attitude it means the lending of money for high risk ventures is left almost exclusively to provincial development corporations.

It is for this reason that the record of those provincial development agencies in every province has been pretty bad. They have had to take the risk of lending money to those companies which could not obtain the money from the commercial banks, insurance companies or trust companies or from the Industrial Development Bank. The western premiers therefore suggest that this bank be prepared to take more risks than it has so that the needs of small business, more particularly in the western provinces and in the maritime provinces, can be met. They point out that the Industrial Development Bank's assistance to small business has also been severely limited because of this reluctance to enter into joint ventures with privately owned firms. The Industrial Development Bank Act authorizes the bank to take an equity position, but the bank has not used that authority. The distribution of loans among the provinces is another matter which gives the western premiers a great deal of concern.

If one looks at the accumulative record of the Industrial Development Bank it is obvious that the bulk of the loans have gone to the central provinces which are now the most prosperous. From 1944 until September 30, 1972, 30.2 per cent of all the loan money which the bank authorized went to the province of Ontario while 23.9 per cent of the money loaned by the Industrial Development Bank went to the province of Quebec. Companies in the province of British Columbia received 21 per cent of the money loaned by the Industrial Development Bank. When one looks at the situation in respect of the other provinces one realizes how restrictive the Industrial Development Bank has been until now. The province of Nova Scotia received 2.2 per cent of the money. The province of New Brunswick received 2.4 per cent of the money. The province of Manitoba received 4.6 per cent of the money. The province of Saskatchewan received 3.3 per cent of the money, and the province of Alberta received 9.3 per cent of the money. That performance is not good enough if the bank is to be of any assistance to the existing commercial banks and mortgage and trust companies.

Surely this federal government bank ought to have some social purposes. One of its main functions should be to meet the needs of the have-not provinces. I say, as the premiers have said much more effectively, that the provinces of Alberta, Saskatchewan and Manitoba have obtained collectively 17.2 per cent of the value of all the loans granted by the Industrial Development Bank. The Atlantic provinces have acquired only 6.6 per cent of the money authorized for loans by the bank. This simply is not good enough. I say to the minister that the new bank with its new board, and with the regional advisory committee which the minister outlined when he introduced this bill, simply must be instructed not about whether to give a particular loan but to pay a good deal more attention to the needs and requirements of the have-not provinces of Canada, whether they be on the Atlantic coast or in the prairie region.

● (1510)

The four premiers made, in the submission which they published in July of 1973, three recommendations. I think that they should be put on the record and that the government should give serious consideration to adopting them. First, they recommended that the bank provide substantially greater assistance than in the past to high risk ventures. Instead of restricting assistance only to enterprises which possess a substantial amount of collateral, the bank should also assist those businesses which may not have an abundance of collateral but which present sound business proposals.

Second, the bank should explore the possibility of taking equity positions in existing firms and of establishing new companies based on joint private and public ownership. This would help to fill the gap for ventured capital which currently exists in Canada.

Third, it is recommended that the bank broaden the type of services which it offers to small businesses. It should desist from relying almost exclusively on the provision of loan capital and should provide other services, such as consultative services to management, technical assistance in the securing of contracts, etc.

I will close by quoting from the Royal Commission on Banking and Finance as follows:

> The aim of government institutions should not be to get the maximum number of loans on their books. Rather it should be to ensure that businesses which can be competitive and profitable have access on a reasonable basis both to a variety of sources of funds and to guidance in planning their financial affairs.

The recommendation of the Western Economic Opportunities Conference was as follows:

> ... the Industrial Development Bank should provide a substantially greater amount of financial assistance to such regions as the prairie provinces and the Atlantic provinces. In so doing, it would bring about a more equitable participation by all regions of Canada in industrial activities.

That statement came from the four premiers of western Canada representing two different political parties, but I am certain that if there had been a Liberal premier in one of those provinces, he would have endorsed the statements made by the present four premiers.

Mr. Knowles (Winnipeg North Centre): Those days are gone.

Mr. Orlikow: The hon. member for Winnipeg North Centre (Mr. Knowles) says that the days when there would be a Liberal premier in any of the western provinces are gone, and I agree with him.

Much of what the premiers said sounded very familiar to me as I listened to the minister introducing the bill earlier today. He spoke about regional advisory committees and regional directors. If there is any purpose in having regional directors on the new bank, if there is any purpose in having regional advisory committees, except to pretend to meet some of the legitimate desires of the people of the western provinces—and I believe that the minister was sincere in what he was saying—then they have to do more than just make a speech about it. They have to do more than just appoint directors; they have to give the directors and the advisory committees a program, and they have to outline guidelines for the kind of purposes which they want the new bank to achieve.

If they look at the statement made by the western premiers, if they give those kinds of directives to the officials of the new organization which they are setting up, and if they give that kind of purpose to the new bank, then it will be much more useful to the have-not regions of

this country than the Industrial Development Bank has been until now.

It is with the hope that this government has learned from past experience that the new organization will be given the kind of directives which I have outlined that we support this bill, though not with a great deal of enthusiasm because we have seen too many proposals by this Liberal government being aborted in their execution and not reaching the objectives for which we have been told they have been put forward. We think that if the government is sincere and follows the reasoning which the minister used in introducing this bill, if it follows the advice which the western premiers have given to the government, we believe that this new organization can play a useful purpose, and it is for that reason that we will support this bill.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a few words about the establishment of the new bank.

We are, Mr. Speaker, partly satisfied with the introduction of that bill because we feel that we already have an organization which could perform that work. The Industrial Development Bank with its branches in every area of the country could surely serve the population. If new responsibilities were given to the Industrial Development Bank, we could, Mr. Speaker, save up in administration costs.

● (1520)

The administration could be less costly, but since we are setting up a new bank, it will require a new staff and consequently the administration will cost millions of dollars in public funds.

Instead of providing benefits to the small industry under the present system, we will probably be compelled to lend money at very high rates so that the small industry will not directly profit by the legislation or that bank which could give cheap credit to produce cheaply.

The purpose of the new organizations which we are setting up such as the proposed one, should be to encourage Canadians to produce or to develop further the small or medium Canadian industries to have them produce cheaply.

For them to be able to produce cheaply, interest rates would necessarily have to be brought down to a decent level, let us say no higher than 3 per cent, so we could really produce at a lower cost.

Interest rates, Mr. Speaker, are the prime factor in the increase in prices and the cost of living. Interest rates are primarily responsible for any increase in the cost of living.

Mr. Speaker, a new institution of economic development such as the one provided for in this bill might help big business, but what about the small business? They always claim to promote small and medium-sized businesses when actually, with all the existing old institutions, big business has always been favoured. Small businesses have always found it difficult to take advantage of regulations and legislation to avail themselves directly of the benefits offered by those institutions.

The benefits are for big industries that borrow millions and millions of dollars because they are fortunate enough to have capital stock or to sell shares in their operation, while small businesses are far from having the same possibilities. It is easier for big businesses with capital stock to operate and produce with their capital stocks than with borrowed capital, because industry must pay back borrowed capital with interest. Small businesses never have working capital while a business with capital stock does not have to make payments, pay back interest and, therefore, that industry has more working capital with which to operate. It seems to me that this should be included in this bill in order to help small business. We could also help him by establishing lower interest rates.

If the government is able to guarantee loans to the industry, then they should also be able to guarantee reasonable interest rates. There is no reference to interest rate but I know it will be the same as that charged by other institutions and it is presently too high; it is therefore nearly useless to try to produce.

In the meantime, Mr. Speaker, both small businessmen and big industry are forced to operate on a seasonal basis. Some products become seasonal; they must be stored for five, six, seven or even eight months, and storage is very expensive. The industrialist, who is unable to support storage charges, is again forced to borrow money from chartered banks, under what is known as the 88 formula, and interest rates are presently 12 per cent. Thus, when the storage of some products for several months must be financed at high interest rates, the interest gulps the benefits of the small business.

In this bill, we should provide for financing storage at a very low interest rate to allow small businesses to operate normally. We could allow them to have a working capital and to manufacture more cheaply. Also, the small businesses often have another problem that the medium and large industries do not have, that of transportation. Indeed, it is a well-known fact that in general small businesses are located far from the major centres, do not have suitable highways or throughways, and must therefore pay excessive transportation rates which eat up part of their profits.

Here again, the government should do something to help the small businesses to organize since they cannot pay the excessive transportation rates. They should be able to operate their business and transport their goods in time and more economically, which would allow them to develop more rapidly. For this reason, they should have access to the Industrial Development Bank, which could provide more capital at more reasonable interest rates so that small businesses could operate more economically. Several small industries cannot operate if they do not have their own transportation system and transport goods directly to their destination.

Mr. Speaker, we should also be able to provide the small businesses with reasonable income tax rates. I know that this cannot be included in this Bill, but it should be provided for the small business, for instance those with a turnover of less than $1 million should benefit from a tax exemption, because with a turnover of $50,000, $100,000, or $1 million, small industry cannot assume all those costs without some form of assistance. Small industry is over-

taxed and income taxes are excessive. There should also be provision, in addition to reasonable income tax rates, for a certain deductible turnover. Furthermore, small industry should be non-taxable if its turnover is less than $1 million.

● (1530)

Then, Mr. Speaker, it would be of great benefit to the small industry to consider each individual sector and introduce a bill which would really help small and medium industries in general, for the large industry has no problem.

Major industries, which can be listed on the stock market have no problems, but those unable to do so have all kinds of problems: labour, taxes, and so on. It is very difficult for the small industry to survive and even flourish because it has to pay in all sectors, for all administrative services, federal and provincial, municipal and school. School boards and municipalities take unfair advantage of small industry, depriving it of all its working capital.

Mr. Speaker, we know that the government's job is to manage, therefore, we should give it the opportunity to do so, since it can and because now the opposition also has a say in the matter.

A few minutes ago, I listened to an hon. member from the New Democratic Party who made suggestions and offered solutions. Some Progressive Conservative members did the same. At this time we have a government which is listening to the suggestions made by the opposition. Therefore, I believe we now have one of the best governments we ever had in Canada, because the opposition really has the opportunity to make its contribution. Moreover, the views of the opposition are to a large degree taken into consideration. That is why I say we have one of the best governments ever.

Now, Mr. Speaker, the government collects a tax of 12 per cent on anything produced made in Canada. In view of the almost overall increase in the cost of living at a rate of 25 to 30 per cent, it would seem reasonable I think for the government to consider the lowering of that 12 per cent tax. This 12 per cent excise tax should at least be reduced, Mr. Speaker, and if the minister was willing to consider our suggestion, we would be very happy.

It is generally known that a higher cost of living generally increases government's income, and that the 12 per cent excise tax brings in far more to the government. Now, if it were reduced, all Canadians would benefit from it, and this would contribute most certainly to reducing the cost of living and the cost of goods. I am of the opinion that this suggestion should be considered by the minister.

This new institution should then be adapted to new techniques on the basis of facts and of today's realities and not of past traditions. If this new institution is set up according to old customs, we will only get the same results as in the past.

I ask the minister to consider the situation. Even if we can move amendments, I feel we should leave this task to the minister. It should suffice to ask him to do so. He could change the bill himself, with a view to really granting the required advantages to small and medium industries, because if we really want to develop a strong country, our industries and institutions must also be strong.

Every day a number of small industries have to close down because they cannot stay in business, while it is those industries which support the big ones. Large industries extract the raw materials that are consumed and processed by the small and medium-sized industries.

That completes the industrial and economic cycle because large industries cannot produce at a lower cost than small industries. The latter are often family businesses where people work 10, 15 and even 18 hours a day. They work almost night and day and working hours mean nothing. That is why the small industry can produce at a lower cost than the big industry which must close at fixed hours and operate only 48 hours a week. Then it has to close because employees will not work any longer because the law prevents them or because they must be paid double time. In small family industries, people work as they like and, as long as they like, they produce at a lower cost and technical management, bookkeeping, accounting all that is done in the evening. During the day, many owners work as employees and at night, even on Sunday sometimes, they look after their accounting in the spare time.

That is why one can infer that small industries produce at a lower cost than big industries. Therefore, we should encourage the small business which is the backbone of our society and to a great extent the basis of all other businesses. Big industrial producers depend upon it, because it processes a good deal of their raw materials or products. It markets those finished products at a much lower cost.

This is one of the reasons why we will support this bill, but we are not really enthusiastic because we think that it will not meet our present economic needs. It will not give to small businessmen what they are entitled to expect from their government.

Mr. Speaker, this government is here to get results, to guarantee production means to small businessmen. Guaranteeing production means in the small industry is only a matter of financing. Today it is difficult to get loans at a small interest rate and even at higher rates. Many small businessmen cannot get any loan because our financial institutions say they are not solvent enough, that they already owe too much and should not run deeper into debt. Then, Mr. Speaker, several industries are now at a standstill because they already got a small loan of $25,000, $35,000 or $50,000. They wish to expand and buy new equipment. However they are unable to get one more penny on the market because they cannot get a new loan from those who did lend them money on a first mortgage unless those industries increase and even double their production. To double their production, they need twice as much money and they cannot find it anywhere. Then they are stopped because they lack funds that should be at their disposal.

I think that everything which is physically possible should financially be so. The government should assume its responsibility and lend money at reasonable interest rates to check the increase, in the cost of living.

Nowadays, large financial institutions make billions of dollars in profit, as do the banks for that matter. All ten

Canadian chartered banks increased their assets by about fifteen billion dollars in 1973.

Mr. Speaker, if such increases in assets do not pass all bounds, then I do not know what does. With an assets increase of 228 per cent, those institutions could make a little less profit and give more money to the people to live on.

The government, out of honesty, clear-mindedness and initiative, must ask those institutions to be reasonable, and if they refuse, we can, through our banks or other institutions such as the one we are creating now, be reasonable and not only charge the same interest rates as they do, like the Industrial Development Bank, for instance, which keeps pace with other institutions. If the others raise their interest rates, the Industrial Development Bank does the same much before the others. It is always ahead of the others in that respect because it charges a higher interest than the other institutions.

Therefore, it is not an institution which helps people but one which exploits them and allows the other institutions to survive and exploit the population.

Mr. Speaker, we are against that type of exploitation and against financial organizations, which should be there to help rather than to exploit the people.

[*English*]

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, in rising to say a few words in this debate I am reminded of the story of two small businessmen who met at a social gathering. One said to the other, "How's business?" The reply was, "Well, I didn't make enough money to retire last year and I didn't lose enough to go bankrupt." I believe that typifies the condition of most small business people today. A recent statistic produced by the Bank of Canada shows that the share of national income going to smaller business has declined by a full three percentage points. In 1962 the share of national income going to small business was 10.5 per cent. In 1973 that share had eroded to 7.5 per cent. The decline has been gradual year by year and shows there is a long standing and serious difficulty in the field of small business

● (1540)

In one sense I welcome this bill, for it calls for the restructuring of the Industrial Development Bank into a new Federal Business Development Bank. I welcome it in one sense because, on the surface, it may be a partial answer to the difficulties facing small business. We need to take a comprehensive look at the entire picture. That is, we must examine the financing needs of small business, look at managerial and marketing skills and examine taxation applying to small businesses.

Attention must also be paid to the growing demands of Statistics Canada on small businesses. I should like the minister to take the initiative in this matter. I ask him to obtain from Statistics Canada one copy of all forms which Statistics Canada sends to small businesses. These forms could be presented to the Standing Committee on Industry, Trade and Commerce. We could ask Statistics Canada officials to appear before the standing committee and prove the necessity of these forms and questionnaires. I should like to see current procedures changed. Let new forms be cleared by the standing committee and let us allow spokesmen from small businessmen's organizations

[Mr. Latulippe.]

to provide some input to the standing committee in this matter. The average small businessman just does not have the time or staff to climb the paper work mountain which is facing him today.

A constituent of mine wrote to me about this. I shall read part of his letter, as follows:

> Enclosed is a copy of a letter to Statistics Canada. I find it extremely difficult to understand why at least once a month for the last many months we have had to waste time filling out this type of form. I run a one girl office, have done for ten years, and do not plan to change this, and can certainly not see any reason for the extreme waste of taxpayers money in this sort of ridiculous questionaire. Surely it is time that some of these obvious make programs should be looked into.

Many small businessmen have expressed the same views to me. The author of the letter is a doctor with a small practice in Burlington. His inquiry is typical of many similar ones which have come to me from the small business community.

It is somewhat ironic that the Industrial Development Bank was created some 30 years ago to be a lender of last resort, especially for small enterprises. Now it is being restructured, to be known as the Federal Business Development Bank which is being set up to help small enterprises especially.

The obvious question is, what has happened in the intervening 30 years? Is not the IDB doing the job it is supposed to do for small business? If you want the answers, you need only talk to people who have used the services of IDB. I wonder if we are only changing the name, adding the counselling and consultative service, removing the IDB from the shadow of the Bank of Canada and placing it totally under the authority of the Minister of Industry, Trade and Commerce, (Mr. Gillespie). That is a good move and I support that part of the bill.

In many cases what happens is this. When the small businessman goes to the local bank manager and asks for a loan, the bank manager actually suggests that he should go to the Industrial Development Bank. When you come to that stage you have passed step one in the loan process; you have been refused a loan by your local bank manager. The IDB manager and your local bank manager put their heads together and talk over the phone, at which time your account is discussed and the bank rate revealed. At this point the IDB is in the driver's seat. You need money to carry on your project and your bank has turned you down. Then IDB sends one of its loan officers and engineers to see you. After discussion, he usually indicates whether or not he feels you may be granted a loan. The interest rate is then discussed.

The Industrial Development Bank has been accused of lending money at rates lower than those charged in the private sector and of competing openly with the private sector. I have read these accusations but have not seen such cases. The IDB has been accused of competing openly with the private sector and undercutting rates. As the bank pays no income tax, its actions have been classed as unfair competition. I should like to see evidence of this. I have read in various places that the bank does this. My experience is completely the opposite. I have found IDB rates to be between 1½ and 2 per cent above the rate available to small businessmen.

What really ties the small businessman down is the security IDB takes. It will be interesting to see if the new Federal Business Development Bank will follow the same procedures. I have found that IDB insists on a debenture on all the company's assets, a charge on fixed assets, insurance policies on the life of the president or owner, a claim on receivables and inventory, and a secondary position with relation to the commercial bank, where those assets are used as collateral with the commercial bank. You will find, as well, that IDB will usually take collateral mortgages on the owner's residence as well as personal guarantees by the owner or president of the company and the directors of the company. This massive collateral acts like a millstone round the neck of the entrepreneurial ability of the small businessman. It tends to negate the basic philosophy behind limited companies, that of shielding shareholders from personal liability.

The danger, as I see it, is that the Federal Business Development Bank may be only a cosmetic change. We may be seeing merely a change of name and the addition of a few consultative services. Clearly we need new people at the top and a totally new philosophy for stressing the entrepreneurial aspect of business. We need people who will seize on the innovative abilities of small businessmen and be more of a partner to assist and guide the small businessman. That is the attitude we need, rather than the heavy handed attitude of collateral security.

I do not see why the new bank should not take preferred stock in a small company as collateral, instead of debentures, floating charges and personal guarantees. I would much rather see the Federal Business Development Bank shake itself loose from the traditional bank approach and take a leaf from the book of, say, the Toronto-Dominion Bank. That bank went outside the circle of bank employees and employed people from business to head its Toronto-Dominion venture capital group.

Because of the failure of IDB to answer the needs of small business, we have witnessed the proliferation of venture capital enterprises in the last few years. I have mentioned the Toronto-Dominion venture capital group. May I also mention Venta Investments, Charterhouse Canada Ltd., Canadian Enterprise Development Corporation, and Roynat Limited, a division of the Royal Bank.

● (1550)

The provinces have moved into this field as well with agencies to assist small business. There is the Ontario Development Corporation, Manitoba Development Corporation, Industrial Estates in Nova Scotia and so on. Clearly, the emergence of these provincial enterprises points up the failure of the Industrial Development Bank to fulfil the original mandate it was given when it was established 30 years ago.

If the Federal Business Development Bank is to be a success and really help small business, it must be shaken up from top to bottom and show genuine desire, through some direction from the minister, to move in a positive way to assist small business.

A case might be made that public funds are involved and they must be protected with adequate collateral, but look at what is at stake here. If you let your fingers do the walking through the yellow pages, as the advertisement states, you will find that 90 per cent of the companies listed are small businesses. They create 50 per cent of Canada's gross national product, pay 50 per cent of all taxes collected by government and employ over 60 per cent of all the people working in Canada.

One cannot but wonder why they have been neglected so long by this government, but the reasons are obvious to those who seriously study the matter. Big business bureaucracy and the public bureaucracy work in close alliance. The goals of this alliance are essentially in conflict with the interests of most individual businessmen in Canada. This alliance increases the focus of public power and is responsible for the inequities in the free enterprise system.

A good case can be made in the rigidity of our tax system. The arrogance of the civil service in the application of Bill C-259, the Income Tax Act as amended in 1971, is evident. It is essentially a technocratic nightmare to the small businessman. Even large corporations have problems with the act, but at least they have the physical and financial resources to cope with it.

I would first like to see a small business enterprise defined and then some amendments to simplify the act so that the average businessman can understand it as it applies to his operation. I would like to see this as a separate section of the act, written in plain language, in terminology the average accountant can understand.

The measure of success the Federal Business Development Bank achieves will depend upon whether the minister is willing to go to his colleague, the Minister of Finance (Mr. Turner), and sell this idea. He must also seek out his colleague, the Minister of National Revenue (Mr. Stanbury), and have the tax form for small businesses simplified.

I am told that corporate managers and senior civil servants keep the same company. They have the same unfailing confidence in themselves that what they know and do is for the good of all people. However, the guts of the economy, the small businessman, has not been served. The people who really make this country go have been frustrated at every turn by a rigid and inflexible, arrogant bureaucracy. The proof is in the Bank of Canada figures which show the steady decline in the share of national income, as I quoted a few moments ago, from 10.5 per cent to 7.5 per cent over a period of 10 years or so.

While this and previous parliaments have wrestled with such weighty problems as bilingual guidelines, football legislation and all the social legislation that is leading us toward more state control, the small business enterprise has gone its way, still employing 60 per cent of the work force of this country, still paying more than 50 per cent of the taxes into the public treasury, and still accounting for 50 per cent of the gross national product.

Anyone in marketing and manufacturing will tell you that 80 per cent of the products on the shelves today will not be there in 15 years. They will have changed. New products will emerge, new ideas will come forth and new products will be created to fill the demands of the day.

Hardly a week goes by without a businessman contacting me to tell me of his inability to get venture capital to push a new product or idea. On my office desk are exam-

ples of such innovations. One deals with a retrieval system for computers. It is a real breakthrough. It is a system that would immeasureably assist even the House of Commons and the Speaker. It allows information to be retrieved almost at will without the rigidity of a structured computer program.

Another deals with, of all things, dogs. A group of knowledgeable people have compiled courses for community colleges that will teach people the care and handling of dogs. These courses are presently being taught in four community colleges in Ontario. This group of people has inquiries from Japan, New Zealand, the United Kingdom, France and the United States, from people who want to use them in their education courses. They have produced a book and instruments that are absolutely unique. Fifteen more books are projected. This small group of people are being pressed by American publishers to sell publishing rights to them on a royalty basis. I am trying to get them started in a purely Canadian venture so they can export their products.

These are only two of the many examples that have come to my attention. Therefore, the question we in this parliament must face is whether we are going to urge the minister to make sure that the Federal Business Development Bank is flexible and is stripped of its rigidity so that it can respond to new ideas and use to the fullest the innovative talents one finds in the small business enterprise. May I call it four o'clock, Mr. Speaker.

The Acting Speaker (Mr. Laniel): It being four o'clock, the House will now proceed to the consideration of private members business as listed on today's order paper.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, may I ask the acting House leader to give us a line on the business for Monday so that those of us who like to read *Hansard* over the weekend can see what is coming up?

Mr. Lang: Mr. Speaker, it is our intention to begin on Monday with the railway relocation bill. On the completion of that, we will return to the bill we have just been dealing with relating to the federal bank. We will then go on to the cash advances bill.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order, please. It being 4 p.m., the House will now proceed to the consideration of private member's business as listed on today's order paper, namely Notices of Motions, Public Bills.

[Mr. Kempling.]

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADIAN CITIZENSHIP ACT

AMENDMENT TO PROVIDE CITIZENSHIP FOR CHILD OF CANADIAN BORN OUTSIDE CANADA

Mrs. Grace MacInnis (Vancouver Kingsway) moved that Bill C-110, to amend the Canadian Citizenship Act (natural born Canadian citizen), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

She said: Mr. Speaker, this bill is one of a number I have placed on the order paper over the past few years designed to deal with various facets of the problem of securing equality before the law for women in this country. It is a bill which deals with citizenship. I introduced it for the first time on March 12, 1973, one year ago.

● (1600)

The purpose of the bill is set out clearly in the explanatory notes, and since those notes are probably more brief than I am likely to be, I will just read them.

The purpose of this bill is to amend the Canadian Citizenship Act to provide, in the case of a married woman who is a Canadian citizen residing outside of Canada, that her child born outside of Canada shall have the same right for her child to be a natural born Canadian citizen as the father and as an unmarried woman.

Then there is a little bit about the existing law. Under the Canadian Citizenship Act at the present time a great many people are shocked when they run up against the fact that only a Canadian father of a child born outside this country has a right to confer Canadian citizenship on that child. A Canadian mother of a child born outside Canada to an alien father has no right whatever to confer citizenship on that child.

There is one case in which a Canadian mother can confer citizenship on a child born outside Canada and that is when the child is illegitimate. I think this is a shocking state of affairs. We have probably overlooked it because not too many people have been involved over the years and sufficient fuss was not made about it; but now, with the greater amount of travel back and forth, people are beginning to get caught and resent very much the fact that women are in a terribly inferior position in finding themselves unable to confer Canadian citizenship on children born outside this country.

The Report of the Royal Commission on the Status of Women was tabled on September 28, 1970. There are a couple of sections and a recommendation with regard to this matter. I quote:

Another situation arises in relation to the citizenship of children. Children born in Canada are automatically natural-born Canadians. But the Canadian citizenship of the mother is less meaningful to the citizenship status of a child born outside Canada than is the Canadian citizenship of the father. Under the terms of sections 4 and 5 of the Act, a child born outside Canada of a Canadian father is a natural-born Canadian regardless of the citizenship status of the mother. A child born outside Canada of a Canadian mother and an alien father, on the other hand, is not a natural-born Canadian unless the mother is unmarried. In all cases, of course, certain administrative requirements must be met for the natural-born child to retain his citizenship.

We believe Canadian women and men should have the same right to confer Canadian citizenship on their children. Many countries, for

example, The Republic of Ireland, the United States and France, provide for this. Therefore, we recommend that sections 4 and 5 of the Canadian Citizenship Act be amended to provide that a child born outside Canada is a natural-born Canadian if either of his parents is a Canadian citizen.

I might well say "if either of his or her parents is a Canadian citizen." It would please some women a lot if those words, "or her" had been inserted.

Time has gone by since September 28, 1970. On April 2, 1973, more than a year ago, the government replied to questions by my hon. colleague from Skeena (Mr. Howard) concerning this attitude toward a number of these recommendations. This was the reply given to the hon. member for Skeena with regard to that particular recommendation about Canadian citizenship:

The recommendation of the Royal Commission on the Status of Women to amend section 4 and 5 of the Canadian Citizenship Act to provide that a child born outside Canada is a natural-born Canadian if either of his parents is a Canadian citizen has been sympathetically considered and an opportunity for discussion will be given Members of the House shortly at the time the new citizenship bill or major amendments to the current act are introduced.

That was on April 2, 1973, and so far no legislation has been introduced to deal with this matter. The reply I have just quoted has been embodied in a pamphlet put out by the Advisory Council on the Status of Women. The pamphlet is entitled "What has been done?". It sets out a list of the recommendations made by the Royal Commission and assesses what has been done with regard to each of them. With regard to the particular recommendation which is the subject of the proposal put forward in my bill, they say "Not implemented; amendments to the Citizenship Act are required."

It is three and a half years since the Report of the Royal Commission came out. In the meantime we have been getting letters from women who have been caught by this legislation. I have one letter I received from someone in a town in British Columbia about a year ago. I quote:

I should like to voice my support of your private member's bill to give Canadian married women living outside of Canada the same rights as men and unmarried mothers.

At the present time I am in the process of selling my business in Canada and will be moving to the United States to marry an American citizen.

I was born and raised a Canadian and intend keeping my citizenship. Several weeks ago I wrote to the immigration office to find out the status of my future children and was shocked to learn that I could not register them as Canadians.

Here is a letter from New York. This is a copy of a letter written a year ago to the Minister of Manpower and Immigration (Mr. Andras). It puts the whole case very succinctly:

I should like to bring to your attention a matter which I believe falls within your area of responsibility, namely, the implementation of the recommendations of the Royal Commission on the Status of Women in Canada.

I am a natural-born citizen of Canada presently residing in America as a resident alien. My husband is an American citizen. On October 9, 1972, I gave birth to a son, Peter Campbell Lichter, in New York City.

It is not possible to register him with the Canadian Consulate in New York, thereby awarding him dual nationality, because the Canadian Citizenship Act states that "A person born after the 31st day of December 1946 is a natural-born Canadian citizen ... if he is born outside of Canada elsewhere than on a Canadian ship, and (if) his father ... is a Canadian citizen ..."

The Canadian Bill of Rights, however, states that "It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religon or sex, the following human rights and fundamental freedoms, namely ... the right of the individual to equality before the law and the protection of the law;"

The Canadian Citizenship Act would seem to be in direct contradiction to this aforementioned portion of the Bill of Rights: a woman clearly does not have equality as stated in the citizenship laws.

The Royal Commission on the Status of Women in Canada recognizes this inequality and states that "We believe Canadian men and women should have the same right to confer Canadian citizenship on their children ... Therefore, we recommend that sections 4 and 5 of the Canadian Citizenship Act be amended to provide that a child born outside Canada is a natural-born Canadian if *either* of his parents is a Canadian citizen ..." The greater importance attached to the citizenship of the father does not recognize the equal status of the citizenship of the mother".

● (1610)

Then the recommendations of the Royal Commission on the Status of Women are embodied in the letter. This woman goes on to say:

The Citizenship Act has not been amended as of this date. As a citizen of Canada I am therefore bringing this to your attention in the hope that action may be taken on this specific recommendation of the Royal Commission. I look forward to hearing from you regarding this matter.

I should now like to read from a copy of another letter addressed to the Prime Minister (Mr. Trudeau) on November 15, 1973. It states in part:

I am a Canadian citizen, and I was always a resident of Canada until March 1972, when I became a resident of Switzerland. I am now engaged to be married to a Czechoslovakian who has been a Swiss resident since 1969, and whose nationality is presently defined as "stateless".

When I inquired at the Canadian Embassy in Berne what citizenship a child born to us in Switzerland could have, I was told it is unfortunate that I am a woman. It seems that the child would have the citizenship of the father, in this case "stateless", and that even then the mother's citizenship is not considered at all. I would appreciate knowing what steps are being taken by the government to change this appalling law.

So far we have had no evidence that steps are being taken, although from copies of answers to these letters which I have been I realize there are hopes that such legislation will be brought in. I expect that someone from the other side of the House will be speaking to indicate that the time is not far off. However, I should like to know when we may expect this legislation, what are the government's priorities, and when women will be brought up to equal status in a matter of this kind.

For the life of me I cannot understand why there should be so much red tape and delay. This is not a complicated matter. I am inclined to agree very firmly with the President of the Advisory Council on the Status of Women, Dr. Katie Cooke, who in a recent press release said: "I get uneasy when what can be done easily is not done."

I want to say that I also become uneasy when what can be done easily is not done. I think this is something which could have been done easily a long time ago and which could be done easily at any time. I do not like to think of children of Canadians wandering around Switzerland as stateless individuals because their mother is regarded as an inferior citizen, without the right to confer Canadian citizenship. When we talk about Canadian nationalism and about developing our own industries and products in

this country, I do not like to think that we should have a situation at this time where a child born in the United States to a mother who is a Canadian cannot be invested with Canadian citizenship because that child is regarded as a branch plant of some American down there to whom the child's mother is married. I think that is stupid. I think it is time we began to realize that a Canadian woman should be in a position of equality with a Canadian man, no matter which country she happens to be in, and that she should have the same rights in respect of her children.

I could go on at greater length in respect of this matter but I shall not do so because I am led to believe quite a number of people would like to speak on this bill this afternoon. I should like to make my stopping now, in order to give these members a few minutes, contingent on their not saying that there will be legislation soon on this matter, because this is the answer we have received for a long time. The replies to all these letters to which I referred indicated that we are just on the edge of having legislation in respect of the equality of women. It is all right for a member to say that the cabinet will not let the minister introduce this legislation, but I say that if the people on the government benches really cared about this legislation they could make it hot enough for the cabinet that it would have to bring in this legislation without all this time lapse.

I shall stop at this point and find out what they have to say in this regard, whether they can really give us any answers or whether we are to have more of the soothing syrup which has been prepared for the women of this country.

Some hon. Members: Question.

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

An hon. Member: No.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I listened quite attentively to the hon. member for Vancouver Kingway (Mrs. MacInnis) and I think that she is quite right about this Bill, C-110, which grants presently to the father or, in the case of a child born out of wedlock, to the mother, at the time of the person's birth, the status of Canadian citizen.

If under the existing legislation a child born abroad can be recognized as a Canadian citizen I believe that it would be quite normal to give the mother the same rights as the father, or the mother of a family, or the unwed mother.

I heard a while ago the applause of the hon. members opposite who approved of the contents of this Bill and of the explanations of the hon. member for Vancouver Kingsway. As she wants to give the greatest number of members a chance to express themselves, I think, Mr. Speaker, that we should not only ask the government to table such a bill, but ask the members of the government side and of the opposition to pass this Bill C-110, immediately, so that a woman will receive the same respect as a man, in Canada and abroad.

[*English*]

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, it is often said that politicians are in favour of motherhood and against sin. I should like to commend the hon. member for Vancouver Kingsway (Mrs. MacInnis) for bringing in a private member's bill essentially in favour of that subject, having to do with motherhood and citizenship. I am not entirely certain that there is any correlation between this and her question during the question period today involving contraceptives, but there may be some correlation which has escaped me.

I should like to be as brief as I can. Several other members have tabled private members' bills, each in its own way attempting to correct anomalies in the present act, or conversely, to update the act so that it may more closely reflect the prevailing ideas of the rights, qualifications and obligations of citizenship in Canada. It should be remembered, however, that the government, in the debate on the throne speech, pointed out that legislation would be brought forward by the Secretary of State (Mr. Faulkner) for the purpose of a complete overhaul of the Citizenship Act, including therein the necessity of recognizing equal rights in citizenship law as between the sexes.

There are many aspects of the citizenship law which require change and it is with that in mind that I suggest to the hon. member for Vancouver Kingsway that while the specific amendment proposed in her bill deserves full recommendation and attention, none the less it would seem to me to be preferable that the issue taken up in the hon. member's private bill might be better considered in terms of a complete package of government legislation which should come before the House some time in the near future.

Mr. Baker: We cannot wait that long.

Mr. Blaker: I might mention to hon. members who are anxious to see this bill go to committee that there are some defects in the bill as currently drafted, and although this does not in any way reflect on the validity of the bill, perhaps the bill should be looked at in terms of the other problems which might arise if the bill were passed with its present wording.

I think I should add the caveat at this point that it is the accepted practice and tradition of this House that backbenchers do not speak for the government nor for any specific minister. While I intend to discuss many aspects of the Canadian Citizenship Act and many recommendations for change, neither the government nor the Secretary of State, who is the minister responsible for the Citizenship Act, should or could be in any way committed by what I might say this afternoon.

● (1620)

Twenty-seven years ago Canada became the first country in the Commonwealth to adopt a separate Citizenship Act which came into force on January 1, 1947. The bill was introduced by the Hon. Paul Martin, then secretary of state. Evidence of the changing concepts of citizenship can be found in the fact that there have been 61 amendments since that day.

There are a number of curiosities on anomalies in the present act, including, for example, the following. The period of residence to qualify for citizenship is shorter for wives than for husbands. This is regarded both as discrimination against and in favour of women, depending on

one's point of view. The father is designated as the "responsible parent" in applications for citizenship made on behalf of minors, unless the mother has legal custody or is the de facto guardian. The age of majority differs in the Canadian Elections Act and Citizenship Act, with the result that many persons between 18 and 21 are unable to vote because their non-citizen parents are ineligible to apply for citizenship on their behalf, as they are themselves, until they reach the age of majority specified in the Citizenship Act.

Twenty-seven years ago many people believed that there was a difference in the legal status of men and women and that the age of majority should be 21. Whether they were right or wrong is not at issue; what is important is that now, in 1974, 27 years and 61 amendments later, we should look to a Citizenship Act which reflects the thinking of our times and which will reflect the Canada of the 1970's.

Citizenship amounts to membership in the family called Canada, and it would seem to me that any new legislation would have to begin with the most basic consideration of all: shall we make it relatively easy or shall we make it relatively difficult for our brothers and sisters throughout the whole of humanity to join us in our Canadian family? I should think we would want to do everything possible to enable others to join us and to share in the pursuit of a decent life in a nation which is one of the most fortunate on earth.

It is perhaps we who are born here who too easily forget that the accident of birth has entitled us to one of the most valued and desirable citizenships on earth. But we should remember this when we look to new legislation, that outside our borders stand men, women and children who ask only that they be allowed the opportunity to join us in Canada, to share with us in partnership the enormous resources of Canada and to live with us in respect of one another and under the rule of law.

I hope we shall see legislation which reflects our willingness to encourage citizenship and not to make it difficult in any way. Neither marriage nor lack thereof should affect the rights of the newborn to Canadian citizenship. Children born abroad should not be required to undergo registration, and individuals who persistently live abroad should be able to pass on their citizenship rights generation by generation, provided only that they give evidence at our consular offices of a retained ability to speak either of our two official languages, and thus show an interest in their native homeland.

There should be no distinction in the law, as the hon. member for Vancouver Kingsway (Mrs. MacInnis) has quite rightly pointed out, between male and female. All distinctions between men and women which result in one or the other sex being placed at a disadvantage should be removed from the law. The legislation should and will, I hope, be so framed that all citizens, whether male or female, have the same rights under our law.

While the Royal Commission on the Status of Women recommended retroactivity in this regard, I would point out to the House that retroactivity is an extremely difficult concept in law and that often it is impossible to define exactly what may be the effects of such retroactivity. We can and should restore the status to women wherever it may have been previously lost, provided there is no conflict with the private or the public interest. To go beyond that, however, would in all probability involve us in an unending examination of individual cases, making the application of our laws an almost ad hoc situation.

I think that in the Canada of the 1970's, the Citizenship Act should reflect both the law as found in other but relevant pieces of legislation and the changing circumstances in a world of virtually instant communications. If the age of capacity for voting is 18, then surely we must bring harmony to the Citizenship Act and reduce the age of capacity from 21 to 18 as well.

The length of residence is currently five years before application for Canadian citizenship can be made. Perhaps originally the period of five years had merit, but surely we can encourage those who ask to join our family. On this matter the hon. member for St. Denis (Mr. Prud'homme) has for several years presented private member's bills in an effort to reduce the five year period, and I will leave to him further comment in that regard.

I hope that we will ease the language requirements so that while on the one hand we indicate the desirability of a knowledge of one or the other of the two official languages of Canada, at the same time we provide exemptions in various categories. Then we should encourage those who come here with a limited knowledge or no knowledge of either of our two official languages by providing for them facilities for instruction in the language of their preference.

It is of the essence of citizenship that those who apply must accept the obligations which go with the rights. We should continue to insist that applicants for Canadian citizenship learn and understand our institutions of government and the role of law in our society. At the same time we need to develop systems of instruction and examination which provide the applicant not only with the opportunity to know our structures of society but to make use of education programs which will encourage his interest.

The entire subject of "good character" is a quicksand of shifting meaning and value. Whatever one individual might consider to be a matter of good character in a form that can be useful for the assessment of individual suitability for citizenship, another might consider irrelevant or even an invasion of privacy. The entire notion of good character should, I think, be simply disposed of and dispensed with for applicants who may have been charged with a deportable offence or who may be subject to deportation following conviction for such an offence.

In days gone by, perhaps it was useful to have the posting of an application for citizenship in the office of the clerk of the court for the period of three months before the court considered the application. Posting simply has no meaning in reality today and should be completely eliminated.

We should be done with the business of renunciation of foreign nationality. Nationality law of various countries either applies the principle that a national cannot divest himself of nationality by the act of renunciation without the consent of the state, or that voluntary acquisition of foreign nationality results automatically in loss of citizen-

ship. In the one case, therefore, a declaration of renunciation takes no effect, while in the other case it is superfluous.

We should consider naturalization to be a right, not a privilege. Naturalization, resumption, retention and renunciation should altogether form the right of the applicant, with of course exceptions for special cases. This would prevent arbitrary exercise of executive authority and discrimination unfounded in our laws.

We will need to preserve ministerial discretion for many reasons, but essentially to protect Canada and the Canadian public in special cases which our law may not pursue.

We will want to retain our citizenship court and judge who provide both the image and the substance of the importance of the occasion in terms of its impact on the individual applicant.

I said earlier that I cannot, of course, speak for either the government or the minister responsible in this regard, but I very much hope that parliament will be able to give serious consideration to the manner by which an individual may lose his Canadian citizenship, and that I hope this will be restricted to one case only—the voluntary decision of that individual who seeks citizenship in another jurisdiction.

I hope that both parliament and the people of Canada will recognize the maturing of our nation and do away with the preferential treatment of British subjects. The Canadian Citizenship Act now excuses British subjects from appearance before a court, thus exempting them from any effective examination and creating what is felt by many immigrants of other backgrounds to be an invidious distinction. Although the system of preferential treatment may have had some logic based upon language, similarity of political systems, historical association and the reciprocal benefits, all in the past, all those grounds for preference can be shown today to be equally applicable to many other national groups. In effect, this is a discriminatory process in the Canada of the 1970's. It establishes a class of people based upon national origin rather than upon individual worth. At its worst, it is insulting to those who are of other than British origin and has no foundation either in logic or in moral value. I would go further and point out that it is my belief that there are few applicants for citizenship of British origin who in this day and age would ask for preferential treatment. For them to do so or for us to continue such treatment amounts to moral discrimination which is distasteful and totally unfounded.

At the same time, in terms of the Canadian Citizenship Act we should abandon the expression "British subject status", which is taken for purposes of federal legislation to include Canadian citizens, nationals of the Commonwealth countries and the republic of Eire. British subject status is a term entirely derivative from citizenship and has no independent reality whatsoever. The term is widely misunderstood and often resented or considered inappropriate in an independent country such as ours. The term is virtually meaningless, but because it appears in other federal legislation one may hope that the Citizenship Act will be amended in such a manner as to avoid confusion or conflict with other legislation, but at the same time remove this concept from our law of citizenship.

[Mr. Blaker.]

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) wishes to rise on a point of order.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker. I wonder what has happened to the rule of relevance. We have before us a bill which deals with one very narrow point. I believe that the House would like to hear a discussion and perhaps reach a decision on that one narrow point, not on all the aspects of the Citizenship Act.

Some hon. Members: Hear, hear!

Mr. Blaker: I rise on the same point of order, Mr. Speaker. I speak, of course, as a new member in the House but I believe it has been traditional to permit a fairly wide ranging discussion. Secondly, I do suggest that the matters to which I am referring relate to the bill on citizenship and immigration.

Mr. Speaker: I have to agree with the point raised by the hon. member for Winnipeg North Centre. Perhaps he was prompted to rise on a point of order because at that point I had decided to look at the bill and read the explanatory note. It did appear to me that the hon. member's comments about many aspects of the Citizenship Act did go beyond the principle of the bill before us, and I do not see why there should be a relaxation of the rules during the private members' hour. I think it is the duty of all hon. members, on both sides of the House and in all parties, to try to respect the important rules of debate, and certainly members owe it to the House to be relevant at all times to the subject before us. This is really the basic rule of debate, and I am sure the hon. member will want to heed the point of order raised by the hon. member will want to heed the point of order raised by the hon. member for Winnipeg North Centre, with which I agree. The proposal in the bill before us, Bill C-110, is very narrow in scope, and the hon. member should restrict his comments to the principle and the essence of that bill.

● (1630)

Mr. Blaker: Thank you, Mr. Speaker. I would be pleased to accept your direction, and since I will be finished in 30 seconds I hope I will not transgress again. To complete the thought, if we are going to swear allegiance to the Queen, then let us amend the act so that we swear allegiance to the Queen of Canada.

Mr. Knowles (Winnipeg North Centre): Order, order.

Mr. Speaker: Order, please. I had hoped that the hon. member would now relate his comments to some clause of the bill, but it seems to me he is just continuing what he was saying before. If he can satisfy the Chair that what he is saying now relates to the bill, certainly he has every right to complete his speech.

Mr. Blaker: Thank you again, Mr. Speaker. I simply want to leave the thought that the bill presented by the hon. member for Vancouver Kingsway reflects but one element of many in our Canadian Citizenship Act which should be subject to scrutiny and to change. We have much to do to bring our citizenship laws to the point where they reflect not only our involvement in the world around us, but also set down the manner in which we

invite others to become members of our own Canadian family. With great respect to the intent of the bill presented by the hon. member for Vancouver Kingsway, I would suggest, in view of the many other points of the legislation which might be considered for amendment, that the bill not proceed today.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I will not occupy too many minutes in the House this afternoon, but I have stood on a number of other occasions for this principle of equal rights for women before the law. I have done so on the matter of pensions and I do so again here.

I do also having had some experience with the administration of this particular act from the very day of its inception. It is a difficult act to administer, particularly abroad. I agree fully with the intent of the amendment put before us in Bill C-110. I have a suggestion to make in order to avoid another discriminatory use which is forced upon us, I suppose, because of the nature of the English language. At any rate, it does not appear quite the same in French, hopefully because of the nature of the French language. I would say that instead of saying "his father" or "his mother", the Act should say "the father" or "the mother" of the child at the time of its birth.

There is one other matter in this bill which I think we should not lose sight of. The hon. member for Vancouver Kingsway (Mrs. MacInnis) did mention the extraordinary anomaly that was created by the fact that if one of the parents, actually the citizen-giving parent under the present Canadian law, happened to be a stateless person, he therefore transferred statelessness upon the child. This is, of course, completely unacceptable to any human being.

The other thing we must remember is that in the suggested proposal put forward here we run the risk of conferring dual nationality upon the child because the father and the mother might, under separate laws relating to the country of their own nationality, each confer a nationality upon the child. I suggest, therefore, that there might be a further amendment toward the end of that particular clause, or in the clause relating to the statement or declaration that must be made by the child under the Canadian law in deciding which nationality he shall choose, if by any chance he should be a dual national, either at the age of 21 or 18, as suggested by the previous speaker.

Some provision ought to be made under the law that the child should as a matter of right be informed by the government of Canada that he should make his declaration, and should be informed at least a year prior to the date when he must make that decision. Children and parents too, it has been my experience, often forget this requirement. Having registered their child at the consolate they think as a matter of course he is going to be a Canadian, but in the case of a dual national it is necessary for him to decide whether he is to be Canadian or some other nationality. Therefore I think we must try, in addition to the suggestions made here, and in the context of this particular amendment, to make provision for that child to be notified prior to the date that he must declare his intention to renounce one of his citizenships.

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, it is with great pleasure that I take part in this debate on Bill C-110 today. I want first of all to congratulate the hon. member for Vancouver Kingsway (Mrs. MacInnis) for having introduced this bill. I want that hon. member to know that even if her bill were not to reach the committee stage it will have nevertheless permitted certain members of this House to bring once more out into the open the fact that discrimination against women does exist in many of our Canadian laws, and that it is time this should be corrected.

[*Translation*]

Mr. Speaker, after reading sections 4 to 15 of the Citizenship Act one has the clear impression that the act gives a child born out of wedlock outside Canada to a Canadian mother the possibility to become a Canadian citizen but that same act denies a child born to a wed mother marrying a foreigner the same privileges as those extended to an illegitimate child.

Mr. Speaker, let me read, from that section which had me puzzled:

> A person born after the 31st day of December ... if he is born in Canada is a Canadian citizen, or if he is born outside of Canada, and
>
> (i) his father, or in the case of a child born out of wedlock, his mother, at the time of that person's birth, is a Canadian citizen, ...

So, as I said before, if a Canadian marrying a foreigner gives birth to a child abroad and if the marriage fails afterwards and she wants to come back to this country the child is not a Canadian citizen.

On the other hand, section 5(2) states that:

A child born to a Canadian father or a Canadian mother and an unknown father has three years after his 21st birthday to decide whether he wants to retain his citizenship or give it up. He has a choice. But, as I already said, if a child is born to a Canadian mother marrying a foreigner who afterwards leaves her husband, if that child wants to become a Canadian citizen, it is absolutely impossible. On the other hand, section 6 states that on his 21st birthday such a child may file a petition for resumption of Canadian citizenship, and the minister has the necessary discretion to either approve or reject that petition.

Once again, that privilege exists for a child born to a Canadian father and a child born out of wedlock. After reading that act one has the impression that it favours birth out of wedlock for those living abroad, and that does not make sense. Section 7 states:

> Every foundling, who is or was first found as a deserted infant in Canada, ...

—is considered a Canadian citizen. I have nothing against it. On the contrary, it is quite commendable but that foundling who has the Canadian citizenship *ipso facto* can be the child of foreigners only visiting in Canada, the child of parents who would not have the status of British subject, but having been found in Canada he becomes a Canadian citizen. On the other hand, if a Canadian woman living abroad, separated from her husband but with two children, wishes to return to her country, her children do not have Canadian citizenship. What nonsense!

I wondered if my interpretation of the legislation was wrong and thought that the minister surely had the discretion to grant citizenship to children such as the abovementioned. I referred first to the clauses dealing with the minister's discretion and then to section 10. And I said to

myself: Now, the minister can, at his discretion, grant a citizenship certificate to anyone who is not a Canadian citizen and makes an application after 21 years of age. I said: Fair enough. But what about the spouse of a Canadian citizen residing in Canada? It is still impossible for the child of such a union to become a Canadian citizen. What about the person who has been residing in Canada for at least 12 to 18 months immediately preceding the application date? How is it possible to enforce the law? No clause applies to such cases.

Section 10(4) reads and I quote:

The Minister may, in his discretion, grant a certificate of citizenship . . .

Paragraph (c) states—

. . . a British subject who was born elsewhere than in Canada or on a Canadian ship, whose father, or in the case of a person born out of wedlock . . .

Once more, if a woman marries a foreigner who has children and whose marriage is afterwards dissolved, or who is simply legally separated, her children are not yet recognized as Canadian citizens.

In all the sections dealing with the minister's discretion, none provides for the case I just mentioned.

Again, I hope I am mistaken, because if the legislators have really dreamed up such legislation, it would be about time to amend it. Now, Mr. Speaker, far from objecting to the bill of the hon. member for Vancouver Kingsway (Mrs. MacInnis), I am totally in favour of it, even of her amendment.

● (1640)

[*English*]

I repeat in English, I am totally in favour of such an amendment. However, I am told that the Secretary of State (Mr. Faulkner) will be introducing legislation to amend this act so that, among many things, men and women will be given equal status in this country.

In addition to this, an onmibus bill on the status of women will be placed before the House in the near future, a bill which will remove from a number of other acts provisions which are presently prejudicial to women.

[*Translation*]

We know that this legislation is not the only one which is discriminating against women. It is strangely similar to section 12(1)(b) of the Indian Act. An Indian man, whether he has 25 or 50 per cent Indian blood, can marry, for instance, a cabaret dancer from Texas with four or five kids who become *ipso facto* full-fledged Indians. But an Indian woman who marries a white man and who is separated from her husband, through judicial separation or through divorce, cannot go back to the Indian reserve, even if she is 100 per cent Indian. What's more, she cannot be buried in her ancestors' cemetery. Here is another piece of legislation discriminating very much against women. Fortunately, an onmibus bill on the status of women will be brought in soon.

[*English*]

Fortunate indeed are the women of Canada that Canadian legislators are, like St. Paul on the road to Damascus, finally beginning "to see the light."

[Mrs. Morin.]

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, like the other members, of course, I have read with great interest the bill introduced by the member for Vancouver Kingsway (Mrs. MacInnis).

Surely, if we recognize that all Canadian citizens are equal before the law and entitled to an equal treatment, it goes without saying that the hon. member's bill should become part of the Canadian statutes. The Canadian Citizenship Act should be amended.

Earlier, Mr. Speaker, you reminded my colleague from Lachine-Lakeshore (Mr. Blaker), in all fairness, that he was perhaps getting away from the matter before us, but on second thought, I must say that if the hon. member for Vancouver Kingsway seeks amendments to the Canadian Citizenship Act, we must surely be given some leeway. On the subject of amendments to the Canadian Citizenship Act, one could say that this legislation is unfair in many ways.

That was what my colleague meant when he said, in agreement with the hon. member for Vancouver Kingsway, that we should amend the Canadian Citizenship Act.

● (1650)

A great many other sections of the Canadian Citizenship Act should have been amended long ago. It is in this vein that my colleague spoke at the outset of his remarks.

Mr. Speaker, I must admit that we see a great many cases of injustice in Canada. At least for the time being, the Women's Lib movement appears to me to be going astray. Nevertheless, I think I can say in another are a "equal pay for equal work". I may be out of order, but this example merely goes to prove that there is injustice everywhere. Moreover, the hon. member is perfectly aware that if a woman can do the job of a man, she should normally get the same pay; if a man can make a Canadian citizen of his child, I do not see why a woman could not.

I can think of all kinds of other amendments, not to break the rules but to show that the Citizenship Act should be amended, but not bit by bit. I shall refer to a bill that I already introduced. I think that my memory serves me right because I have here the papers for December 18, 1970, March 2, 1972, June 1973, and March 12, 1974, when I asked that the time limit for obtaining Canadian citizenship be reduced from five to three years. This was an amendment to the Canadian Citizenship Act, and I shall not dwell on the matter because it will eventually be discussed in the House.

The hon. member for Vancouver Kingsway (Mrs. MacInnis) will agree that it is not bit by bit that we should obtain this from the government—because I am not one of its members; I sit on the government side, but I am not a cabinet member—but that we should stop the debate before five o'clock and refer this bill to the committee and amend the Canadian Citizenship Act. In my opinion, this is not what we want to do in the House. I am not interested in taking everything the government offers, because I know what we could obtain, and in accepting the scraps it gives us to soothe us. For my part, I have been asking for

something for four years, and it is time a decision were made.

The hon. member is proposing an amendment to a section of the act, namely section 5(1)(b)(i), and the government is saying: these amendments have been proposed for so many years that we shall give in. Since there are several amendments proposed to the Canadian Citizenship Act, as the hon. member knows from the list of private members' bills, we can see that there is considerable interest in amending the Canadian Citizenship Act.

I know my hon. colleague in the official opposition does not agree that we should take steps to make all citizens equal before the law.

I am a Canadian of French extraction and I do not seek greater rights than those of English Canadians, but I would not accept that English-speaking Canadians should have rights I would be deprived of. I think that we are all equal before the law and we should all be considered as such. That is why even though I do not want to scare anybody nor start a futile argument, I wonder about restrictions applicable to citizens who are said to be British. I do not see why those people should be treated any differently from Ukrainian, Polish, Italian, Greek, French or English Canadians. I think that if all citizens are to be equal before the law... I do not wish to start a useless argument with people more aware of the status fo British citizenship. Besides, I would be ready to uphold that opinion before any group in Canada, whether it be the Royalist League of Canada or any other movement. If we believe that all citizens are equal before the law, it is only normal for all of us to be treated equally.

I agree, of course, with the bill introduced by the hon. member for Vancouver Kingsway (Mrs. MacInnis), except that I am wondering about the legislator's intention.

I cannot understand how legislators well briefed by the Department of Justice's legal advisors could include in the Canadian citizenship Act such an amendment or such a limitation.

I am therefore wondering what was the legislator's intention. Did he want to avoid something? I did not get any answer. The Secretary of State (Mr. Faulkner) will eventually introduce a bill. I therefore urge the hon. member for Vancouver Kingsway, the hon. member for Winnipeg North Centre, all my colleagues who are interested in the Canadian Citizenship Act, members from the official opposition, members from the Social Credit party of Canada to get together so as to wrench out of the government of the House leader a piece of legislation that has been drafted for many years. I do not wish to divulge secrets I came to know as parliamentary secretary to the Secretary of State, but I know that a piece of legislation has been in the making for many years. I know that legislation is now ready. What remains to be done now is to find in the House the right moment to table a bill that will not only meet with the wishes of the very distinguished member for Vancouver Kingsway, but that will also provide Canada with a modern statute in keeping with our time without rejecting what has been done in the past.

In the past, citizens of a different racial origin were treated differently. It was the Canadian history of the past. I see that the hon. member for Brandon-Souris (Mr. Dinsdale) is looking straight at me. Maybe there was some reason then, historical reasons, to treat citizens differently, but like all the others, he might perhaps join the hon. member for Vancouver Kingsway in order that finally we might have a modern act, truly Canadian rather than French Canadian, English Canadian, multiculturally Canadian or Ukrainian. This would be an act respecting modern Canadian citizenship whereby everyone would receive equal treatment. No special treatment would be afforded a married citizen without his wife getting the same treatment whether she is abroad or from any ethnic group or what have you.

I regret that my time is up, but I would not want to be the last member in this House to speak on the matter. I know that in this respect I will wholeheartedly co-operate with the very distinguished member for Vancouver Kingsway in order that together we may extract from the government, because I feel there will be ample time for that until the end of the session and next fall, that we may get under this government a modern act on Canadian citizenship.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I take pleasure in participating in this debate and I strongly support the remarks of the previous speaker. I think that if the bill is studied and debated seriously, the question raised in particular by the honourable member for Esquimalt-Saanich (Mr. Munro), i.e. that of multinationality, must be examined deeply.

Mr. Speaker, I would like to make a few remarks on this matter.

There are many people who, due to legal conflicts in this regard have several nationalities. As you will remember, Mr. Speaker, the honourable member for Esquimalt-Saanich mentioned the fact that a person might happen to hold two or more nationalities. And I am thinking particularly about American or Israelite parents, for instance, who could be in Canada and whose child could have three nationalities, Americain, Israelite and Canadian.

Most countries do not tolerate such an arrangement and multi-nationality is not recognized, but here in Canada, the existing legislation seems to have been written for this purpose, i.e. we recognize the right to Canadian nationality of the person born in Canada and, in certain cases, of persons whose father or son is Canadian.

I agree entirely with the hon. member for Vancouver Kingsway (Mrs. MacInnis) when she proposes a very important amendment to the present act which would entitle to citizenship any child born in whatever way from a Canadian father or mother. I would like this debate to be quick and that the government deems it convenient to propose a complete bill which would give us the chance to discuss all the problems involved in this question which is obviously quite important.

Mr. Speaker: I am sorry to interrupt the hon. member, but the hour appointed for private members' business is now over. The House will stand adjourned until Monday at two o'clock.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 29, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

TABLING OF ECONOMIC REVIEW DATED APRIL, 1974

Hon. John N. Turner (Minister of Finance): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table three copies, in English and French, of the Economic Review dated April, 1974.

* * *

THE MINISTRY

USE OF GOVERNMENT AIRCRAFT BY PRIME MINISTER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to request consent of the House to move a motion of urgent and pressing necessity arising out of the continued use of government-owned aircraft by the Prime Minister for personal and political purposes at the expense of the taxpayers of Canada. I ask leave of the House to move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the House requests the Prime Minister to discontinue immediately making any use whatsoever of government-owned aircraft for personal or political purposes, and further that the House requests the government to bill the Liberal Party of Canada for the political portion of transportation costs arising in the past few days from the Prime Minister's use of government-owned aircraft for a trip that included certain Liberal Party gatherings, including the annual meeting of the Ontario Liberal Party in Sudbury.

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member for Leeds will note that there is not unanimity; the motion cannot therefore be put.

SOCIAL SECURITY

SUGGESTED GUARANTEED ANNUAL INCOME FOR PERSONS BETWEEN 60 AND 65—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a very urgent issue.

I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House hold a special debate to consider closely the ever increasing difficulties experienced by individuals aged 60 to 65 who would like to earn their living and that as a solution, this House suggest to the Minister of National Health and Welfare the immediate introduction of legislation to establish an annual minimum guaranteed income for persons from 60 to 65 years of age.

[*English*]

Mr. Speaker: This motion also requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

● (1410)

GREY CUP TRUST AND AMATEUR SPORT

On the order: Introduction of Bills:

April 25, 1974—Mr. MacInnis (Cape Breton-East Richmond)—Bill intituled: "An Act to maintain the Grey Cup Trust and further to promote fitness and amateur sport in Canada".

Mr. Speaker: As I indicated to the hon. member the other day, the Chair has some procedural reservations in relation to this bill. In the days ahead I should like the opportunity to have a closer look at the bill, perhaps have a conversation with the hon. member, and certainly give the hon. member eventually an opportunity to advise the Chair.

I think the hon. member for Cape Breton-East Richmond will appreciate the difficulty with which I am confronted. The hon. member's bill is on the subject of a government bill which was presented to the House and has already received second reading. In a way, the hon. member is attempting to amend a bill to which second reading has already been given. Normally, an amendment to a bill which is before the House would be proposed by way of an amendment in committee or perhaps at the report stage or even on third reading, if that were possible. These are the difficulties with which the Chair is confronted. But I do not think the matter should be treated too lightly and I thought I should make these comments so

that the hon. member would realize the area of the procedural difficulties and be able to give the matter consideration in the days ahead so that eventually we might hear argument and then reach a decision on whether the bill should be proceeded with. For the time being the notice will stand.

* * *

[*Translation*]

TRUST COMPANIES AND LOAN COMPANIES ACTS

AMENDMENTS TO AUTHORIZE INCREASE IN BORROWING POWER AND ISSUE OF SUBORDINATED NOTES

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-28, to authorize federal trust companies and loan companies to increase the monetary limit of their borrowing power and to issue subordinated notes.

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

* * *

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING PROFITEERING PRACTICES AND PERMANENT AND TEMPORARY MEMBERSHIP OF COMMISSION

Hon. Herb Gray (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-29, to amend the Combines Investigation Act.

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

* * *

CANADIAN WHEAT BOARD ACT

AMENDMENT RESPECTING TIME OF FINAL PAYMENTS ON DELIVERIES IN ANY POOL PERIOD

Hon. Allan J. MacEachen (for the Minister of Justice) moved for leave to introduce Bill C-30, to amend the Canadian Wheat Board Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Speaker.]

[*Text*]

DISTRIBUTION OF SPEECH BY MINISTER OF AGRICULTURE, ABBOTSFORD, B.C.

Question No. 82—**Mr. Cossitt:**

1. Was an address made by the Minister of Agriculture to a public meeting in Abbotsford, British Columbia on Monday, November 26, 1973 reprinted at public expense and, if so, how many copies were printed and distributed?

2. Where was this public meeting held and what organization or individuals sponsored this meeting?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes, an address was made by the Minister of Agriculture, at a public meeting in Abbotsford, British Columbia, on Monday, 26 November, 1973. There were 1,845 copies printed and distributed at public expense.

2. The meeting was held at the Rancho Convention Hall, Abbotsford. It was advertised as a public meeting by the Agriculture Committee of Fraser Valley East Liberal Association. The public undeclared as to party was in attendance.

DEPARTMENT OF AGRICULTURE PUBLICITY EXPENDITURES

Question No. 241—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Agriculture on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Hon. E. F. Whelan (Minister of Agriculture): 1. (a) 1972-73, $1,736,200; (b) 1973-74 (as of February 28, 1974) $1,362,900.

2. 1972-73: (a) Tandy Advertising Limited, Toronto, Ontario; (b) $34,796.10; (c) To continue a national advertising program to encourage the safe and effective use of pesticides by the urban and farm publics. (a) Agravoice Productions Limited, Edmonton, Alberta; (b) $51,000; (c) To provide a communication extension service in the provinces of Alberta, Saskatchewan and Manitoba, to increase over-all public awareness of departmental policies and programs in the said provinces. (a) Mr. R. F. Gadsby, Victoria, B.C.; (b) $2,500; (c) Continuation of contract to provide additional information and public relations services to the department in British Columbia. 1973-74 (as of October 31, 1973): (a) Goodis, Goldberg, Soren Ltd., Don Mills, Ontario; (b) $4,890.96; (c) To conduct a test advertising program designed to indicate the need and effectiveness of a full-scale program to promote the proper use of pesticides. Remainder represents non-contractual expenditures.

3. Nil.

DEPARTMENT OF AGRICULTURE ADVERTISING CONTRACTS

Question No. 303—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of Agriculture since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of Agriculture during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Hon. E. F. Whelan (Minister of Agriculture): 1. Goodis, Goldberg, Soren Limited, Don Mills, Ontario

2(a) This firm was selected because several of its principals had carried out the Department's Proper Use of Pesticides advertising program in the previous three years and had the expertise to conduct the evaluation required. The contract was awarded under departmental authority on May 25, 1973, and the total payment was $4,890.91 on completion of the project. (b) To conduct a test advertising program designed to indicate the need and effectiveness of a full-scale program to promote the proper use of pesticides.

3. Tandy Advertising Ltd., Toronto, Ontario, and J. M. Eastman and Associates Ltd., Toronto, Ontario, carried out specific advertising programs which have been completed.

PRICE OF FEED GRAIN

Question No. 323—**Mr. Lambert (Bellechasse):**

On January 31, 1974, what was the price paid per bushel by consumers of feed grain for the following cereals (a) oats (b) barley (c) wheat in (i) Alberta, Saskatchewan and Manitoba (ii) Ontario (iii) Quebec (iv) the Maritime provinces?

Hon. E. F. Whelan (Minister of Agriculture): The Canadian Livestock Feed Board do not maintain records on the cost of feed grain to the consumer. The following information consists of the most meaningful prices available for the date requested which are the weighted average monitored prices at the feed mill level for a period which includes the date of January 31, 1974.

(i) Two week period ending February 1, 1974

	(a) Oats	(b) Barley	(c) Wheat
	(dollars per bushel)		
Alberta	1.44	2.41	3.56
Saskatchewan	1.42	2.28	3.28
Manitoba	1.38	2.30	3.83

Two-week period ending February 8, 1974

		(a) Oats	(b) Barley	(c) Wheat
		(dollars per bushel)		
(ii)	Ontario	1.92⅛	2.86	4.07¼
(iii)	Quebec	1.85½	2.87½	4.14
(iv)	Maritimes	1.93	2.87½	4.45¼

Notes

1. The weighted average prices for Eastern Canada include transportation to the feed mill but do not take into consideration freight equalization payments.

2. The average freight assistance payment per bushel in Eastern Canada for the crop year 1972-73 were:

	(a) Oats	(b) Barley	(c) Wheat
	(cents per bushel)		
Newfoundland	29	42	52
Prince Edward Island	22	32	40
Nova Scotia	16	33	29
New Brunswick	21	30	38
Quebec	12	16	20
Ontario	7	10	13

REGULATIONS COVERING DISTRIBUTION OF DRUG CATALOGUES

Question No. 447—**Mr. Howie:**

What, if any, regulation prevents wholesale pharmaceutical houses from preparing and distributing a list or catalogue of drugs and drug products showing the price of each item for sale to drug stores and pharmacies?

Hon. Marc Lalonde (Minister of National Health and Welfare): There is no regulation established under the Food and Drug Act, preventing wholesale pharmaceutical houses from preparing price lists on drugs and distributing them to pharmacies.

DEPARTMENT OF AGRICULTURE—REGIONAL CONTRACTS

Question No. 501—**Mr. McKenzie:**

1. In the fiscal years 1972-73 and 1973-74, how much money was contracted to each of the five regions of Canada by the Department of Agriculture?

2. What was this in per capita terms for each region?

Hon. E. F. Whelan (Minister of Agriculture):

1. Region	1972–1973	1973–74 (to Febuary 28, 1974)
	(in thousands of dollars)	
Atlantic	15,930	17,639
Quebec	80,122	98,027
Ontario	102,531	127,540
Prairies	78,811	91,605
British Columbia	13,360	16,303

Order Paper Questions

2. Region	1972–1973	1973–74 (to Febuary 28, 1974) (in dollars)
Atlantic	7.66	8.35
Quebec	13.24	16.11
Ontario	13.11	16.06
Prairies	22.12	25.52
British Columbia	5.95	7.05

LIP—APPLICATION ENTITLED "SERVICE D'AIDE AUX GENS DÉFAVORISÉS"

Question No. 503—**Mr. Beaudoin:**

1. On what date did the government receive application No. 3H 2351 entitled *Service d'aide aux gens défavorisés* through LIP?

2. On what date was the application rejected?

3. For what reason was it rejected?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. October 12, 1973.

2. December 31, 1973.

3. The response to the program generated many worthwhile applications from which a difficult selection had to be made. After serious consideration, it was decided that other projects met more closely the needs of the community.

LIP—APPLICATION ENTITLED "BIBLIOTHÈQUE DE CE TEMPS"

Question No. 504—**Mr. Beaudoin:**

1. On what date did the government receive application No. 3H 4354 entitled *Bibliothèque de ce temps* through LIP?

2. On what date was the application rejected?

3. For what reason was it rejected?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. October 17, 1973.

2. January 21, 1974.

3. The response to the program generated many worthwhile applications from which a difficult selection had to be made. After serious consideration, it was decided that other projects met more closely the needs of the community.

LIP—APPLICATION ENTITLED "CENTRE DE VULGARISATION ÉCOLOGIQUE"

Question No. 505—**Mr. Beaudoin:**

1. On what date did the government receive application No. 3H 2535 entitled *Centre de vulgarisation écologique* through LIP?

2. On what date was the application rejected?

3. For what reason was it rejected?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. October 12, 1973.

2. January 24, 1974.

3. The response to the program generated many worthwhile applications from which a difficult selection had to be made. After serious consideration, it was decided that other projects met more closely the needs of the community.

[Mr. Whelan.]

POST OFFICE, LYNDHURST, ONTARIO

Question No. 534—**Mr. Cossitt:**

With reference to the answer to Question No. 48 (a) at what exact address or location and on what specific dates did Mr. M. Dubuc of the Department of Public Works meet with, or talk with in any way to Mrs. Deborah Lawlor in connection with the negotiating of a lease on the Post Office at Lyndhurst, Ontario (b) what are the names and addresses of any and all other persons present on such occasions?

Hon. Jean-Eudes Dubé (Minister of Public Works): (a) Our files indicate that Mr. Dubuc first met Mrs. Lawlor on November 14, 1972, in the Lyndhurst premises. Mr. Dubuc recalls meeting her again on another date. He also communicated with her by letter and by telephone. (b) Present at the first meeting held on November 14, 1972, were Messrs. J. J. Scott and J. S. Hackett of the Post Office Department, Mrs. Deborah Lawlor, and Mr. M. Dubuc of the Department of Public Works.

ALLOCATION OF $31,050,000 OF SUPPLEMENTARY ESTIMATES

Question No. 553—**Mr. Lambert (Bellechasse):**

1. To which farm products will the $31,050,000 indicated at page 8 of the Supplementary Estimates (B) for 1973-74 be allocated?

2. As of March 31, 1974, what will be the total amount spent by the Agricultural Stabilization Board?

3. What was the amount allotted for each product?

Hon. E. F. Whelan (Minister of Agriculture): 1. Dairy Products.

2. $143,497,247.90.

3. Hogs, $34,057.25; Potatoes, $35,927.10; Egg Producer Aid Program, $24,193.50; Flowers, $70.05; Dairy Products, $143,400,000.00.

CAMBRIDGE POST OFFICE, KINGS COUNTY, N.S.—LEASE

Question No. 563—**Mr. Nowlan:**

What are the details of the lease covering the Cambridge Post Office in Kings County, Nova Scotia (a) the names of the parties to the lease (b) the time period covered by the lease (c) the amount of remuneration paid (d) the date when the lease will be up for renewal?

Hon. Jean-Eudes Dubé (Minister of Public Works): (a) The lessors are Kenneth C. Roscoe and Vere Brydon. The Nova Scotia Trust Company also signed the lease as mortgagee. (b) The term of the lease is five years commencing on June 1, 1972 and terminating on May 31, 1977. (c) The annual rental is $4,398.25 with monthly payments of $366.52. All services are supplied by the lessors who also carried out all fitting up at no additional cost to the Crown. (d) The department has the option to renew the lease for an additional five-year period on the same terms and conditions by giving written notice to the lessors three months prior to May 31, 1977, the date of expiry.

POST OFFICE, BINBROOK, ONTARIO

Question No. 573—**Mr. O'Sullivan:**

1. Has the government received any representations from the public or postal employees regarding the condition of the land, particularly the parking lot, surrounding the post office at Binbrook, Ontario?

2. Are there any plans to up-grade the Binbrook Post Office and the lands surrounding it, in particular the parking lot and, if so, what are said plans?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The Department has received one complaint, from a private citizen, about the parking lot of the Binbrook, Ontario, post office.

2. The post office, occupied the new building, Binbrook, Ontario, in March 1973, and no upgrading of the building is considered necessary. The parking lot was gravelled and graded in March 1974, bringing it up to satisfactory standards. The grounds are to be landscaped this year.

NUMBER OF PUBLIC SERVANTS WORKING IN NATIONAL CAPITAL REGION

Question No. 615—**Mr. Orlikow:**

What was the number of public servants working in the National Capital Region in each year since 1970?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: the following table provides the number of employees of ministries of state, departments and departmental corporations reported as being employed in the Ottawa/Hull area as of September 30, in each of the noted years:

Year	Number of Employees
1970	57,591
1971	65,928
1972	70,293
1973	77,089

IMMIGRATION—STATUS ADJUSTMENT PROGRAM

Question No. 625—**Mr. Diefenbaker:**

1. How many persons since September 1, 1973 to date, who allegedly illegally entered Canada, have applied to have their entry regularized?

2. What is the estimated number of individuals in that category who have not applied for regularization?

3. What was the total cost of press, radio and television advertising in connection therewith?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. During the status adjustment program which ran from August 15 to October 15, 1973, no distinction was made between illegal and legal entrants to Canada. In that period applications on behalf of 49,922 persons were registered for landed immigrant status.

2. Since persons in the country illegally would not normally make their presence known to government sources, there is no way to estimate the number still in Canada who did not take advantage of the status adjustment program.

3. $1,206,501.16.

Order Paper Questions

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—RESEARCH EXPENDITURES

Question No. 272—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of Consumer and Corporate Affairs on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

SHIP CONSTRUCTION SUPPLY PROGRAM AND SHIPBUILDING TEMPORARY ASSISTANCE PROGRAM

Question No. 316—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Ship Construction Subsidy Program (SCSP) in each of the fiscal years 1972-73 and 1973-74 to date and what were the amounts of each grant?

2. What were the names of the owners of ships and other vessels built under the program in each of these fiscal years?

3. What were the names of foreign-based ship-owners who commissioned construction of ships and other vessels under SCSP or Shipbuilding Temporary Assistance Program, who benefitted from a federal export subsidy and what were the amounts of the export subsidy in each case in each of these fiscal years?

4. What are the objectives of the Shipbuilding Temporary Assistance Program?

5. What was the date of the latest evaluative study of the SCSP and STAP conducted by the Department?

Return tabled.

IMPORT PERMITS

Question No. 353—**Mr. Clark (Rocky Mountain):**

What was the name of each individual or company granted an import permit for the importation of livestock from Continental Europe between the introduction of import permits and September 1, 1969?

Return tabled.

OVERTIME PAID TO MINISTERIAL STAFF

Question No. 386—**Mr. Knight:**

1. What were the names of employees on the ministerial staff (including the Office of the Prime Minister) who in the fiscal year 1972-73, received overtime pay in excess of $1,000?

2. What were the amounts of overtime paid each month in each case and what were the salary ranges of each of these employees?

Return tabled.

Mr. Diefenbaker: On a point of order, Mr. Speaker. I want to refer to question No. 626 which today has been on the order paper for one month.

1. What is the total amount expended to date or contracted for on the program entitled "Multi-Culturalism is sharing your heritage with other Canadians" . . .

2. What amount has been expended in the ethnic press to date?

It should not be difficult to answer those questions unless the department is either dormant or endeavouring to cover up.

Mr. Haidasz: On a question of privilege, Mr. Speaker, the department is not dormant; we are very active. Replies have been prepared and will be tabled on Wednesday next.

Mr. Diefenbaker: Why another week's delay?

Mr. Cossitt: Mr. Speaker, I rise on a point of order referring to unanswered order paper question No. 50 which dates back far into the last session of the House. The question asks for details of trips made at public expense by the Prime Minister since October 30, 1972, including the means of transportation, the amounts paid from public funds for expenditures involved and also on what occasions the itinerary included addressing or appearing at functions of the Liberal Party. Surely there can be no valid reason why the government has not answered this legitimate question up until this date. I ask the parliamentary secretary if he is now in a position to tell the House when this question will be answered and when the Canadian people will thus be made aware of the amount of public funds being used for these trips in a way which resembles a form of embezzlement of public funds for political purposes.

Mr. Reilly: Mr. Speaker, I have on the order paper a couple of questions. One of them, No. 552, has been on the order paper for five weeks. It is not of your one and a half million dollar questions. It is in monosyllabic terms which even the parliamentary secretary ought to be able to comprehend and asks very simple questions that could be answered by picking up a device known as a telephone and communicating with me. Many of my constituents are affected by the answer which may or may not be forthcoming to this question. I am continuing to receive correspondence from these people who are concerned about the so-called personal history security form and the implications it may have for their futures in the Public Service. I suggest that the government does not need to clam up about this. It could have given the answer a long time ago.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

LAG IN INCREASE IN WEEKLY WAGES COMPARED WITH INCREASE IN COST OF LIVING

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I address a question to the Minister of Finance and bring home to him once again the deplorable situation of the average Canadian wage earner in that, although the average wage has increased by 8 per cent or $12.53 from February, 1973, to February, 1974, the consumer price index has risen by 9.6 per cent or $15.02, or a difference of $3.51. What is the minister's response to these recent indices indicating that average weekly wages continue to lag behind the rising cost of living? What response does the government have to deal with this situation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to express my continuing concern about the situation the hon. gentleman has described in terms of the real income of Canadian workers. The response I might make might be more fully digested within the budget speech a week from today. I want to bring to the hon. member's attention that many of the yardsticks used in the statistical form purportedly showing a decrease in labour income do, in a sense, distort the situation in that they do not allow for the changed mix in the labour force, for the increase in hourly as against weekly wages, and for the decline in the average work week. This is a statistical matter which I should like to deal with in more general terms on another occasion.

Mr. Alexander: Mr. Speaker, the minister's concern will not help those who have been adversely affected by the failure of the government's anti-inflation policy. In view of the minister's repeated claim that Canadians are some 6.8 per cent better off now than they were a year ago, has he asked companies such as the Steel Company of Canada, Westinghouse and Dofasco, which have advanced cost of living adjustments in their labour contracts, why they have taken this action if everything is as fine as the minister continually states? Has he asked those companies why they have taken that action?

● (1420)

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker, I have not.

Mr. Alexander: Will the minister now acknowledge that during the period of time since his last budget the percentage increase in average weekly wages has in fact been less than the percentage increase in the consumer price index, or does the government not acknowledge truth based on its own published statistics?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I refer the hon. member to the latest figures representing real disposable income of Canadians, that is to say, the income the average man or woman has to spend or to save or has in his or her pocket to dispose of by way of discretionary income. That shows that in real terms Canadian's incomes have increased by one-fifth over the past three years.

* * *

ENERGY

CRUDE OIL—REQUEST FOR ASSURANCE EXPORTS WILL NOT BE INCREASED AND WILL BE REDUCED IF REQUIRED TO MEET CANADIAN DEMAND

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister arising out of representations by the Independent Petroleum Producers Association to the National Energy Board urging that there be no further reductions in exports of crude oil and, in fact, that they should be increased. In view of the fact the final determination of

exports of crude oil lies with the federal government on the recommendation of the Minister of Energy, Mines and Resources, can the Prime Minister assure the House this recommendation will not be accepted, that there will be no increase in exports of oil and that we will continue to reduce exports of oil where Canadian requirements make that desirable?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would prefer to look fully at the representations and discuss them with the minister before answering that question in the House.

Mr. Douglas: In view of the fact the government has committed itself to meeting the petroleum requirements of eastern Canada from western crude and that we may be in a deficit position by 1980, will the Prime Minister inform the House whether the government is planning a phase-out of exports of oil and, if so, over what period of time?

Mr. Trudeau: Mr. Speaker, we have been looking at such projections. When a policy has to be announced in that regard we will do so, probably in the House of Commons.

OIL—USE OF SURPLUS FUNDS FROM EXPORT TAX TO DEVELOP FUTURE SUPPLIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Since the known financial commitments for compensation on imports are now known to be in the neighbourhood of $925 million, assuming there are no participation costs, which could leave a surplus of some $500 million, can the Prime Minister assure the House that these additional funds will be used in the oil producing provinces to develop future oil supplies, particularly in the oil sands and heavy oil areas?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this subject was, of course, very much discussed at the meeting of the premiers and myself in March. We have in mind the earlier projections that the hon. member himself mentioned in his previous question. For that reason and for many others, including uncertainty as to the figures he has just quoted, we have reached an agreement with all ten provinces which has been made public, the effect of which is that the federal government keeps for itself the export tax to be used largely, perhaps even totally this year—we do not know—for the attainment of one price for oil for all Canada. If there is any surplus, we will make sure it is used in the best interest of all Canadians. It is certain some of that will be used in the provinces of Saskatchewan and Alberta.

* * *

[*Translation*]

SPORTS

SALE OF MONTREAL ALOUETTES FOOTBALL CLUB—POSITION OF GOVERNMENT

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

In view of the fact that the sale of the Montreal Alouettes football team has just been announced and that its disappearance would destroy, in part, the principle of the bill studied last week, can the minister tell us whether he had been advised by the authorities of that member of the NFL of their intentions, and tell us what his attitude is towards this incident?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my answer to the part first of the question is no; as for the second part, transactions of that type are constantly occurring in the world of sport as well as in that of business, and I fail to see how this incident will change anything.

Mr. Matte: Mr. Speaker, in my opinion, the minister has not understood my question's second preamble. The withdrawal of that football team would suppress one of the bill's fundamental principles, which is to promote Canadian unity. If we were to do as he says, there would not be any team further east than Toronto.

Mr. Lalonde: Mr. Speaker, I have answered the hon. member's two questions. If I were to answer his preambles too, all I could say about them is that his preamble in this case does not make any sense.

* * *

[*English*]

ENERGY

POSSIBLE EXPORT OF OIL BY PEOPLE'S REPUBLIC OF CHINA—SUGGESTED AGREEMENT TO HELP CHINA PAY FOR CANADIAN WHEAT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is a supplementary addressed to the Prime Minister. In view of the fact the People's Republic of China is now considering exporting oil, has the government considered arranging a long-term agreement with China to help the Chinese pay for Canadian wheat?

Right Hon. P. E. Trudeau (Prime Minister): I did discuss this matter personally with Mao Tse-tung in Peking. They are not at this time anxious to talk about such an agreement. They hope they have a great potential but their actual production is substantially below even Canadian production. They already have some agreements with the Japanese government regarding exports to that country. The suggestion of the hon. member is one, I repeat, that we talked about, but I am afraid it would not have any immediate application. It is something we shall have to keep in mind if, as and when additional petroleum is discovered in the People's Republic of China. Of course, I did not fail to point out to them the excellence of our engineering capacity in looking for offshore oil—

Some hon. Members: Order!

Mr. Trudeau: Perhaps I should wait for the supplementary, Mr. Speaker.

Mr. Hamilton (Qu'Appelle-Moose Mountain): In view of the fact the Chinese have just announced an agreement to purchase from the Americans highly technical equip-

ment for offshore drilling and for deeper drilling in their present fields on the mainland, will the government not give priority to this matter, consider re-establishing contact with the People's Republic and see whether we can gain access to some of their oil and thus make their purchases of Canadian wheat a bit easier?

Mr. Trudeau: It is difficult to see how it would make the purchase of wheat easier if we were to sell them other things apart from wheat. If the hon. member is concerned about the long-term implications of the question, may I say I made it clear to the Chinese leaders that we are prepared to co-operate with them. May I remind the House that there is no need for us to re-establish contact with the Peking government. We have a good contact with it, much better than the Americans.

Some hon. Members: Hear, hear!

* * *

SPORTS

POSSIBILITY OF RESTRICTION OR PROHIBITION OF TELEVISING IN CANADA OF WORLD FOOTBALL LEAGUE AND NATIONAL FOOTBALL LEAGUE GAMES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the Prime Minister related to the question put to the Minister of National Health and Welfare. In view of the government's interest in the Canadian Football League, is it the intention to restrict or prohibit the televising of World Football League games in Canada?

Right Hon. P. E. Trudeau (Prime Minister): I would have to refer this matter to the minister responsible for either the CBC or communications.

Some hon. Members: Oh, oh!

Mr. Nowlan: Passing the ball.

Mr. Trudeau: Yes, if I can throw it forward.

Some hon. Members: Hear, hear!

● (1430)

Mr. Nowlan: Mr. Speaker, if the quarterback could get together with some of his boys in the scrum and decide just who is carrying the ball over there, perhaps he could direct this question to the appropriate minister who is looking after this matter. In order to be consistent with Bill C-22, is the government also contemplating any legislation to restrict or prohibit the televising of National Football League games in Canada?

Mr. Trudeau: Mr. Speaker, this matter having been sent to the committee, I hope this type of amendment will be proposed by the hon. member and that he will be able to stand up for his views at that time.

Some hon. Members: Oh, oh!

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Speaker: Order, please. The Chair will recognize the right hon. member for Prince Albert and then the hon. member for Oshawa-Whitby.

* * *

NATIONAL CAPITAL COMMISSION

ISSUE OF PUBLICATION IMPLYING THAT NAME OF CAPITAL IS "OTTAWA-HULL"

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I think this is the first time I have directed a question to the Minister of State for Urban Affairs. I should like to ask him to begin with whether he personally saw the publication put out by his department entitled "Canada's New Capital"? After he answers that, I will have some supplementary questions.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I answered that the other day and the answer was no.

Mr. Diefenbaker: Mr. Speaker, this document put out by his department is one that contains a mass of incomprehensible falsehoods and constitutional evasion.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I ask the minister, since when did Ottawa-Hull become the capital of Canada?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me that question was asked on a number of occasions last week.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, there are many more questions arising out of this that must be answered for the benefit of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have no objection, of course, to the right hon. gentleman asking a supplementary question, but the particular question just asked by the right hon. gentleman was asked in those very terms at least once last week. Perhaps the right hon. gentleman has a supplementary question to which the minister might want to reply.

Mr. Diefenbaker: Mr. Speaker, I could not believe that the minister understood what he was talking about when he made the answers he did and that is the reason for the further questions. Does he accept the views contained therein, which are as follows:

Ottawa is the Capital of Canada. Right? Wrong.

A little farther on it states:

To begin with, it's not just Ottawa any more. It's the National Capital Region. Think of Ottawa and neighboring Hull as a central core and seat of government—

An hon. Member: Hear, hear!

Mr. Diefenbaker: The minister has one supporter.

I ask the minister this question. Since when did this government assume the right to depart from the constitution? The British North America Act, section 16, deals with this.

Mr. Basford: Mr. Speaker, I know that hon. gentlemen opposite are used to citing the Canada Year Book as a constitutional authority, but this is the first time the right hon. gentleman has referred to a 50-cent brochure as a legal or constitutional document.

Mr. Diefenbaker: No.

Mr. Basford: The seat of government is set out in a section of the British North America Act.

Mr. Diefenbaker: To be sure.

Mr. Basford: However, Mr. Speaker, the Prime Minister and the premiers of this country unanimously agreed at a federal-provincial meeting relating to reform of institutions linked with federalism that the cities of Ottawa and Hull and their surrounding areas shall be the Canada capital area.

Mr. Diefenbaker: The Canada capital area, yes.

Mr. Basford: There is no conflict between the British North America Act and the resolution by the 11 heads of government of this country or the National Capital Commission.

Mr. Horner (Battleford-Kindersley): There is in that brochure.

Mr. Basford: Nowhere have I seen a 50-cent brochure referred to as a constitutional document. However, this document, written in a light and lively style—

An hon. Member: And loose.

Mr. Basford: —does serve to show the immense amount of effort and work which have gone into making the cities of Ottawa and Hull and all the surrounding area a national capital area, a section of this country that I think all members of the House should be able to take pride in.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I did not refer to it as a constitutional document, I referred to it as an unconstitutional one. I would ask the minister this question. Does he accept the views contained therein, which are the antithesis of those he is trying to put over at the moment, of Ottawa-Hull being the central core and seat of government? Does he accept that? When was the amendment to the British North America Act brought in?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: They have never even heard of the constitution.

Mr. Speaker: Order, please. Perhaps we might allow the minister to reply, but we should try to move on to the next question. The minister may reply.

Mr. Diefenbaker: Mr. Speaker, normally I accept answers from ministers, but when they are false, such as the one that has just been given, I do not accept them.

Some hon. Members: Order!

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Is the right hon. gentleman rising on a point of order?

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

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Over and over again hon. members opposite howl down members of the opposition.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Or try to.

Mr. Muir: Same old bunch.

Mr. Sharp: Same old Dief.

Mr. Diefenbaker: The people of Canada have the right to have the constitution maintained despite the fact we have a government that has done everything to destroy the great principles of that constitution and to evade it. In view of the fallacy of this monstrosity, will the minister have it withdrawn and, indeed, have the individuals responsible for publishing it pay the actual publication account?

Mr. Speaker: Order, please. Perhaps the minister might want to speak to the question of privilege and also answer the supplementary question, after which I will try again to move on to the next question if we are going to have more than two or three questions during the question period.

Mr. Diefenbaker: You are doing everything to destroy the whole constitution.

Mr. Basford: Mr. Speaker, I am not quite sure what the point of privilege is, and I am not sure whether you are having the same difficulty, but I have referred to the fact that this document, of course, is not a constitutional document.

Mr. Diefenbaker: No, it is a falsehood.

Mr. Basford: It does not change anything relating to the constitution of this country or the institutions of federalism. I have said that the wording was unfortunate, and I meant that—

Mr. Diefenbaker: The wording is unfortunate; then withdraw it.

Mr. Basford: —only in the sense that it was wording that would have the effect we have just seen on the right hon. gentleman and a few of his colleagues.

An hon. Member: And the people of Canada, too.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me that we cannot resolve the matter at this time. I refer hon. members to the exchanges that took place last week when similar questions were asked and similar answers were given. At this point the Chair will recognize the hon. member for Oshawa-Whitby.

* * *

HOUSING

POSSIBILITY OF LEGISLATION TO ASSIST AVERAGE AND LOW INCOME PEOPLE TO PURCHASE HOMES IN LIGHT OF FURTHER INCREASE IN COST

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have what I think is my fiftieth question of the Minister of State for Urban Affairs. Following the revelation that the cost of an average home in the Toronto area went up by another $3,000 last month, is the minister going to introduce a measure in the House soon that will have the effect of modifying the assisted home ownership program or providing an entirely new program in order that average and low income people in urban areas in Canada will once again be in a position to buy a house they can afford?

● (1440)

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I am happy to inform the hon. member that for 1974 we have doubled the budget of the assisted home ownership program to $300 million, and I would anticipate that this expenditure will allow us to respond more effectively to the concerns the hon. member has expressed.

Mr. Broadbent: As the minister's answer in no way affects the possibility of average or low income people using the program to which he referred in urban areas, I would like to ask the minister more specifically whether he plans to copy the Americans who have an interest rate program which begins at one per cent with a ceiling of eight per cent for average and low income people who want to buy a house? They have mandatory regulations to ensure that financial institutions put up money at this interest rate. Would the minister consider consulting his American colleagues to see what might be done?

Mr. Basford: I am always happy to consult them but I hope the hon. member is not urging that we import the American housing situation into Canada because it is far inferior to that in this country.

[Mr. Basford.]

THE CANADIAN ECONOMY

POSITION OF GOVERNMENT ON WAGE EARNERS' SHARE OF NATIONAL INCOME

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to put a question to the right hon. Prime Minister. In view of the recent wage negotiations that have been going on in the Public Service and in the private sector, is it the view of the government that wage earners are taking too great a share of the national income? Would the Prime Minister clarify the position of his government in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I stated exactly the contrary in my speech in the debate on the Speech from the Throne. Perhaps I could send the hon. member a copy of that speech.

Mr. MacKay: May I ask the right hon. gentleman whether it is his view that, having regard to the present conditions of rampant inflation, the average wage earner in Canada is in a position to protect himself adequately in this environment which the government has created?

Mr. Trudeau: He can adequately protect himself with the measures of various kinds which we have brought in. The answer is, of course, that inflation is still a problem for many people in Canada and that is why we intend to keep the House around for many months yet in order to pass legislation which will alleviate the situation.

Some hon. Members: Oh, oh!

POSSIBILITY OF DECLARATION OF EMERGENCY UNDER PROSPECTIVE LEGISLATION BECAUSE OF COMMODITY PRICES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. In light of what the Prime Minister has just said, has the government in contemplation the declaration of an emergency when this legislation is passed regarding any commodities to be made the subject of immediate action because of the very high prices they have reached? Has the government any such commodities in contemplation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I am glad that my hon. friend has confirmed the necessity and utility of this parliament continuing.

Some hon. Members: Oh, oh!

Mr. Baldwin: Has the minister any idea if there are commodities to which this bill should apply upon declaration of an emergency and, if so, would he please indicate to the House if it is the intention to so declare?

Mr. Gray: It would be hypothetical for me to talk about these things in the way my hon. friend has invited me to until the bill receives the approval of parliament.

AGRICULTURE

POSITION OF GOVERNMENT RESPECTING AMOUNT OF RETURN TO GRAIN FARMERS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Agriculture. In light of recent statements made by the minister that grain farmers are receiving a little too much for their product, and noting that on April 25 the minister stated, "I believe that no one would be getting an unwarranted mark-up on the grain", can the minister tell us which statement is government policy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would advise the hon. member to get a replay of the program if he did not see it because in the press there is a slight misinterpretation of what I said. It is not reported word for word. I said that for what the grain farmers in Canada have contributed to this nation and the world they were not getting too much.

Mr. Towers: Inasmuch as farmers' input costs have risen by 19.5 per cent in the first quarter of this year, according to Statistics Canada, and some other input costs have risen by over 200 per cent in the last nine months, will grain producers be asked to subsidize the two-price system for feed grain to which the minister has referred?

Mr. Whelan: Again the hon. member is reading from the report in the *Globe and Mail*. He would have to see the complete text of the tape so as to be accurate. There are costs to which farmers have been subjected that have risen by 200 per cent in some instances, and more. The *Globe and Mail* report does an injustice; it is inflammatory and it is wrong.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Red Deer for a third question, but I think we have reached the point where I have to seek the co-operation of hon. members to limit the number of supplementaries.

Mr. Towers: I am just wondering if the Minister of Agriculture is suggesting it is a fact that the *Globe and Mail* does not print the truth.

An hon. Member: Right.

Mr. Speaker: Order, please. The hon. member for Battleford-Kindersley.

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NATIONAL CAPITAL COMMISSION

ISSUE OF PUBLICATION IMPLYING THAT NAME OF CAPITAL IS "OTTAWA-HULL"

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, my question is supplementary and is directed to the Minister of State for Urban Affairs. Can he explain his complete reversal of his position from last week with regard to the pamphlet, "Canada's New Capital"? He said then that the wording in it was unfortunate and not representative of the policy of the government. Today, however, he seems to have changed his view. Perhaps the cabinet has met in the meantime and a lot of ambitious backbenchers—

Mr. Speaker: Order, please.

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SCIENCE

ALLEGED DENIAL TO PUBLIC OF ACCESS TO TELESCOPE AT OBSERVATORY AT EXPERIMENTAL FARM

Mr. Peter Reilly (Ottawa West): Mr. Speaker, this question should really be directed to the Minister of Energy, Mines and Resources but in his absence I will direct it to the right hon. Prime Minister. It has to do with the telescope at what used to be called the Dominion Observatory at the experimental farm, and for all I know may now be called Stars Canada. Why has the government decided to deny further access to this telescope by the general public, including as many as 10,000 students each year, by packing it up and getting rid of it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, calling it Stars Canada shows the little regard that the hon. member has for bilingualism in this country. As to the rest of the question, I am afraid I must refer it to the Minister of Energy, Mines and Resources who is addressing the Canadian Manufacturers Association in Montreal today, but his parliamentary secretary will be glad to refer this interesting question to him.

Mr. Reilly: Mr. Speaker, I rise on a point of order. I would be very happy to refer to the aforementioned installation as Étoiles Canada if it will please the right hon. gentleman.

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AGRICULTURE

FERTILIZER PRICES—POSSIBILITY OF GOVERNMENT ACTION TO ASSIST FARMERS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to address my question to the Minister of Agriculture. In view of the fact the minister first assured the House that there would be no increase in the price of fertilizer and later modified this by saying that there might be a modest increase in the price because of increases in the cost of labour and materials, can the minister now say whether or not the tremendous increase that has been experienced by farmers will be allowed by the government, or will the government subsidize the producers or take some action to modify the prices that producers are being asked to pay?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the record speaks for itself with regard to what I said about the price of fertilizer. I am sure the hon. member would not want to give that impression to the

House no matter what the fertilizer companies have told me before the energy crisis took place when they estimated what their costs would be, before rock phosphate went up four times and before shipping charges were more than doubled in many instances for the products they import. All these factors have been taken into consideration and we are studying the costs, but I can say that the manufacturers are not very far from what they had told us, so far as I know. At present the cost of fertilizer in Canada in some instances is only about 50 per cent of what it is across the border to United States farmers with whom we compete at all times.

● (1450)

Mr. Danforth: Mr. Speaker, may I ask the minister a supplementary on behalf of the producers. Does the government condone the present prices that are being asked of the producers by the fertilizer companies? If it does not, is it going to take any action to subsidize the producers, or has it any other policy to alleviate these tremendous increases in costs?

Mr. Whelan: Mr. Speaker, the proposed new legislation to be presented to the House would give us power if we find undue and unwarranted profiteering in the fertilizer industry. So far we have not had that evidence presented to us, and if the hon. member has such evidence I wish he would send it to us.

* * *

HEALTH

INCIDENCE OF SILICOSIS AMONG URANIUM WORKERS—CONSULTATION WITH ONTARIO GOVERNMENT OFFICIALS ON WORKING CONDITIONS AND SAFETY STANDARDS

Mr. Paddy Neale (Vancouver East): Mr. Speaker, my question is for the Minister of National Health and Welfare. While I understand there is some hope that the strike at Denison Mines may be ending, for which I am happy, the health question still remains. In view of the federal government's responsibility regarding uranium production and sales and in light of recent reports in the press concerning the high incidence of disability awards to miners suffering from silicosis at the Denison Mines operations at Elliott Lake, can the minister inform the House whether consultations have taken place with authorities of the Ontario government regarding working conditions and enforcement of safety standards in the Denison Mines operations?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have had very useful meetings with representatives of the workers in the mines. As the hon. member knows, inspection is the responsibility of the provincial government at the present time, but subsequent to these meetings we have reviewed the situation and we are in touch with the provincial authorities to make sure that these workers get full protection.

Mr. Neale (Vancouver East): I thank the minister for his answer, but in view of the fact there is a tremendous conflict between the opinions of the provincial government and those of the miners and their union, can he tell the House whether or not his department has conducted any investigation of its own to determine whether the allegations of the workers at Denison Mines that they are working under hazardous conditions, with higher than normal pollution, are factual or not?

Mr. Lalonde: Mr. Speaker, the information I have is that experts from my department stand ready to conduct inspections upon request of the provincial government. There has been no direct survey or examination done by the experts in my department independently of those already undertaken, but this matter is being re-examined at the present time.

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AGRICULTURE

ONTARIO HOG PRODUCTION—INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO NATIONAL STABILIZATION PROGRAM

Mr. William C. Frank (Middlesex): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. In view of the fact Ontario hog producers find themselves at a definite economic disadvantage compared with producers in other provinces which have instituted stabilization programs, can the minister tell us now where are the improved national stabilization program amendments which were promised to the provinces several months ago?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the hon. member can assist the Minister of Agriculture, they will probably be passed in a few weeks time by the House of Commons. I hope they will be introduced later this week. I can also say that there is nothing to stop the province of Ontario from initiating a plan if it wants to like Quebec, Manitoba, Saskatchewan and British Columbia have.

Mr. Frank: I think the minister knows what is stopping Ontario.

Some hon. Members: Oh, oh!

Mr. Frank: You will find out. In what light should Canadian hog producers consider the fact that as early as last fall the Prime Minister summoned to Ottawa provincial ministers of agriculture in regard to a national hog stabilization program, that there have been two subsequent meetings of top level government agricultural officials on the same subject, and still no program has been announced? What are they to think about that?

Mr. Speaker: Order, please. I am sure the hon. member will agree that a question asked in such terms is argument. He asks what people are going to think about certain things. A question asked in those terms is hardly in order. The hon. member for Bellechasse.

Mr. Whelan: On a point of order, Mr. Speaker, this is so important to the livelihood of so many farmers who are producing food that we want not only for ourselves but for the world that the impression should not be gotten across that I promised stabilization immediately to these people. The provinces knew they had to put in temporary programs.

Mr. Speaker: The Chair has recognized the hon. member for Bellechasse.

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[*Translation*]

SOCIAL SECURITY

SUGGESTED ESTABLISHMENT OF GUARANTEED ANNUAL INCOME FOR PERSONS BETWEEN 60 AND 65

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

As it seems that the House wants Canadians to have a system of guaranteed annual income and that this is also the desire of the Minister of National Health and Welfare, can he tell the House if he will table, during this session, a bill intended to guarantee a minimum income to persons aged 60 to 65?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have said many times and I repeat again that the government has undertaken the establishment of a system of guaranteed annual income for all persons unable to work, or judged as such, at any age, and this still remains a firm and established policy of this government. As to when such a bill will be introduced, this remains a matter for the government House leader and will be decided in due time by the government after consultation with the provinces.

Mr. Lambert (Bellechasse): Considering the seriousness of the situation where people are unable to find work, especially people aged 60 to 65, does the minister think that a bill should be tabled, as soon as possible, to help alleviate the problem of these people?

Mr. Lalonde: Mr. Speaker, any legislation aimed at reducing poverty in this country has high priority with this government.

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[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

REQUEST FOR TABLING OF BUDGET

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Is he prepared to table the budget of the Cape Breton Development Corporation for the year 1974?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I arrived in the House just a few minutes ago and the question which was directed to the House leader during my absence was brought to my attention. I am not sure what he discovered over that period. As far as I know there is no impediment, but I will be glad to find out.

[*Translation*]

HEALTH

INCREASED ASSISTANCE FOR MEDICAL RESEARCH TO END BRAIN DRAIN

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

In order to end the brain drain among Canadian medical scientists and ensure that important medical research projects in Canada are not brought to a halt, does the minister intend to increase subsidies to Canadian medical research by tabling as soon as possible supplementary estimates in this House?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, witnesses appeared before the Health, Welfare and Social Affairs Committee of this House, and I see nothing that warrants the argument on which the hon. member's question is based. We have evidence to the contrary. As regards moneys for medical research in Canada, I have already indicated that inasmuch as funds can be made available, we will allocate them to research. As I indicated to the committee, this is something that cannot be done instantly.

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[*English*]

CONSUMER AFFAIRS

REPRESENTATION BY FOOD PROCESSORS THAT PRICE INCREASES NECESSARY IF PROFIT TO BE REALIZED THIS YEAR

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It concerns the brief submitted to the chairman of the Food Prices Review Board by the Canadian Food Processors Association last Tuesday which indicates that unless the processors put their prices up some 24 per cent they cannot expect any profit in the current year. Has the minister discussed this brief with the chairman of the Food Prices Review Board, and is he prepared to announce any action on the part of the government?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the brief has not yet been brought to my attention. I will certainly take a quick look at it.

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PENSIONS

MEASURES TO ASSIST THOSE RECEIVING PAYMENTS UNDER PRIVATE PLANS IN LIGHT OF INFLATION

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, may I address a question to the right hon. Prime Minister. Those on fixed private pensions are afflicted by inflation as well as those who are able to increase their incomes or those dependent completely upon various social schemes. Would the Prime Minister indicate what specific measures have been undertaken or are anticipated that will assist this

particular segment of our population who spent many working years building up their standard of living only to find it now being eroded by continuing inflation?

● (1500)

Mr. Speaker: Order, please. That question would require a statement which normally ought to be made on motions. Unless the Prime Minister can reply briefly, I would be inclined to go to the next question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to accommodate you but it would be a very long statement if I were to set out the various things the government has done.

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ENERGY

REPORTED CUTBACK BY VENEZUELA IN OIL EXPORTS TO CANADA

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is to the Secretary of State for External Affairs in regard to the cutback in oil from Venezuela. Has he any information on whether Venezuela has cut back its oil deliveries and whether Canada is being affected by those cutbacks?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the same question was asked of me at the last meeting of the House. I have not had any confirmation yet, but I understand that such cutback would not be directed against Canada. It would be a cutback applying to production.

Mr. Saltsman: Has there been any discussion between Canada and the government of Venezuela to the effect that they would prefer to deal directly with our government through an energy corporation rather than through the multinational corporations?

Mr. Sharp: Mr. Speaker, I have not had any discussion. My colleague, the Minister of Energy, Mines and Resources, was in Venezuela some months ago and I believe that there is a general trend in the world toward operations in the oil industry by government rather than by private enterprise. We are even seeing some evidence of it here.

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NATIONAL CAPITAL

POSSIBILITY OF CONSTRUCTION OF GOVERNMENT BUILDINGS IN WEST CARLETON COUNTY AREA

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is for the Minister of State for Urban Affairs and arises out of the question put by the right hon. member for Prince Albert. Since the pamphlet referred to the Ottawa-Carleton and Hull-Ottawa area as the new capital of Canada and the government has been doing some decentralizing by putting new buildings in Hull, which is not the constitutional capital of Canada, can the minister advise when he will be moving some buildings of the federal government out into Carleton county and the west Carleton area?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I am pleased to see that the hon. member agrees with the intent and purpose of government policy relative to the national capital region. I will take that matter under consideration and discuss it with the National Capital Commission and its chairman to see what accommodation can be made.

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REGIONAL ECONOMIC EXPANSION

SUGGESTED EXPANSION OF SYDNEY STEEL PLANT RATHER THAN ANOTHER SITE FOR NEW STEEL COMPLEX IN EASTERN CANADA

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In light of the fact the Sydney steel plant is urgently in need of expansion at the moment, and in view of the fact the government of Nova Scotia some time ago announced a multimillion dollar expansion program, can the minister explain to the House why a study has been commissioned to investigate the possibility of alternate sites for a new steel complex in eastern Canada?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I can give a brief answer. The two are not necessarily mutually exclusive; they may very well be complementary. But the one to which the hon. member refers is designed primarily for a different type of steel production for which an offshore market appears to have been identified at least in the preliminary stages. It will not have any effect in a negative way on the plans of the government of Nova Scotia for the Sydney Steel Corporation and its negotiations with us in Ottawa.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary, then see the hon. member for Victoria and then call orders of the day.

Mr. Muir: In view of the minister's comments, would he indicate to the House whether, if a site is recommended other than Sydney, he will agree with the findings of the study and propose that the government act upon these findings?

Mr. Jamieson: Mr. Speaker, with the greatest respect, I think this is hypothetical. So far no place has been decided upon. I can assure the hon. member that, in so far as the viability of the existing operation in Sydney is concerned, this is very much on the government's mind, and we will be prepared to continue co-operation with the provincial government and with Sydco to that end.

Mr. Muir: Mr. Speaker, I rise on a question of privilege. I appreciate the minister's comments and the information he has provided so far but he has hardly gone far enough. My point of privilege is that we already have a steel plant in Sydney and we already know that this plant requires modernization and expansion. We also know that the government has commissioned a study to investigate the feas-

ibility of establishing an expensive major steel complex on the east coast. What we would like to know is what effect this second steel complex, apparently envisioned by the government, would have on the present 4,000 employees and their families and all those who depend on the Sydney steel plant should this come into being? If there is to be any expansion it certainly should be in the city of Sydney where we already have steelmaking at the moment.

Mr. Speaker: Order, please. That, of course, is hardly a question of privilege. It is a representation and perhaps a supplementary question to which the minister might like to reply, after which the Chair will have to call orders of the day.

Mr. Jamieson: Mr. Speaker, I thought I had already. The hon. member has made a fine representation on behalf of Sydney but as I have said already, first, any such study is very much in the preliminary stage and, second, no such project would go ahead if it were to the detriment of existing operations on Cape Breton Island.

Mr. Speaker: Orders of the day.

Mr. Towers: Mr. Speaker, I rise on a point of order. I wonder if you would allow the Minister of Agriculture to clarify a point on an issue he raised and I did not. Could he have an opportunity to tell the House whether or not the *Globe and Mail* did or did not print the truth with regard to his statement?

Mr. Speaker: Order, please. That is hardly a point of order; it is a supplementary question. There will be another day, I hope, and an opportunity for the hon. member to ask his question. I apologize to the hon. member for Victoria; I shall certainly give him priority tomorrow. I had recognized him a moment ago. A number of his colleagues did not have the opportunity to ask questions today either and I hope they will be given that chance tomorrow.

Mr. Howard: Mr. Speaker, I rise on a point of order regarding the length of time that was taken up today in the question period inquiring about some two-bit document that has been elevated by inflation to 50 cents and the consequences of that. The length of time taken on that matter resulted in some members being unable to raise questions on matters of extreme importance transcending that of the document referred to, particularly fisheries on the west coast which is germane today more than any other day. I should like to ask whether, in order to provide an opportunity for the House to deal with the question of fisheries tomorrow, the Secretary of State for External Affairs would make a statement on motions with particular reference to some of the recommendations of the International Pacific Halibut Commission and thus take up the time of the House that way instead of during questions?

Mr. Speaker: Order, please. The hon. member is now making a representation or suggestion which I assume the minister will take into account for further consideration before motions are called tomorrow afternoon. Orders of the day.

• (1510)

GOVERNMENT ORDERS

[*English*]

RAILWAY RELOCATION AND CROSSING ACT

PROVISION FOR PLANNING ACQUISITION OF LAND, GRANTS, GRADE CROSSING ASSISTANCE

The House resumed, from Thursday, April 25, consideration in committee of Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings—Mr. Basford—Mr. Boulanger in the chair.

On clause 2—*Definitions.*

Mr. Harney: Mr. Chairman, we have had some general discussion of the bill on clause 2 but I rise on a very small but nevertheless significant matter concerning one of the definitions on page 2 of the bill. The definition of "urban area" reads:

"urban area" means an area and areas adjacent thereto that are classified by Statistics Canada in its most recent census of Canada as urban;

The minister may suspect he is not writing on tablets of stone which will last forever. I know he also hopes that the law he is presenting to the House will last for some time. In the future, the most recent census may not be the one of 1971, but the one of 1981, of 1991, and so on. Does the minister really mean to fix the definition of "urban" as in the document relating to the census of 1971? Or, is he willing that the act shall say that we shall abide by the definition which might be put out by Statistics Canada after the census of 1981, of 1991, and so on? Could the minister respond to my question so that we may understand more clearly what is meant?

Mr. Basford: Mr. Chairman, I think the hon. member's question really relates to the most recent census. The definition would relate to the most recent census. As time goes on and as the bill endures, the definition would be the definition prescribed by Statistics Canada from time to time. The hon. member looks puzzled, as if I have not understood the question properly.

Mr. Harney: Mr. Chairman, the minister understood the question properly, but what puzzles me is this. I wonder if he really wants this definition. That definition has now been referred to several times and read into the record, and I will not take the time of the committee by reading it again. It is possible that as the country grows, the definition of urban area, which is to include so many people and so on, could also change. Does the minister intend the definition in the act to be changed from time to time, or does he want to tie the definition down to its present form, which will stand forever—imagine that! The minister should get the full flavour of "forever". In short, is the definition always to relate to the 1971 census?

Mr. Basford: Mr. Chairman, it is the definition used by Statistics Canada from time to time, and it is therefore subject to change. It seems to me that would be desirable, and that is what the legislation provides.

Mr. Schellenberger: Mr. Chairman, I wish to make some comments about some matters which have not been raised in questions to the minister. There are a number of small municipalities which may have railways running through their boundaries but which may not be able to raise enough capital to cover their share of railway line relocation. My first comment is that the bill does not go far enough in providing assistance for those smaller communities. To illustrate my concern, I might use Wetaskiwin as an example. Wetaskiwin, a community of approximately 6,500 people, is not unlike other cities of the same size in Canada. Over the years the people of Wetaskiwin have become increasingly concerned because the two CPR main lines, and especially the yard in the middle of the city, have created a hazard and inconvenience for pedestrians, vehicular traffic and vehicles performing a public service which need to cross the tracks.

The lines were built about 75 years ago to provide a rail link between Calgary and Edmonton. Over the years, because the city has grown and society has become more automated, the residents of Wetaskiwin have been forced to attempt to correct the increasingly undesirable railway crossing situation.

In 1969 the city of Wetaskiwin carried out a study concerning the main problems created by the CPR lines. The study concluded, first, that slow moving potash trains disrupt movement of traffic from either side of the railway tracks for periods between 20 and 32 minutes at a time. Second, that serious inconvenience is caused to pedestrian traffic, and extreme discomfort, during the inclement weather of the winter months. Pedestrians have even been observed climbing between the railways cars. A high degree of danger has existed at all crossings in the morning, at noon and in the afternoon owing to the student population of three schools using the crossings. Third, when an alarm was given, the effectiveness of fire hall equipment located on the west side of the Canadian Pacific tracks, and fire protection to the east side of the city where the major industrial development is, was reduced to nil. Officials of Canadian Pacific advised that it was impossible to break up or separate a slow-moving train in case of an emergency. They said that separating it would take approximately as long as allowing the train to clear the crossing.

The fourth finding of the study was that the effectiveness of police protection, emergency medical and ambulance service was also reduced to nil during the passage over the crossings of the aforementioned trains.

That, basically, is the problem facing the good people of Wetaskiwin as well as the people of many other small communities.

Wetaskiwin has taken a serious approach to solving its rail relocation problems, despite obvious financial restraints placed on it because of its size. I have a copy of a detailed engineering study of the rail relocation situation which was undertaken by the city of Wetaskiwin. If Bill C-27 as drafted is passed, Wetaskiwin's concern about this problem probably has all been for naught, as it is not financially able to pay for 50 per cent of the cost of relocation.

The estimated cost of the Wetaskiwin rail relocation project is $2.5 million. The city, perhaps, can spend $400,000 or approximately 25 per cent of its annual budget on this project, but that is a far cry from the $1.25 million it would be required to pay if the legislation as drafted is passed.

The government might reconsider the financial aspects of the proposed legislation, for the sake of Wetaskiwin and for the sake of all small and medium sized communities across Canada which desperately need rail lines to be relocated but cannot afford to do so. Does the minister consider that Bill C-27 provides for sufficient capitalization for small communities, so that they will not be financially burdened? They are not asking for $35 million or $50 million. However, it is necessary for them to come up with some money to carry out such projects as I have suggested.

Mr. Basford: Mr. Chairman, the hon. member raised several proposals regarding Wetaskiwin. I do not think he would expect me to reply in detail to those, as there are about 64 applications of various sorts before the CTC, including that of Wetaskiwin. That city has outlined to the CTC the railroad relocation project it wishes to see undertaken.

May I say two things to the hon. member. First, Wetaskiwin obviously will fall under the purview of this act. Clearly, it is an urban area as defined in this legislation. The hon. member referred to the difficulty of school children crossing the track in order to go to school. May I refer him to the provisions on page 20 of the bill which cover pedestrian crossings. It will be possible to build pedestrian crossings, to correct the situation the hon. member mentioned.

I may be mistaken, but I thought the hon. member mentioned that the cost of the project in his city would be $250 million.

Mr. Schellenberger: No. $2.5 million.

Mr. Basford: That is more appropriate, as a $250 million project would be more expensive than any proposed rail relocation project in Canada, including that of Winnipeg which, depending on the options decided on, may cost about $75 million.

● (1520)

With regard to whether under the legislation we would cover half the cost of the relocation, I caution the hon. member that the figure $2.5 million may well be simply the cost of removing the railway facilities without taking into account the net benefit to the railways provided by the relocation, which would be subtracted from that cost for purposes of the legislation.

Under this legislation, when we have a railroad relocation proposal and railroads are moved from one area to the other, this is done without cost or benefit. There would be real benefit in many railroad relocations which are put on to the ledger. Therefore, I caution the hon. member about using the gross figure, which is simply the cost of moving the railroad without taking into account the net benefits provided for in the legislation.

In answer to the hon. member's larger question about whether there is sufficient capital, obviously any government or any minister would like to say we have more money and we could spend more money. It is easy to spend

more money. We have a formula here which provides 50 per cent of the cost of railroad relocation, and obviously people can argue it should be more.

I would hope to see the provinces and municipalities assist in relocation schemes. They should assist. In Saskatchewan, for example, it seems appropriate that the Saskatchewan government make a contribution toward the relocation. Fifty per cent is spelled out in the legislation as the federal contribution. The other parties, be they the province, city or the railroads themselves, can make up the balance of 50 per cent. Obviously my answer to the hon. member is yes, we could use more money, but within any government we have to exercise priorities as to the amount of money available or as to the formula set out to pay for the undertaking.

Mr. Schellenberger: Mr. Chairman, I thank the minister for his extensive answer. I hope we do not scare the Wetaskiwin residents out of their wits with a figure of $250 million. Am I correct in assuming that under the terms of the bill, after the rail tracks are relocated the land becomes the property of the federal Department of Public Works?

Mr. Basford: Mr. Chairman, in 99 per cent of the cases that will not happen. However, to give this bill any teeth, you have to put into it the power of the CTC to have the final say that something should happen. It is given the power to order that a relocation be conducted. It is given additional power to order, if it is necessary to carry out the plan, that the federal Minister of Public Works expropriate the railroad land. However, he would do so purely as a trustee for the end result or benefit of the plan. He would expropriate solely for the purpose of being a conduit. He would acquire the land from the railroad, being the only person in Canada authorized to expropriate railroad property, as a trustee in accordance with the plan and pass it on to the province, municipality or private interests that are designed within the plan to acquire and use this railroad land. He acquires it solely as a trustee.

Mr. Schellenberger: Is it correct to say the city could then become owner of part of this land to offset the cost of its 50 per cent of the relocation?

Mr. Basford: No, Mr. Chairman, it would not, because the net costs of relocation would be worked out. We would pay 50 per cent of those net costs. It would then be determined where the balance of the 50 per cent comes from. The municipality could, of course, acquire part of the railway land, and in some cases they will, but that would be put into the equation of the cost of the scheme. It is not a way by which they could acquire the land for nothing.

Mr. Schellenberger: The small communities will have a hard time finding half the capital that is required. However, if they could have assurance that part of the land the railway is vacating in the middle of the city could become city property, it could then recover some of the original capital it had to come up with for its 50 per cent. It would make it much easier for cities to relocate their rail lines if they could be assured that at least some of the land would revert to the city, for sale to private interests as well as for parks, future rapid transit or whatever happens to come forward.

Mr. Basford: Mr. Chairman, there is no doubt that under the plan the city involved could acquire all or any part of the railroad land if that was part of the urban development plan. I thought the hon. member was referring to that as a method of acquiring the land for nothing. That they could not do. However, they could acquire the land as part of the urban development plan for disposal or use for some other purpose. There is no question about that.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Will the hon. member for Wetaskiwin permit me to enter into discussion at this point?

Mr. Schellenberger: Yes, Mr. Chairman.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I am very intrigued by the minister's answers to the questions raised by the hon. member for Wetaskiwin. Has the minister a legal opinion from the Department of Justice as to the ownership of the land underneath the rails? I put my question another way by saying that under the charter of the CPR and under the charter of the various railways that make up the CNR, this land belonged to the Crown and was granted to these railways for the sole purpose of transportation. When any railway gives up land and no longer uses it for the purpose for which the charter was granted, all that land beneath the rails reverts to the Crown, which was the grantee. Has he a legal opinion on that?

Mr. Basford: Mr. Chairman, ministers are not supposed to give legal opinions. I will make some inquiries about the point. In any event, I do not think it affects the operation or wording of this particular legislation because the expropriation section provides that the Minister of Public Works is authorized to acquire by way of expropriation land that is or was occupied as part of the railway undertaking by the company. The legal consequences of that expropriation, I suggest, would flow from that statement.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, that was not my question. I did not ask the minister for a legal opinion. I asked whether he had had one given to him by the officials of the Department of Justice. If he would ask for that legal opinion and read those charters again, the Justice officials would probably rule that the land underneath the rails, once it is no longer used for railroad purposes, reverts to the Crown. Therefore, it is impossible to expropriate something you already own. This is the reason I asked the question. The minister said that approximately 99 per cent of the land comes back to the Crown and the other 1 per cent does not.

This brings me to my second question. In the case of the railways taking the railway lines out of the cities of Calgary and Saskatoon, did the railways not assume that the land they had vacated in those cities belonged to them and through real estate development made a large sum of money in compensation for that sale? In the case of Calgary, I think it was over $100 million. What has been the past experience of the railways and those dealing with them concerning claims to the land beneath the right of

way—the rail lines abandoned in Saskatoon, Calgary and elsewhere?

● (1530)

Mr. Basford: On a point of information, I wish to correct one thing. It is my impression the hon. member said we would be using this power of expropriation in 99 per cent of these cases. In fact, we envisage expropriation as a means of implementing relocation being used in only a minority of cases. In the vast majority of cases the process will be handled by agreement and negotiation. While we trust the process can be implemented without expropriations, we do, obviously, feel it is essential that such power should be conferred under the act. The CTC has power to order the relocation of rail lines in certain areas. Under the formula to determine the net cost of relocation, the railroads are, among other things, credited with the value of the land that is vacated as part of the net cost of the scheme. Whether they end up by owning it or not will depend on a particular scheme, but obviously it will be shown as an asset of the companies.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I did not misunderstand the minister; the figure of 99 per cent came from him, and I am in agreement. I should like to complete my questioning by asking the minister whether he would refer the question of the ownership of these rights of way to the legal officers of the Department of Justice. To whom does the right of way belong once the railway has abandoned the track? The answer may well be that the land reverts to the Crown. If this is the case, I should like an opinion from these legal officers as to who owns land in country areas, in similar circumstances when a line has been abandoned. There are miles of abandoned line along rights of way in areas which are not covered by the present bill. Do the railways claim ownership of this land or not? Or does it revert to the Crown? I believe the legal position will be that the land does revert to the Crown, in which case why should we credit the railways with the value of land in this limited area involving cities? The land belongs to the people.

Mr. Basford: Mr. Chairman, the proposal here is to expropriate not only the right of way but the land which physically affords the right of way. The hon. member began his question by talking about mineral rights. That is an altogether different thing. What is involved here is the right of way, a right to put tracks down and surface rights. This is the subject of the claim to ownership. It is certainly the view of the railway companies that they own not only the tracks on the right of way but the land the right of way covers.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is the point at issue. It is clear the minister considers they own the surface rights and the land along these tracks. I never mentioned mineral rights. I am dealing only with surface rights. I wish the minister would go to the legal advisers and ask them for an opinion, for an interpretation of the original charters concerning land granted to the railways, and whether this land along the rights of way belongs to the Crown when the railways, of their own volition, or on the direction of the Commission, abandon those lines. Do the surface rights revert to the Crown? I know the minister cannot answer that question until he has referred it to the legal advisers of the Crown.

Will the minister also tell us what he can about the disposition of the land in Saskatoon, Calgary, and in other cities from which the railways voluntarily removed the tracks? It is possible there is a debt still owing to the Crown. To whom was the value of the land credited?

Mr. Basford: We shall apply the legislation and expropriate only where we need to do so and in connection with land which the railways own. If it is held legally that the railways do not own the surface rights once the tracks are abandoned, then obviously this would be a matter for settlement by litigation. We certainly do not intend to expropriate rights which do not exist.

I must say, with regard to voluntarily relocation schemes, that I am not familiar with the two schemes to which the hon. member referred. In the case of the scheme which was put into effect in the national capital area the railway companies undoubtedly took the position that they owned the right of way and the surface rights. These were acquired by the National Capital Commission after payment of very substantial amounts to the railway companies as part of the cost of the relocation scheme.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is the point I am making, Mr. Chairman. There is evidence that the railways have taken the position that they own the surface rights in respect of the land beneath the rails. I accept the minister's assurance that he will ask for a legal opinion as to who owns the surface rights in the circumstances I have mentioned, those rights having been given to the railways by charter for a specific purpose.

Mr. Schellenberger: Mr. Chairman, the question which has just been raised by my hon. friend is a very important one from the point of view of the smaller communities. It would be much easier for them to bear the 50 per cent of the cost if they could get back an interest in at least part of these lands and, possibly, dispose of them commercially.

The point I wish to raise has to do with the amount of funds designated under this program. If Winnipeg takes $50 million and other major cities have budgets of a similar size—I do not know how many millions Toronto will need—there will only be a limited opportunity for the smaller cities to participate. Can the minister assure us that at least part of this money will be set aside to meet the needs of the smaller communities?

Mr. Basford: Mr. Chairman, I want to make it clear that schemes such as the Winnipeg scheme which carry a high price tag do not exhaust the budget. It would be wrong to take $75 million for Winnipeg and assume, on that basis, that most of the money in the fund has been expended. Such schemes will take many years to complete, perhaps as long as ten years, and the budget would be spread over that period.

I might also say that the CTC is authorized to make rules and set priorities in connection with relocation plans. I can only express my hope that the CTC, having been given a certain degree of independence by the government, will deal not only with major centres when setting priorities but will also set some in respect of

smaller parts of the country. In terms of ministerial assurance, I can say to the hon. member that I think the allocation of government of Canada funds should be made on a somewhat fair and equitable basis.

● (1540)

Mr. Patterson: Mr. Chairman, like many who have participated in this debate on this measure I should like to add my words of congratulation to the minister and indicate that we certainly welcome this measure presently before us.

An hon. Member: Hear, hear!

Mr. Patterson: I appreciate that applause. I was beginning to despair that we would never see this legislation brought before parliament; when I have raised questions on a number of occasions in the past the reply was always that this legislation would be brought in a very short time, or in several weeks, or that we could expect to have it before the House very soon. Now, a year and a half after it was predicted that this measure would be before us, we are looking forward to finding out some of the details relating to its operation.

A number of questions have been raised since the bill was introduced, and, while the minister has replied to some of them, there are still some that require clarification.

In reply to a question I raised about the Chilliwack situation some time ago the minister indicated he was aware of the particular problem and had discussed it. I have already expressed through the news media in my area my appreciation for the commitment the minister has made, but I very much regret that this was done on a basis that gave rise to some serious questions of a political nature. That was very unfortunate and I do not think the minister really intended that it should come out in that fashion. In any event that is the way it happened. However, that does not detract from my appreciation for the announcement of this measure.

Having regard to the question raised by the hon. member for Wetaskiwin, who spoke about the measure as it relates to smaller communities in his area, there are two small areas in my riding that are vitally concerned with this bill. One is Chilliwack, to which I have referred, and the other is Abbotsford, both major points of population in my section of the country.

This bill proposes the expenditure of $250 million over a period of five years for track relocation. I should like to raise the same question raised by the hon. member for Wetaskiwin as to what assurance the minister can give that the smaller communities in Canada, such as those to which I have referred, along with many others, will receive the benefit of this measure. There are a number of cities which I understand have major projects on the drawing board. As has been pointed out, these will involve a considerable outlay of capital. My concern is that the major part, if not all, of these funds will be taken up by the major population areas and the smaller areas will not be able to qualify. It almost seems that many of the areas will be classed as rural and, therefore, will not have the opportunity to participate at all.

Let me point out first that not only in the major areas but also in the smaller urban centres there are major problems in respect to trackage. One to which I wish to refer is in the city of Chilliwack, which is divided by the CNR main line. Their major services such as police, ambulance and transportation to the airport are seriously hampered by railway traffic. I believe Chilliwack has outlined a very sound proposal which involves moving the tracks. I should like to ask whether this measure applies strictly to urban areas. In this particular case part of the relocation suggested would be in the urban area, but part would also involve tracks in the rural area adjacent to the city. If this bill applies strictly to urban areas, I think there will be serious difficulty in working out this program.

This program should not be retained for the benefit only of urban areas. A great deal of discussion has taken place in the last while about the quality of rural life, about making it more attractive to many people who have an appreciation for that kind of life by providing them with a certain quality of amenities, and so on. If we are going to help the rural areas we must look at this program as it applies to them. In order to make rural life even more attractive perhaps some of these rail tracks should be moved to other sections.

When speaking to one of the mayors in my community just over the week end he voiced the suggestion and belief that the time had come when there must be transportation corridors instead of chopping up the country according to sections. He suggested there should be corridors in which all communications facilities could be located. This is one of the things that should be considered in light of the measure currently before the committee.

Let me refer to another matter which might go beyond the reference of this bill. I have received a number of communications regarding a coal dust situation adjacent to our rail lines. This subject perhaps comes within the jurisdiction of the Minister of the Environment, but since we are discussing rail transportation and the responsibility of rail companies to communities and community living, I think this matter should be considered now.

In spite of the fact there have been a number of studies, a great many communications and an extensive lapse of time, these companies do not seem to have come up with any solution to this coal dust problem. I suppose this problem affects major areas as well where rail lines pass through areas of concentrated population. These people are subject to a great deal of pollution which the railways should have some responsibility to correct.

This minister as well as the Minister of the Environment and others engaged in or having some influence in this particular area should lend their weight and prestige to the finding of a solution to this coal dust problem. This may involve relocating the tracks in some areas, and this certainly should be considered within the terms of reference of this bill.

There is one other point I should like to raise, and this relates to the principle of a 50-50 division of cost. It does not seem that the railways are to assume any responsibility for this particular project, that this is all going to be done by the government. In view of the fact that the railway companies have gained considerably as a result of government co-operation in the past, possibly they should

be called upon to bear some of the cost of relocating these tracks, particularly if this is to be for the benefit of the communities, their further development and their general standard of living.

Perhaps these companies should be called upon to pay 10 per cent, 15 per cent or 20 per cent of the relocation costs, as this would make them a little bit more responsible in respect of some of these areas of concern.

Those are just a few of the thoughts I would raise. There is this matter of allocation of funds and recognizing the legitimate claims of smaller communities, even some that are classified rural. This is one of the major concerns of a great many people in this country, and certainly of a great many people in my particular area.

● (1550)

Mr. Basford: Mr. Chairman, may I just respond very briefly to the hon. member by assuring him that while we may like to think of urban areas as referring to Montreal, Toronto, Winnipeg and Vancouver, the definition of "urban" within this act is a very wide one. In fact, it covers all of the populated areas in Canada. Without question it would cover the cities of Chilliwack and Abbotsford to which the hon. member referred in that, for one purpose of the definition, it is any municipality with a population of 1,000 or more people having the legal status of a city, town or village. So there is no question that the centres within the hon. member's riding would be covered by the Statistics Canada definition. However, the point he makes is a good one and we have put forward a definition which will cover all the populated areas in Canada.

Second, I refer the hon. member to the fact that what many of the smaller towns and villages of this country need is not a railway relocation proposal but an underpass or an overpass on the railroad's track itself. That is covered by Parts II and III of the bill which make no distinction between urban and rural. So the cities he refers to could take advantage of Part I in the railroad relocation proposals and, without question, take advantage of Parts II and III for the construction of grade crossings, underpasses and that type of work.

I appreciate the hon. member raising those concerns and I think that we have tried to respond to them in this legislation.

Mr. O'Sullivan: Mr. Chairman, I would like to comment on this bill for a few moments. First, I should like to join my colleagues who have already congratulated the government, particularly the Minister of State for Urban Affairs, for finally bringing forward Bill C-27. It is difficult not to agree with the bill whose stated purpose is to facilitate the relocation of railway lines, particularly at a time when the redesigning and reconstruction of our major cities is so much a matter of concern to those of us who have the honour of representing large urban centres.

However, I must express a concern which I feel rather personally. It stems from the fact that, while we welcome this legislation, we cannot help but be concerned about ensuring that the government does carry forward its promises with some degree of efficiency and speed. Having regard to the responsibilities that are incumbent upon a government introducing such major legislation, speed is, of course, a matter of concern.

I think that a measure of any department's efficiency and concern for people's problems is shown to a member of parliament when he deals with a particular department on behalf of a constituent. Because here you have a small matter affecting an individual person whose member of parliament has decided to contact a minister responsible for a department to see what can be done on behalf of that individual citizen.

With regard to the Department of State for Urban Affairs, I must say to the minister that I cannot be overly confident about the manner in which his department will proceed with the implementation of this bill on the basis of my personal experience in making representations on behalf of a particular constituent. I wrote to the minister on behalf of a Mr. Dean Knowles on February 19 of this year, and have yet to receive an acknowledgement or a substantive reply in any form. On March 26, over a month having passed, I sent the minister a copy of a letter I had sent to my constituent indicating that no reply as yet had been received. Still no acknowledgement or response was received by me. Last Thursday, in fairness to the department and to the minister, I decided to call his office to see if the correspondence had been mislaid. I was told by a secretary there that they prided themselves on the efficiency and speed with which they dealt with correspondence. She said that the correspondence would be checked and that an assistant to the minister would telephone me back. That call never came.

So, having listened to the congratulations of other hon. members, I join with them with regard to the specific legislation, but I have to express concern that my own personal experience in making representations on behalf of constituents does not give me much confidence with regard to the efficiency with which this minister will implement this piece of legislation.

This legislation interests me in particular, coming as I do from the great city of Hamilton, because, as do other urban centres, we welcome it. The city of Hamilton is served by the CNR, the CPR and another railway called the Toronto, Hamilton and Buffalo railway. So we have more than our share of railway lines. Both because we are serviced by them and because we are an industrial city, this type of relocation will be something we welcome and can certainly use.

I think it is important to note that what we are talking about is not the removal of railway lines, but their relocation because they are still needed. In addition to the cost factor involved in such a move, we should be taking a very close look at what the environmental and social effects of relocating these railway lines will be. You cannot simply solve a problem by relocating the particular cause of it to another area, not expecting some other type of problem to be caused in the area where those lines are relocated. In a city that is industrial, that accepts some of the disadvantages along with many of the advantages of being an industrial city, we have a right to expect of this ministry a full study into the environmental and social impact of any move before such move takes place.

I also hope that the ultimate decision will be made at the local level. Because in looking at this piece of legislation

we see that at least three ministries, the Department of State for Urban Affairs, the Ministry of Transport and the Department of Public Works, will be involved in its implementation. If there is one thing we do not need any more in this country it is a continuation of or an addition to the process of decision making by bureaucrats in Ottawa which affects people in Wetaskiwin, Hamilton, Vancouver, Montreal, and in many other places. We have much too much of that already, we do not need any more of it. If this legislation is to be effective, then the ultimate decisions will have to be made at the local level.

I noted with interest that some city mayors, including His Worship the Mayor of Hamilton, were in Ottawa not so long ago to request funds of the federal government. This legislation, which does assist cities, is a step in the right direction. We must be moving in these times toward giving more financial assistance to the cities. I recognize that under our system of government the federal government has a perfect, tailor-made excuse when it says: "We cannot give money directly to municipalities; we must deal through the provinces". If that is the case, so be it. But let it deal with them through the provinces. Our municipalities are so large, they have to carry so many services, and their base for revenue is so small in comparison with that of the federal and provincial governments, that it is incumbent upon all these levels of government to join together in programs for better revenue sharing such as the one in Bill C-27 and the one that was brought in in the United States not so long ago, whereby the federal government can assist to a much greater extent the large urban centres.

I am also concerned about the substantial power which has been given to the Canadian Transport Commission. Again based on my personal experience and knowledge of this branch of the government I cannot have great confidence in the CTC. They are simply too powerful and their jurisdiction too centralized.

● (1600)

If we are going to have any degree of success with this legislation, then in addition to consultation we must have co-ordination. This is something the CTC does not seem to know exists or, if it does know, it shies away from it. That is a concern I wish to register with the minister.

About nine months ago the Minister of Transport claimed that Canada's total transportation system "represents perhaps one of the best, if not the best, in the world." But earlier this year he changed his mind and described Canada's transportation system as being in a mess. What he clearly admitted is that Canada does not have a real transportation policy. Such a policy was promised, but it does not exist.

If the government goes ahead with its grandiose plans and schemes, however well intentioned, they cannot succeed unless we have a co-ordinated and unified transportation system. The best intentions of the Minister of State for Urban Affairs will fall by the wayside because of the lack of a transportation policy and because of the mess that exists in the Department of Transport.

Every day in the House of Commons the Minister of Transport is questioned about what the government's plans will be for such things as the future of the railroads, particularly in the west, and about the government's decisions in regard to airports. We simply do not know, Mr. Chairman, and the people affected do not know. I believe we should be taking a definite look now at the whole future of railroads in Canada because, as my colleague from Central Nova pointed out in the latter part of last week, a survey has been conducted which is not very encouraging to those of us who wish to place reliability in our railroad transportation system.

The "Modernization of Railways in Canada", a survey completed by the engineering faculty of Carleton University, reveals that utilization of railways in Canada and levels of investment are similar to those of other industrialized nations, but that passenger rail service performance in Canada is far below that of other countries.

It also reveals that although technologies superior to those in Canada have been developed for traction, suspension, track construction and traffic control, the manning of Canadian railways is still based on the steam tradition and does not allow efficient operation of modern equipment. In effect, it says that Canada's railways compared with those of other countries are slow, are usually not on time, and are unsafe particularly when the weather is bad. It also refers to statistics which show that our railway lines, compared with those of other countries, are not as sage, and in fact are becoming more dangerous.

A special inquiry into railway safety, commissioned by the Canadian Transport Commission, reported last December that the number of derailments caused by poor track conditions on both Canadian National and Canadian Pacific Railways in 1972 was three times that of 1959, and nearly double that of 1969, despite the fact that improved technology with respect to mechanical means of transportation is at our disposal.

Obviously, if anything is to be done about this matter the leadership must come from the federal government. And leadership must come in a co-ordinated fashion, not just from the Minister of State for Urban Affairs but from the Minister of Transport, co-ordinating all the different ministries and programs that are concerned with these matters.

I have already mentioned concern for safety on our railways. My concern also extends to pedestrians and travellers in cars. One of the reasons for the relocation of tracks from major urban centres is to provide a greater measure of safety, particularly in a city like Hamilton where the tracks cross main thoroughfares, endangering the lives of pedestrians and car travellers.

In a particular instance in the city of Hamilton, a railway crossing located in a high density population area has been a hazard for some time, and in fact has already claimed one life. At the urging of the aldermen for the area we arranged a meeting with CTC representatives from Ottawa to show them how this railway line was endangering the lives of the young school children and apartment dwellers in that area of east Hamilton. We urged that if they could not relocate the line immediately—something which may be possible following passage of this bill—in the meantime they should provide the maximum amount of protection possible for pedestrians and people riding in cars.

But the CTC hid behind its big rule book and pointed out that since there was only one railway track involved, not two, there was no requirement that safety guards be placed there. Mr. Chairman, many urban areas simply cannot afford to provide the full protection that is necessary at crossing levels, and the CTC should assist them so that they may buy the necessary equipment. Such equipment could then be removed and used elsewhere once a particular rail line had been relocated in a safer place.

I hope the minister will comment on the possibility of taking such a suggestion into consideration, and will also let us know what he has in mind under Bill C-27 for the city of Hamilton. As I have already mentioned to him, those of us who have the pleasure of living in Hamilton have a particular concern about railway lines. Indeed, we may have more than our share of them. We would like to know what information he can provide us with with respect to the benefit that the city of Hamilton can expect from implementation of this legislation.

Mr. Basford: Mr. Chairman, the hon. member has raised several matters. I find his reference to correspondence with my office shocking and disturbing, because I have a rule that correspondence must be answered within ten days. I have already sent off an inquiry to find out what is involved in the situation to which he refers.

The hon. member also said that in any relocation scheme environmental and ecological considerations must be taken into account. I agree with him. As the legislation provides, before the CTC can act an urban development plan must be laid before it, and I find it inconceivable that any such plan would be drawn up without taking into account the ecological and environmental aspects of the proposed relocation scheme.

The hon. member was also concerned about the application process and the cost sharing formula. He will note from Part I of the bill that any relocation or rerouting proposal will require the closest degree of intergovernmental consultation and co-operation. As we see it, the urban development plan and the transportation plan will be drawn up at the initiation of the municipality or province involved. It will be referred to the CTC with comments on any federal programs that my ministry is involved in to ensure co-ordination, and the Department of Transport will concern itself with the transportation aspects of any relocation. I think in this legislation we have tried to provide for good interdepartmental and intergovernmental consultation and co-ordination.

● (1610)

The hon. member referred to the Canadian Transport Commission. Their role is provided for in the legislation for obvious reasons: they are the regulatory agency at the federal level with jurisdiction over railroads, railroad rights of way and railroad activities. I think the hon. member will agree that it would have been wrong to set up another federal regulatory body to deal solely with railroad relocation.

I agree with the hon. member on the point he and a number of other members raised, namely that the municipalities, the provinces, members of parliament and the government are entitled to expect the CTC to operate efficiently and effectively and with speed when dealing with applications. Several hon. members have said that the CTC needs a good shaking up. I believe we are entitled to expect it to deal with applications made under Part I in an effective and an efficient manner, and I think the Minister of Transport can be relied upon to ensure that this will be done.

With regard to questions of safety, I would refer hon. members to Part II and III of the bill. Part II provides for special expenses for grade crossings and grade separation schemes, and Part III provides for amendments to the grade crossing fund, doubling—and I am speaking loosely—the federal contributions to grade crossings and grade separations.

The removal of grade crossings has made an important contribution to safety. Statistics show that while automobile accidents have increased over the last few years, the percentage of automobile accidents at grade crossings has decreased. This is largely the result of safety work at level crossings and also the large numbers of grade separations that have been constructed.

The amendments to Parts II and III, which allow the CTC and the grade crossing fund to work on a great many more safety features at level crossings by way of safety devices, also allow for the building of more grade separations, and thus make an important contribution to safety.

I am not familiar with the case referred to by the hon. member as I am not responsible for the grade crossing fund, but I will give instructions that this be looked into. I do not understand why action was not taken because there was only one track and not two.

In conclusion, Mr. Chairman, I cannot say what the particular plans are for Hamilton under this legislation, but knowing the leadership of that city and the representation it has in this House I am sure the case will be put very effectively and vigorously before the CTC. Indeed, if we are not very careful Hamilton will manage to get the bulk of any moneys provided under this legislation.

Lastly, Mr. Chairman, I can advise the hon. member that with regard to the first point that he raised about the mortgage dispute of a Mr. Knowles, this does require extensive research by CMHC but the hon. member will be getting a letter from me tonight.

Mr. Blais: Mr. Chairman, I want to participate in this debate at committee stage because I could not participate during second reading. I had to attend a most successful and encouraging convention of the Liberal Party in Ontario. I bring that to the attention of the committee because during that convention the bill was discussed quite extensively and I received a number of comments from interested participants. The bill was also discussed at a convention of northern Ontario municipalities and there was the unanimous feeling that this is a very strong piece of Liberal legislation.

I should also like to participate at this time because I feel this is a non-partisan bill and one that should be passed with all speed.

The city of North Bay is interested in this bill, Mr. Chairman. I know that the hon. member for Hamilton and the hon. member for Hamilton-Wentworth love the city of

North Bay, and when they come there I should like to show them tourist facilities that are unequalled. We would like to have the rails in North Bay relocated in order to free about three miles of sandy beach on Lake Nipissing for tourists and residents.

One thing that gives me some concern about the bill, Mr. Chairman, is the fact that there is no requirement for the railway companies to become involved at the outset in the negotiations with the CTC. In North Bay we have the ONR, the CPR and the CNR and I feel it is essential that they get involved in the initial planification, that they get involved in the financing and that they provide information. The information they have could be of considerable assistance in the preparation of the plans, and the plans may have ramifications with respect to the economic life of the community. It is essential that the railways disclose their ideas with reference to relocation and its effect upon their own operations.

The city of Sudbury, only 80 miles from North Bay, is also interested in this bill. It would be interesting to know the attitude of the railways toward relocation in that city and how it may affect operations in North Bay. I would hope that, in view of the beneficent influence of the CTC in the determination of the acceptability of the plan, it would persuade the railways to become involved at the initial stage of planification. I know it would be difficult to pass legislation which would force the railways to be involved. I am sure the railways recognize that such ventures, especially in communities like mine, are community efforts. We need community involvement, but the three companies ought to be community participants too and be involved initially.

● (1620)

I hope the bill will be passed quickly at this stage and at third reading. The constituency of Nipissing looks forward to receiving favourable consideration with regard to any application which may be submitted.

Mr. Ellis: Mr. Chairman, I must apologize for not being quite as well prepared as I might be. I was forced to be away from the House last week and, unfortunately, have not had a chance to study this legislation.

Belleville, the major city in my riding, has for many years considered that the CPR tracks running through it should be removed. It is fair to say that, even if the majority of the residents favour the removal of the track, the official town plan and the revision do not speak at length of removing these tracks, because for many years this course has been thought of as being too expensive. Seven or eight years ago when I was mayor of Belleville I discussed with senior officials of the CPR the possibility of moving these tracks. They felt this would be possible, although the cost was prohibitive. The railway would not undertake the removal, and the city could not afford to do it as the cost of removing the track was equal to the entire city budget for one year.

The tracks traverse the entire south boundary of the city, right along the shore of the beautiful Bay of Quinte. History says that the CPR forced that particular track location on the city. I would not say the city was blackmailed, but the city fathers were told that if they wanted to be served by the railway the rail lines would need to run along the waterfront. We can understand the reasoning behind that. As the railway was necessary for the development of the community and industry, which in those days tended to locate along the waterfront for reasons of easy access, it did not seem unreasonable to build the tracks on that valuable property.

As the years went by the city grew to the north. The Montreal-Toronto CNR railings bisect the city. Citizens accepted that development as reasonable. There are, across the CP tracks at the south end of the city, seven or eight level crossings. Despite many of these being equipped with signals—some are just now being so equipped—there was this past winter an unfortunate death at one of these crossings. So the removal of these tracks or their relocation would make life safer for the people in the city. It would protect them and would be a convenience. Once the tracks are gone, property values in the area would increase, and that would help the city coffers. If it were not for the tracks, some of that land would be the most valuable in the city. Its value will be greatly enhanced by the removal of the tracks.

I should point out that the tracks run north of the city on the west and on the east, and only dip down to the south as they go through the city. So the physical relocation would not be unreasonable. Some provision would need to be made for those industries which would remain in the south end of the city until they wished to move. In the interim those industries would need to be protected.

I wish to ask the minister some questions. As I say, I have not digested the legislation thoroughly; I only looked at it briefly this afternoon, after returning to Ottawa, I am somewhat concerned about the cost of the preparation of an urban development plan. Clause 3(1) and 3(5) provide for such plans to be presented. There is provision for their enactment, after proper study. That is, the plans can be carried out. The bill provides for cost sharing and goes into detail as to how such plan is to be implemented. However, I do not see any provision allowing for the application for such study.

I note the words in the recommendation of His Excellency calling for not more than 50 per cent of the cost of urban development plans and transportation studies to be paid. I would be most surprised if the city of Belleville does not almost immediately ask for assistance to study this subject in detail. Of course, whether it could afford to carry out the proposed relocation would depend on the result of the study. This question has been in the minds of the mayor, members of council and many citizens for a long time, and they would be most interested in knowing how the city could apply for assistance for undertaking a study.

I will ask the minister some questions, wait for him to reply, then perhaps think of some more questions which may clarify this matter in my mind.

Having been mayor of Belleville and having had to deal with both CN and CP, I have learned several things about the railways. The CNR is a major employer in Belleville; at one time it was the major employer. Its importance as an employer has lessened somewhat, but it still is a major employer.

The CPR lines run through the city but the company is not as physical visible as the CNR is. Having dealt with the railways from time to time, I have found that CN and CP argue quite a bit and that the spirit of co-operation between them does not exist in the way we think it should. May I ask the minister if, in his opinion, the railways will be invited to participate in the planning of any relocation?

When I was mayor of Belleville we removed an anachronism of Southern Ontario, that portion of railway line which had run down the second main street of Belleville for many years. We finally got rid of it. Frankly, co-operation between the two railways was not evident and it took an awful lot of pushing on our part to get that line out of there.

● (1630)

Travelling back and forth from Ottawa to Belleville on the CN, I find that where the CN passenger train travels over the CP track, it is held up by a slow CP freight. I would not say that is done purposely, but it is done frequently. It seems for the sake of three or four minutes that the passenger train could be allowed through rather than made to wait for 30 minutes, as is frequently the case. The co-operation I expect between these two companies, both of which receive support from the federal government, although one to a much greater degree, is much better. Sometimes I am very disappointed.

I want to know whether the railroads will be involved in the planning and whether the CPR, if a plan were developed and approved, would under its legislation be voluntarily asked to co-operate in the disposal of its property. Or would there be legislation forcing the disposal and relocation? If we get that far, how would the lands be disposed of? Would they be left in the hands of the railway to dispose of as they see fit, or be sold or in some way deeded to the municipality to be disposed of as they see fit? Or would there be some different means of disposal? Some of the lands on the shores of the Bay of Quinte are extremely valuable. Others will obviously revert to road allowance and other natural uses.

Perhaps I might have answers to at least some of these questions. I am sure that many of my constituents in the city of Belleville will be most anxious to hear more of this legislation. I share the concern of the hon. member for Wetaskiwin. The millions of dollars necessary for such relocation to take place in Belleville would be minuscule in comparison with the cost in the major centres across Canada. None the less, the matter is very important. I want the assurance of the minister that some funds will be made available to us should a decision be made.

Mr. Basford: Mr. Chairman, in answer to the four questions raised by the hon. member, payment for transportation plans and urban development plans is provided for in clause 3(3) on page 3 of the bill. Upon application, the Minister of Transport may pay 50 per cent of the cost of preparing the transportation study or plan and 50 per cent of the preparation of the urban development study or plan. That is the answer to the first question.

With regard to the second question concerning the participation of the railroads, that question was raised by the previous speaker. There is no way of forcing them to participate, but I certainly think they would. In fact, as one member interjected, the problem would probably be that they would want to take over the whole process.

I would certainly hope that in any relocation planning process the railways would participate. That has certainly been the experience with some smaller relocation schemes. In the studies in Winnipeg—and up until now they have only been studies—the railroads have been extremely active participants in the study and planning process. On the other hand, if people endeavour to exclude them from the planning process, they would have their full rights in front of the CTC to be heard and to put their point of view.

With regard to the third matter of how the land that is freed by relocation is disposed of, this will probably vary from plan to plan. Each city is different and the railway situation in each city is different. It is clearly spelled out in the bill that the plans put before the CTC must spell out specifically how the land is to be disposed of and by whom. It could well be that as part of the plan it is disposed of through the municipality on the private market, or by the railroad. Various combinations and permutations could be developed in any given urban development plan. The plan is subject to hearings and approval by the CTC as well as challenge by those who disagree with the disposal process. It will really depend on each plan.

I make the point, however, that if there is an unwillingness to carry out the disposal plan, the bill provides that the federal Minister of Public Works is given the authority to expropriate the land in order to carry out the urban development plan, which includes the disposal plan. I think in most cases there will be a voluntary arrangement worked out as to what is going to happen. If that is possible, there is power in the legislation to provide for expropriation and disposal.

Mr. Ellis: Mr. Chairman, I have one further supplementary question for the minister. In the request to the Minister of Transport for payments to prepare a plan, would the municipality be expected to submit the name of a planner, and would they be allowed the choice of a planner to prepare such a document?

Mr. Basford: Mr. Chairman, the legislation does not specify that and I think it would be unwise to do so. The initiation of a process will require a very high degree of consultation between the municipality involved and the province. There will undoubtedly be consultation as to who will do this. Before a grant is made toward some study, it will be necessary to have assurance that it is being done by competent people. This is really a matter for close consultation and agreement, I think it would be wrong to spell it out.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise to speak very briefly on Bill C-27, a bill to facilitate the relocation of railway lines, in order to bring two very precise points to the minister's attention.

First of all, I wish to say that I gladly support this bill, because I feel it is necessary and must be urgently enforced. It is clear, as indicated by the minister and a

number of other hon. members, that the railways have contributed to the development of Canadian towns.

In many communities, however, railway lines have become either a source of danger or an impediment to urban development and renewal, especially where railway lines run through center town districts and are a source of a great many problems.

Contrary to what one of my colleages in the Progressive Conservative Party did, I contacted personally the hon. minister some time ago about a legitimate application made by the municipality of Victoriaville which wants to avail itself of the benefits of this bill.

The minister replied quickly and promised to follow up this matter. I want to congratulate him and tell him that I am eager to see the result of the attention he will give to this very important request from the Victoriaville municipality whose development and planning are slowed down by this railway in the centre of town.

Mr. Chairman, I would like to draw the minister's attention on two matters related to the bill under consideration. If we refer to clause 4 we may read and I quote:

(a) how the costs and benefits of the transportation plan included in the accepted plan are to be shared by the province, the municipalities concerned . . .

—and the federal government. So, in paragraph (a) of clause 4, a function is assigned to the province. In clause 8, page 8, a function is assigned to the province as follows:

An order under clause 6 shall be issued only after the Commission is satisfied that the government of the province and each municipality that has agreed to the accepted plan have caused such laws to be passed or such orders to be made as are necessary . . .

Therefore there is reference to the necessity to pass that legislation in agreement with the province.

I would like also to quote from the speech of the minister of the House of Commons on April 25, 1974, as recorded on page 1757 of *Hansard:*

A railway relocation and rerouting project is to begin with provincial and municipal initiatives and calls for participation by all three levels of government.

● (1640)

I want to compliment the minister for acting in co-operation with the three levels of government, but I would express my misgivings concerning the implementation of this legislation. And I wish to remind him of a rather distressing experience that the province of Quebec is undergoing now.

The Minister of State for Urban Affairs (Mr. Basford) is aware of what I am talking about, that is famous Bill C-133 that was passed on the National Housing Act. The province of Quebec is one of the provinces that has not benefited as yet from this legislation. Negotiations are still going on. It is not known whether the federal or provincial government is responsible for impeding the implementation of the act, ensuring urban renewal and assisting low income housing construction. Moreover, we all recognize the importance of this legislation in Quebec.

Mr. Chairman, I wish to obtain from the minister specific assurances with regards to the method of implementation of the act so that municipalities, big or small, can benefit from it in spite of the little support that could be given by one province in particular. That application may seem strange to people in other provinces but we in the province of Quebec are faced with this problem, and if the province does not agree or drags a leg the other provinces will benefit from it while we in the province of Quebec wait.

Mr. Chairman, I would find it unfortunate if a province should have a right to veto and refuse it. The minister stated in his speech, and I quote:

. . . When a province and involved municipalities wish to redevelop a specified urban area, . . .

—they send an application to Ottawa. Let us suppose a municipality applies to the federal government. What would happen? Is provincial agreement absolutely mandatory? What means do we have available to us to speed up bargaining between the province and the federal government so Quebec municipalities will not be penalized? I do not want to raise a political issue, but strictly an administrative one.

We spend a lot of time in this House passing legislation which I think is good. The one now before us is excellent. But that requires over a year of bargaining between the federal government and the provincial government, and once the bargaining is over municipalities cry for help and the provincial government drags a leg for so-called reasons of autonomy, on the pretext of autonomy.

Mr. Chairman, if I knew that under this act the government of the province of Quebec would have any direct or indirect power of veto I would vote against it because it would be another source of frustration for Quebec municipalities.

I would like to get positive assurance from the minister that he has the true initiative to ensure that municipalities can benefit from that act the implementation of which is absolutely necessary and urgent.

Knowing the interest the minister takes in urban development, urbanization in general and related problems, I am convinced that he understands the kind of question I am now putting to him and that he will provide an adequate answer.

In any case, Mr. Speaker, I would like to congratulate him again and draw his attention to the important application from the municipality of Victoriaville, and I would like him to know that I appreciated his expediency of answering previously and I would appreciate it even more when the time comes to finalize that application.

[*English*]

Mr. Basford: Mr. Chairman, I appreciate the hon. member's comments but I think it would be quite wrong to attempt in this bill, or in the planning which it involves, or in inter-governmental relationships, to try to bypass the provinces. There are many reasons for this, but one of them is that the provinces have clear jurisdiction over many of the ingredients of a railway relocation plan. The CTC and federal government have authority over the railroads themselves, but it is the provinces, through provincial jurisdiction and regulation, which have control over many of the other aspects of land use planning, zoning, and so on. So it would be a mistake to try to exclude them.

I am as concerned as is the hon. member about possible delay, and my department will do everything possible to make sure that red tape is cut to a minimum. There is one provision here which may help speed up the process. Take the hypothetical case which the hon. member raised of a province which is unwilling to participate in a scheme. Under clause 3, the municipalities themselves are entitled to place applications before the CTC and the provinces concerned indicating their approval or disapproval at that stage. Thus, the municipality would be able to make its application directly, bypassing a three-tiered approach. However, as I say, I think it would be quite wrong to try to exclude the provinces.

Mr. Towers: I do not intend to hold up this legislation, Mr. Chairman, because a great many Canadians have been waiting for it for a long time. On the other hand, I think we would be remiss as members of parliament if we failed to call the minister's attention to one very evident failing, as I see it.

The hon. member for Nipissing, I believe it was, suggested this was a strong piece of Liberal legislation. Well, if this is a strong piece of Liberal legislation I should certainly hate to see a weak piece. I suggest the minister has turned over too much authority and control to the CTC. He would do well to remember that one of his colleagues, the Minister of Transport, said the transportation system was in a mess, and it is in a mess because of the CTC. Yet here we find the Minister of State for Urban Affairs turning over the administration of yet another program to this same body.

I believe the minister would do well to retain a measure of control over this legislation with respect to its administration. It is simply not good enough for him to say he hopes the CTC will administer the program in a capable manner. This is the type of program which should be well conducted in the interest of the people of Canada. What assurance will we have as members of parliament that it will indeed be administered in accordance with the minister's hopes?

● (1650)

The minister has suggested that perhaps one or two areas might assume a major role in respect of this program, leaving the smaller centres across the country to suffer as they do at the present time. I feel the minister should have brought in along with this bill a program of priorities and a set of guidelines for the CTC in its administration of this measure. I also feel the minister should have retained certain control in order that the people of this country might have access to a medium which would allow them a say in how this program should be administered and how the people should benefit.

Mr. Nowlan: Mr. Speaker, I should just like to say a few words on Bill C-27. Many members have said, as I am sure the minister is well aware, that there has been a patient and pregnant pause between the conception of this measure and its finally reaching the House. We are now considering it in the Committee of the Whole and I realize that there is some disposition to moving it forward. But in my particular area of the country the relocation aspect is not as important as safety features at crossings. This particular aspect is of very great concern and interest to the people of eastern Canada, and specifically to the people of Nova Scotia and the Annapolis Valley.

On this occasion I should have liked to refer to this matter of priority, as did the hon. member for Red Deer, but perhaps I would be precluded from doing so by the rules. I had in mind a particular reference to an Atlantic transportation policy.

The Minister of State for Urban Affairs, who is piloting this bill, made an interesting contribution when the bill first came up for consideration. Representatives from the Atlantic provinces have not been as vocal as we might have been in past years when transportation matters were before the House for consideration, and this is perhaps true particularly in respect of this part of this session and our consideration of certain transportation matters.

The discussion of certain aspects of transportation can be likened almost to the waving of a red flag in front of the proverbial bull. No matter how meritorious and justifiable is this matter of railway relocation and safety at crossings, we from eastern Canada see this as a piecemeal operation in spite of the fact there has been a lot of groundwork. Many of us on this side of the House from eastern Canada recall the great concern about Atlantic transportation expressed during the time when the former minister of transport, the present Minister of Regional Economic Expansion, brought forward a bill dealing specifically with land transportation and an amendment to the maritime freight rate structure.

We have waited for too long and too patiently for the development and announcement of further policy planks to build that platform which could properly be called an Atlantic transportation policy. While I cannot make a speech about Atlantic transportation policy today under the auspices of this bill, although I would dearly like to, I should like to know what the Minister of Transport and the Minister of State for Urban Affairs have to say about this subject.

While a program to re-route some of our railway lines in cities in Canada may be esthetically desirable, we in the east are more concerned with safety at unmarked crossings, or at crossings that are marked but inadequately so. I have not been able to find any reference to a schedule of costs applicable to the railway companies in respect of relocation. I have not found any specific reference to the proposed disposition of what might be called special purpose buildings located on railway property in various areas across Canada.

In this regard I have particular reference to water towers, water tanks or even old roundhouses which were constructed to serve specific purposes. Ordinarily under our laws of expropriation the railways are justified in requesting a replacement value for those special purpose buildings, even though the railway companies as well as municipal and provincial authorities know that these buildings are redundant and that the railways should not be allowed to follow the normal expropriation proceedings in asking for full replacement value. As a result of technological advances these buildings and facilities have become redundant.

Without getting into the whole question of whether the CTC chairman should allow relocation, or perhaps should relocate himself off on a spur line, throwing the switch so that he never comes back, I might say that this gentleman has been a very controversial figure, although he was a charming gentleman when he was here in the House. I do not want to get into all that at this stage, but I should like to know whether the minister contemplates some rationale in respect of the special purpose buildings which are in fact eyesores in some of our cities and towns.

Under our present expropriation laws the railway companies can say to the municipalities, the provinces or the CTC that it cost X number of dollars to construct these water tanks or roundhouses and, in spite of the fact that they are redundant today, they should be allowed to recover that same amount.

I am not sure at this stage whether I should continue on this line, or should now call it five o'clock, continuing again at eight.

Mr. Basford: Mr. Chairman, as a result of discussions through the usual channels I think there is a disposition to give clause 2 passage at this point. In answer to the hon. member's question, I can assure him that the schedules are designed to reflect current conditions in the determination of net costs. My short answer would, therefore, be yes; and I would be happy to answer at greater length and in greater detail when we come to that particular clause.

Mr. Nowlan: I thank the minister for that explanation. I was at another place earlier this afternoon so I am not aware of the disposition to give passage to clause 2. That being the case, I will defer my remarks until a later time. Perhaps I should call it five o'clock.

The Chairman: Does clause 2 carry?

Some hon. Members: Agreed.

Mr. Nowlan: May I call it five o'clock, Mr. Chairman.

The Chairman: Is it my understanding that clause 2 is carried?

Some hon. Members: Agreed.

Clause agreed to.

The Chairman: It being five o'clock, I do now leave the chair in order that the House might proceed to the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Central Nova (Mr. MacKay)—Air

Transport—Status of proposed passenger head tax; the hon. member for Winnipeg North Centre (Mr. Knowles)—Pensions—Possibility of legislation to provide greater protection and escalation for persons in private plans; the hon. member for York-Simcoe (Mr. Stevens)—the Canadian Economy—increase in corporate profits and decrease in labour's share of national income—government action.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motion. Is there an agreement as to the item to be dealt with?

Mr. Lefebvre: Number 7.

Mr. Deputy Speaker: Is it agreed that item No. 7 is the item to be pursued during private members' hour?

Some hon. Members: Agreed.

● (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

SUGGESTED NATIONAL CAMPAIGN TO PROMOTE HIGHWAY SAFETY

Mr. Sean O'Sullivan (Hamilton-Wentworth) moved:

That, in the opinion of this House, the government should immediately initiate, in co-operation with provincial governments and appropriate organizations, a national campaign to promote driving safety throughout Canada in the interests of preservation of human life and courtesy among the driving public.

He said: Mr. Speaker, in rising to propose this motion, I wish first to deal with a fundamental question that will trouble at least some hon. members. At the outset I wish to state that this motion is presented with deep seriousness and strong conviction. In this milieu we are often tempted to approach the actions of other members with scepticism bordering on cynicism. Perhaps this is an unavoidable aspect of partisan policies, but it is unfortunate and I hope will not taint consideration of a motion that I can solemnly assure hon. members is not presented as a so-called "motherhood" issue.

Along these lines perhaps I might be permitted to give the background to this resolution. It is customary, Mr. Speaker, for a private member to use his one motion per session to advance a personally felt cause, often based on a particular need of his constituency. Last session, in keeping with that practice, I used my motion to call upon the government to conduct a full inquiry into its plans for an expanded Hamilton civic airport. Although the motion, again in keeping with custom, did not come to a vote, I was indeed pleased when the government finally acted and implemented that suggestion.

Accordingly, it might have well been anticipated that my motion for this session would deal with an issue of special concern to Hamilton-Wentworth, such as the failure of this government to deal adequately with the high water levels on the Great Lakes. Instead, I have chosen to

deal with a most grievous situation which affects my constituency as it does all others, and one which should be of special interest to none less than every member of this House.

Last August, *The Spectator*, the daily newspaper of the Hamilton area, contacted local politicians, including myself, to obtain their reaction to the appalling increase in traffic fatalities and to ask what these elected officials could or would do about the situation. The report on this survey reads as follows:

> Local politicians expressed shock and horror over the people killed on area roads so far this year. And a number pledged action on the ever-mounting massacre.

I was quoted later in that same report as saying:

> One can't be oblivious or complacent about these statistics—

—referring to the traffic death totals, and I went on to say:

> The fact that there needs to be many things done is a demand upon every member of parliament.

My feelings about our common responsibility have only grown in their intensity as I have examined this issue further, and that is why I have chosen this opportunity to fulfil, in some measure, the commitment made those many months ago. That is why I am inviting this House to join me in urging the federal government to initiate a co-ordinated program with the provinces to promote highway safety and driving courtesy throughout Canada.

This, in turn, raises the question as to the efficacy of such programs. These have recently been brought into question as the result of a recent story in an article which appeared in the *Globe and Mail* on April 19 of this year. But just this morning, in that same newspaper, Dr. G. J. S. Wilde, a professor of psychology at Queen's University at Kingston, dealt with the question of the efficiency and efficacy of safety minded programs. He said:

> A road safety campaign is not necessarily a waste of money if one considers the benefits during the time before the effects wear off. Several examples of cost-effective campaigns are known to professionals who work in the field of road accident prevention. The savings in medical expenses alone outweigh the publicity costs of campaigns such as The Green Cross Code and the Newcastle seat belt campaign in the United Kingdom. In addition, major reductions in human suffering were achieved.
>
> Closer to home, the campaign directed against drinking and driving in Edmonton in 1972 significantly reduced blood alcohol levels in drivers. Sweden saved 20 per cent of its road deaths immediately following the changeover from left-hand to right-hand traffic, and road fatalities in Britain were reduced by more than 1,000 after their law of .08 blood alcohol came into effect.
>
> Thus, short-term effects may be considerable even if they do not last.

More important to bear in mind is that at stake are the lives of Canadians, both those foolhardy enough to endanger their own lives and the lives of their all-too-frequent innocent victims. The Canada Safety Council, in a report giving the latest available figures, which covers the year 1972 and which was sent to every hon. member, provides us with disturbing data that indicate the gravity of the situation.

Of the 12,825 total accidental fatalities, the leading cause, by far, was motor vehicle accidents, which accounted for 48.6 per cent of the total. The motor vehicle fatality rate increased from 26 per cent per 100,000 population in the previous year to 28.6 per cent.

[Mr. O'Sullivan.]

In less statistical and perhaps more real terms, 6,237 men, women and children died in 1972 from motor vehicle accidents. And while the data is not yet fully compiled, the numbers, the deaths, keep rising.

Most distressing of all is the grim picture of 771 young Canadians under age 15, looking forward to a full life in a nation that could offer them so much, a nation desirous and deserving of their unique contributions, dying, together with their dreams and their promise, in that same year. Of all accidental deaths involving young people in 1972, 43 per cent were attributable to traffic tragedies, thus reflecting a continuing trend.

We cannot bring back those victims, but neither can we justify those murders. We who remain can do a service to those victims by recalling their passing with a horror that compels each of us to do everything within our personal and collective power to avoid the future loss of lives in such an inglorious and unnecessary cause as the automobile.

My resolution does not pretend to be an ultimate solution. Nor does it attempt to suggest that the federal government has been derelict in its responsibility. I have no doubt that spokesmen for the government will rise in this debate to proclaim the efforts of the federal government to promote traffic safety. In anticipation of those comments I do acknowledge and commend those responsible for safety minded programs such as the promotion of child safety week during the first week of May.

If this chamber had representatives of our provincial governments and the various safety agencies, we could also expect them to rise and rhyme off their individual contributions to driving safety. Again these activities are worthy of commendation.

But my point is that all these governments, agencies and their respective programs would have greater effect and greater chances of success if their efforts were better co-ordinated. A national conference to share the experiences of their individual programs could benefit all participants in their common goal of traffic safety and driving courtesy. I mention driving courtesy in my motion because I believe it to be the very basis of safe driving. The machines and roads we use are meant for living, not for dying, when used properly and in accordance with the laws experience has helped to develop. It is concern for others that prompts driving courtesy and which in turn makes the roads safe.

● (1710)

It is my fervent hope and belief that a great common effort would be more effective and would be justified if its outcome were the saving of even one innocent life from yet another traffic calamity. And so, Mr. Speaker, I present a motion that is non-partisan and constructive the federal government. It might truly be said that this motion is deadly serious in its intent. I hope that the House will consider and endorse this motion in the same spirit with which it is presented.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member no doubt proposed this motion in the express hope that a nationwide effort to combat the road safety problem

would lead to a lessening in the number of casualties suffered on our roads each year. I wholeheartedly support this basic intent, as I am sure do all Canadians, particularly in face of the mounting toll of road casualties now exceeding 6,000 persons killed and 200,000 persons injured each year.

The motion as proposed recommends "a national campaign to promote driving safety." There is a certain ambiguity in the use of the term "campaign". It may, for example, simply imply a propaganda or public education campaign. Or the term may be used in its broader sense implying an integrated program.

If we are to interpret "campaign" in the narrow sense of a propaganda campaign, then I submit that this in itself is not the best approach to take in combatting the road safety problem. Road safety campaigns can be very expensive to develop and run. And they can, with distressing frequency, be totally ineffective in meeting their objective of reducing road casualties, as witness an American campaign sponsored by the National Safety Council to increase seat belt usage levels. This campaign cost over $50 million, and had no measurable effect on the proportion of vehicle occupants wearing seat belts.

An international group of experts in public education reported in 1971 that "many safety campaigns of the last decade or so simply could not have the desired effect because they were not planned in accordance with what is presently known about behavior modification through mass communication." The group, which met under the auspices of the Organization for Economic Co-operation and Development, reviewed the effectiveness of many public education campaigns and concluded that such campaigns are more likely to be effective when co-ordinated with other road safety programs, such as legislation and enforcement.

In other words, Mr. Speaker, despite the best of motivations on the part of the developers of public education campaigns, and in spite of the most lavish of expenditures, we cannot expect that public education will be effective just as a matter of course. We must not panic and, like the proverbial headless chicken, scurry around demanding that somebody do something, regardless of its ultimate worth, just so that we get some action.

On the other hand, if the hon. member's intention was to recommend an attack on road accidents on all fronts, then he is on the right track and I would agree with him. I can assure the hon. member that the government is greatly concerned over the road safety problem and considers the development and implementation of proven counter measures to be a top priority.

In February of this year federal and provincial cabinet ministers responsible for road safety and motor vehicle administration announced their intention to increase co-operation in the form of a co-ordinated five year program to improve highway safety in Canada. In a press release on February 22 it was stated that the goal of this program is to reduce the nation's road traffic fatality rate by 15 per cent over the next five years.

Senior officials from the 11 governments met in Ottawa in March to discuss Canada's road safety programs in the light of this goal. As expressed in a joint statement on March 29 at the conclusion of their discussions, agreement was reached that the greatest potential for reduction in the fatality rate lies in:

1. Increasing the use of seat belts.

2. Reducing the extent of driving while impaired by alcohol through changes in the Criminal Code and increased public education.

3. Identification and correction of hazardous road locations.

4. Emphasis on improving the safety of trucks, buses and school buses through the motor vehicle safety standards program.

5. Improved vehicle maintenance particularly for commercial vehicles through public information and improved service of vehicle inspection.

6. Extension and improvement of driver education programs.

7. Increased police presence.

It was the opinion of these officials that progress must be made in these areas if we are to meet the road safety goal of a 15 per cent reduction in Canada's road traffic fatality rate over the next five years. Despite major efforts to date in safety regulations, road improvement and vehicle design, further action by all levels of government, safety organizations and individual drivers is necessary if the annual escalation of road casualties is to be reversed.

The House will note that public education was mentioned in a number of contexts in the program areas recommended at the federal-provincial meeting. There is no doubt that public education will play a very significant role in the co-operative road safety program that will be implemented over the next five years.

Allow me to elaborate further on those road safety counter measures which offer the greatest likelihood of improvement in our road fatality rate. First of all, there is the question of seat belt usage. There is no doubt in my mind that increasing seat belt usage would be the single and most effective advance that could be made at this time. Seat belts have been required to be installed in all seating positions of new motor vehicles since 1971 in Canada. In practice most automotive vehicles have been equipped with belts since 1966 or even earlier. However, belt usage rates are disappointingly low.

The problem of increasing usage rates has most frequently been tackled by mass media campaigns exhorting people to "buckle up," or asking "Are you putting me on?" This type of public education campaign has been largely ineffective. Public education is more likely to change the public's awareness of the value of seat belts and to make them more receptive to other counter measures that may be introduced, such as ignition interlock systems or possibly seat belt use legislation.

The second area recommended for high priority attention by the federal and provincial road safety officials is the alcohol impaired driving problem. The Criminal Law Amendment Act of 1969 made it an offence for a driver of a motor vehicle to have a blood alcohol content in excess of .08 per cent. The same amendment made it compulsory for a driver to submit to a breath test, when the request to do so is made by a police officer on reasonable grounds.

The federal Department of Transport conducted an expensive public education campaign at that time to inform the public of the amendment and its provisions. Before and after telephone surveys evaluated the effectiveness of this campaign. The results were impressive. The public's knowledge of all the amendment's provisions increased substantially. For example, whereas in the before study only 12 per cent of persons responding were aware that the legal limit was .08 per cent, in the after group 72 per cent of the people could quote this figure.

As effective as this campaign was in informing the public, it should not be assumed that a change in knowledge on the part of the driving public will necessarily result in a change in behavior. A recent study released by the Department of Transport indicates that the so-called breathalizer legislation was largely ineffective in reducing the involvement of alcohol in serious accidents. So while the campaign succeeded in imparting knowledge, it did not succeed, in conjunction with changes in legislation and enforcement methods, in producing the desired behavioral change, namely a reduction in the amount of alcohol-impaired driving in Canada.

● (1720)

The impaired driving problem will not be easily resolved. However, it will retain its position as a priority research and program area because of the seriousness of the problem. It has been demonstrated in numerous excellent studies that alcohol is a factor in fully 50 per cent of all fatal road accidents on this continent.

The road safety officials also recognized the role played by the road network itself in contributing to the occurrence and severity of road accidents. Most highway departments have ongoing programs to identify and treat hazardous road locations. Whether the hazard be a roadside obstacle, a geometric design feature of the roadway—I mean the dangerous curve or hill—or a maintenance hazard dealing with ice or snow, of prime importance to the highway department is the accurate identification of the location and its hazardous features. Once the problem has been identified, the most appropriate remedial action can then be taken to alleviate the hazard.

Of major importance is the effect of hazards on the roadside on the severity of accidents. Eighteen per cent of all road accidents in Canada during 1972 involved single vehicles which ran off the road and rolled or struck an obstacle. However, 27 per cent of all fatal accidents were of this type.

Specifically, a list of counter measures proven effective includes the removal of unnecessary roadside fixed objects, the protection of necessary fixed objects with energy attenuation devices such as collapsible barriers at gore areas, improved guardrail design, and the replacement of structures with solid bases by those with breakaway or frangible bases.

Of course, these are expensive solutions, so it will be necessary to establish priorities and to correct those hazardous road locations that will return the most benefit per dollar expended. The Department of Transport is presently engaged in a research project specifically designed to establish procedures for developing these priorities. A number of provinces have already committed major sums of money for the removal of road hazards.

I am told that consideration was also given at the meeting to priority areas involving the vehicles that use the road system. A specific concern was expressed for the safety of commercial vehicles, including trucks, buses and school buses. More rigid safety standards can be expected for these vehicles through the motor vehicle safety standards program. The safety standards deal with motor vehicles at the time of their manufacture. The extent to which these vehicles retain their safety characteristics depends to a great degree on how they are maintained. The provincial officials reported their considerable interest in improving the level of vehicle maintenance—particularly for commercial vehicles—through augmented public information and vehicle inspection programs.

It should be noted that the federal government has responsibility for but a portion of these priority road safety program areas. The provinces and municipalities have major areas of responsibility in road safety, such as driver licensing, training and police enforcement, as well as those mentioned previously. Therefore it is heartening to see the importance placed at all levels of government on co-ordination of effort in areas of both safety research, program development and program implementation. The provincial and federal governments are committed to documenting their existing road programs with an eye to improving the exchange of program information between government levels and among many countries on an international basis. More attention will be put on program evaluation in the future, with the intention of continually refining and developing those program areas that show themselves most effective.

I think we must face the fact that the road safety problem is not an easy one to solve. There are no simplistic solutions; there are no royal roads to safe driving. Through the "fifties and" sixties progress has been made in improving the road and the vehicle. The continually increasing demand for vehicular transportation in this country, as in all the world, will continue to make it exceedingly difficult to make absolute reductions in the number of road casualties. However, the government believes that it will only be through an integrated and well-developed road safety program, with major effort from government, industry and the general populace, that possible improvements can be realized.

I am advised, Mr. Speaker, that it is precisely this approach that the government is taking.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in rising to address a few remarks to the motion of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan), I do so with a deep appreciation for the importance of driver safety counter measures. I share the concern of all members of the House, I am sure, when it comes to the problem of traffic safety. I rise to speak today with the confident knowledge that Canada, and the government in particular, has not been remiss in its duty to deal positively with the problem of traffic deaths and injuries.

As my hon. colleague has just mentioned, the representatives participating in the recent federal-provincial

meeting on road safety identified a number of areas for concentration. One of the areas singled out for special attention was the need for reducing the extent of driving while impaired by alcohol. I wish to discuss this problem today in light of the hon. member's motion for a national road safety campaign.

The effects of alcohol in traffic accidents have been well documented and there can be no doubt left in anyone's mind as to the seriousness of this problem. It is estimated that in Canada 50 per cent of all driver fatalities can be linked to the effects of alcohol. Of these, roughly 80 per cent have a blood alcohol content of .10 per cent or greater, even though the law in Canada states that it is illegal to operate a motor vehicle if the blood alcohol content is .08 per cent or more.

Before I describe a few of the steps that have been taken to find solutions to the drinking and driving problem, I would first like to ask, "Who is the drinking driver"? As a recent Department of Transport report on alcohol and highway safety points out,

> There is strong evidence from existing studies, that while the problem drinkers and alcoholics make up a small proportion of the total population, they account for a very considerable part of the over-all problem of traffic fatalities.

The results of past studies on criminological, sociological and psychological factors relating to drinking drivers have revealed a character analysis of the drinking driver as predominantly male, and if I may quote further:

> The highest levels of blood alcohol are frequently found, not in the very young, nor in the older drivers, but in persons between the mid-twenties to the mid-fifties. Those drivers who are divorced, separated, or have relatively low levels of education, are also more likely to drive after drinking. Personality studies of individuals apprehended for driving after heavy drinking have pointed at the high incidence of paranoid ideation, self-destructiveness, suicidal tendencies, hostility, obsessional rumination, manual occupation, criminal records, neuroticism, extraversion, social immaturity and willingness to accept risks.

Clearly, Mr. Speaker, it is very difficult to reach these individuals by mass publicity or any other device presently available for use.

The government is continuing research into the study of types of drinking drivers and it is hoped that the results will enable more effective programs to be designed. The drinking and driving problem has been approached in two ways. The first is in the legal area of strict laws and enforcement. The second is an extensive national and international research program.

The .08 per cent or breathalyzer section of the Criminal Law Amendment Act became law in December, 1969. The effects of this counter measure have been monitored to determine the results. It was anticipated that we would find a reduction in fatal accidents. A recent Department of Transport survey indicates that a small reduction in fatalities was realized the first year, 1970, but unfortunately the law is no longer effecting a decrease. In the light of the situation it is clear that we must continue to search for more effective methods. The representatives at the federal-provincial meeting agreed that changes in the legislation, together with a major education campaign to gain support from the public, might be an effective means of overcoming this problem.

In saying this, I do not wish to imply that the law enforcement officials have been lax in their duty, for we all know the tremendous and difficult task they face in identifying the drunk drivers. Because a person is charged with a criminal offence when his blood alcohol content is over .08, per cent law enforcement officials have to be extremely cautious before they submit someone to a breath test. Consequently, the average readings across Canada for those persons being charged is .16 per cent, double the legal level of impairment.

● (1730)

What I would like to suggest is that the police need help in more accurately identifying the offenders. To this end research on roadside screening methods is continuing, and hopefully it will have two worthwhile outcomes. The first is to assure that a suspected drinking driver is not unnecessarily inconvenienced and, secondly, to assure that those at the lower levels of impairment are not escaping detection.

Canada had responsibility for the alcohol and highway safety sub-project of the NATO Pilot Study in Road Safety and has completed a report which reviews the alcohol/driving countermeasures that have been tried in many countries and suggests which ones warrant further examination. It is clear that there is no one solution to this problem and that much more information is needed about the extent of drinking/driving before valid comparisons of countermeasure effectiveness can be made. The study therefore recommends that roadside surveys, designed to obtain a measure of blood alcohol in drivers, be conducted in all member countries. A protocol for conducting these roadside surveys was developed and is included as a part of the final report.

Roadside surveys have been used in Canada to evaluate the effectiveness of drinking and driving campaigns as well as to gather information of the blood alcohol content of drivers on the roads during the day and evening hours.

In 1971, for example, a roadside survey in Alberta was conducted in conjunction with a public education campaign to discourage drinking and driving over the Christmas season. This was a joint effort between the federal Ministry of Transport and the Canada Safety Council. The measure of success obtained indicates that this method of public education campaign may be a potentially effective means of lowering the incidence of drunk-driving over the critical Christmas season.

So far I have confined my remarks to the Canadian government's national and international activities, but let us not forget the dedicated involvement of each of the provincial governments in designing provincial programs, or the Canada Safety Council, the Traffic Injury Research Foundation or the various other safety-minded groups too numerous to mention who have worked dedicatedly across Canada to increase Canada's awareness of the problem and to encourage us all to make a concentrated effort to lower traffic accident statistics.

Although, Mr. Speaker, I have restricted my comments to the problem of drinking and driving I am well aware that this is but one element of the federal-provincial co-operative program already referred to by my hon. colleagues.

Road Safety

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, although I shall speak for only a moment or two, I want to congratulate the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) on using his one and only private member's motion during this session to raise the important subject of driving safety. I commend him for the forceful speech he made and hope that by the time he has been here for as long as some of the rest of us, the picture regarding deaths on our highways will have altered greatly.

I suppose one could predict, as the hon. member for Hamilton-Wentworth did, that spokesmen on the government side would give us a list of all the things the government has done in trying to cope with motor vehicle carnage; yet I enjoin my good friend from Hamilton-Wentworth not to be cynical about it. I say that because the list of things mentioned by spokesmen on the other side underlines that there are many factors which contribute to automobile accidents and to the loss of life. It is good to know that there is concern about all these important causes and problems.

Both of the members on the government side who have spoken thus far said a good deal about the part alcohol plays in automobile accidents. Certainly, the statistics tell a gruesome story in that respect. There was reference to the efforts to lay down standards for the manufacture of cars, so that they will be built with safety features. There was reference to making more universal the use of seat belts, to extensive driver training and driver licensing programs, and there have also been comments on the need for intelligent and effective engineering of our highways. A great deal has been done in this area in recent decades in terms of making highways more safe, getting rid of obstacles to vision and getting rid of those things which increase the number of accidents.

I hope my friend from Hamilton-Wentworth joins me in welcoming the list of things to which attention has been paid. We also make the point that the incidence of deaths which take place because of automobile accidents is so high, so serious, that we need to double and redouble our efforts to prevent accidents. The extent of loss of life because of motor vehicle accidents is one of the most gruesome scandals of the twentieth century. When one considers the number of human beings who have lost their lives in motor vehicle accidents since 1900, one wonders whether the human race is as sensible as it claims to be.

Regardless of what happens to the present motion raised in today's private members' hour, the hon. member for Hamilton-Wentworth has done a service by raising the issue. I join with him in calling for doubled and redoubled effort in all ways that can cut down the loss of life on our highways. I say to the hon. member that he has done well to raise this issue. I call on him to stick with it.

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I intend to speak about the bill before us as I consider it is a matter of general interest. I entirely agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that it is our duty, not only as members of Parliament but also as Canadian citizens, to strive harder than ever to reduce the mortality rate on Canadian highways. I wish to commend the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) who in his bill, gives hon. members an opportunity to discuss during this hour the problem facing us.

As a matter of fact, Mr. Speaker, even if I entirely agree with the motion, I have some reservations because I do not think that the general education programs and the publicity made through television, radio and so on will change the attitude of Canadian citizens about highways and the way they are used.

In fact, Mr. Speaker, I think it is essential that we teach the youth at the primary or secondary education level and pursuade them to take the necessary precautions for using the transportation system at our disposal.

Furthermore, Mr. Speaker, everyone knows that it is at this level that preventive action is most efficient. In fact, it is at the age when children are rather impressionable that we must direct our efforts. I entirely agree that it might be profitable for publicity agencies to receive contracts from provincial and federal governments to communicate information concerning road safety but nevertheless it is in the present educational system and within the existing framework that we should concentrate more and more our efforts.

● (1740)

[*English*]

There is another problem with regard to the instruments we have for transportation purposes. We have our roads and our automobiles. I come from an area that is discriminated against in so far as road safety is concerned. Indeed, in my area of northern Ontario, the roads are horrible. Most accidents are not caused by driver neglect, but the condition of the roads.

Highway 64 which runs from the southern to the northern portion of the province connects with highways 17 and 11. I am sure I am accurate when I state that road has been responsible for more deaths in the past generation than any other stretch of road in Canada. The portion between Sturgeon Falls and Field is one of the worst pieces of pavement ever constructed and maintained by man. I admit that road comes within provincial jurisdiction, but in his motion the hon. member recognizes that the provincial government has to be involved in this particular program. Numerous representations have been made to the Ontario government, but they have refused so far to improve that road. They have refused to consider the essential nature of transportation in northern Ontario and the necessity of maintaining highways in good condition.

Although this did not relate to road safety, I might indicate that during the months of March and April the only industry in the town of Field, Field Lumber, was closed because of the half-load limit imposed by the Ontario government on that road. They will impose a half-load limit, but refuse to improve the condition of that road to make it useable by industry and private citizens.

There is also considerable difficulty as a result of automobile design. This, too, results in discrimination with regard to road safety in Canada. Indeed, the fact that automobiles used in Canada are designed in the United States is detrimental to road safety. There is no doubt that American cars, which are used predominantly in Canada, are great for the toll roads and main highways in the

United States, but they do not do the job when transplanted to northern Ontario.

I have a Pontiac Ventura. I find it necessary to carry about 250 pounds of bricks and concrete blocks in the trunk in order to maintain the stability of that car on icy roads in northern Ontario. I might also point out that when driving in the snow in northern Ontario, the ventilation system sucks the snow that is flying around into the cab, completely fogging the inside of the windshield. If these are not errors in design of major proportions, I do not know what to call them. Accepting American design without question contributes more to danger than any other factor. Because of unsafe roads such as highway 64, and the design and engineering of automobiles, residents of northern Ontario are further discriminated against.

I am sure that the automobile insurance rates are higher in my area of northern Ontario than anywhere else in the province. I do not relate that to the quality of driving. Surely, drivers in northern Ontario are as qualified as those in southern Ontario. I relate this directly to the unsatisfactory conditions of the roads in northern Ontario and the unsatisfactory design of the automobiles that ply them. I suggest that greater attention be given to those two faults.

[*Translation*]

Mr. Speaker, it goes without saying that we would all like to live in a country where going from one place to another poses no problems. I know that courtesy on the road leaves much to be desired. It is imperative that Canadian drivers acquire better habits. We must also consider as essential the implementation of an information program to better educate the public and instil in it a greater respect for our driving laws and human life.

Mr. Speaker, in our area, few families have been spared the tragedy of a fatal accident on the road. Those tragedies must of all necessity be avoided. At one time, we thought that by imposing limits to the level of inebriation tolerated on the road we would reduce somewhat the number of fatal accidents. There was considerable publicity about the measures the police would take to prevent people from using the road and their car when intoxicated or almost. Unfortunately, in spite of the relevant publicity, we notice that proceedings, because of the breathalizer test, did not have the expected effect. I am sorry, Mr. Speaker, that this is so, but I am coming back to my first remarks saying that it would not be through legal sanctions that you will stop people from abusing the transportation system. Neither will it be through a system of general education applied through a means of information that the situation will be changed. You must first return to the young and educate them within the prevalent educational system. We should ask the governments of Ontario and of the other provinces, and the federal government, to save some funds for this purpose.

Furthermore, Mr. Speaker, in a nationalist context such as ours, we must also prepare cars for our Canadian climate to carry us from point A to point B in total security. Mr. Speaker, I would like to invite the hon. member for Hamilton-Wentworth to encourage his fellow members of the provincial party to take measures to improve roads, the pavement so that we in northern Ontario could enjoy road safety. All citizens of Ontario should benefit from cars equipped for winter, cars which can stand two winters and, furthermore, should have insurance rates comparable to southern Ontario. This comes under provincial jurisdiction; however, Mr. Speaker, I want to thank the hon. member for Hamilton-Wentworth for giving me the chance to show the provincial governments that it is necessary to improve road conditions. It is also a provincial responsibility to see that cars come under road security standards.

● (1750)

[*English*]

Mr. Len Marchand (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to be able to participate in this debate on the motion of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). Like the hon. member for Winnipeg North Centre (Mr. Knowles), I wish to congratulate him for giving us this opportunity to discuss a serious matter, one which affects the safety of so many of our citizens. Members in all quarters of the House are much concerned about the numbers of people who are killed or injured every year on our highways and we are all in accord, I think, in our views on this important issue.

We have at hand the single, most effective weapon for combatting the tragic loss of life on our nation's highways. I am referring, of course, to seat belts. The evidence is unanimous that seat belts work, that they are effective in reducing deaths and injuries resulting from traffic accidents. Recent Canadian research on seat belts gave rise to the following conclusion:

> The studies which were reviewed generally agree that with total usage of lap and shoulder belts, fatalities could be reduced by half. This means that in Canada, in 1972, more than 1,700 vehicle occupant fatalities would have been saved if everyone had been wearing the seat belts available.

No similar claim can be made with regard to any other immediately available counter measure. There is no other readily available measure to reduce the toll of death and injury from traffic accidents which could approach the potential to be realized by the universal use of seat belts.

In fact, the Canadian government, through the Motor Vehicles Safety Act and regulations, has recognized the importance of seat belts by requiring their fitment in all new automobiles sold in Canada after January 1, 1971. These regulations are continually being up-dated to take account of new technology. The latest change, effective January 1, 1974, required fitment of the best currently available seat belt design, the three-point lap and shoulder combination with inertia-reel, a truly comfortable and easy-to-use system.

Current seat belt research is aimed toward developing "passive" seat belts. Such a belt deploys automatically about the occupant as he seats himself in his vehicle and stows itself automatically as he leaves the vehicle. In its other aspects it is similar to the belts currently being installed in new vehicles. Prototype models indicate that these belts retain all the advantages of the conventional belt yet dispense with the requirement for any action on the part of the driver or passenger, at a relatively low cost. This system holds great potential and it is my view that its

development should be hastened, perhaps by government action.

Even though it is indisputable that the wearing of seat belts reduces the risk of death and injury, and even though seat belts are available today in the vast majority of cars, the percentage who actually wear these devices is still very low—probably no more than 10 per cent or 15 per cent of vehicle occupants. Fully aware of this, the government has sought to influence usage by direct, legislative means. Since July 1, 1972, legislation has required that automobiles be equipped with a buzzer-light warning system which activates if seat belts are not fastened while the car is operating. However, due to the relative ease with which these devices can be by-passed, they have not proved particularly successful in promoting usage.

Public education campaigns have long been regarded by governments as a method by which the wearing of seat belts is encouraged. Unfortunately, most of them have been based on an incomplete understanding of the processes at work, and, hence, have failed. In the words of the review of seat belt usage habits in 16 European countries:

> The information and education campaigns so far conducted have been largely successful in convincing drivers and passengers of the usefulness of seat belts, but have had limited effect in inducing vehicle occupants to actually wear them, doubtless because insufficiently strong motivation exists.

Governments have available to them a method for providing this motivation. Laws prescribing that seat belts shall be worn have proven effective in several countries, notably in Australia. The director of the New South Wales traffic accident research unit said in July, 1972:

> Surveys of seat belt wearing . . . showed that the percentage of those wearing seat belts in front seat positions rose from around 25 per cent before legislation to around 75 per cent very soon afterward.

Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Boulanger): The hour provided for private members' business has now expired. Perhaps the House would agree to go back into committee before I call it six o'clock.

Mr. Knowles (Winnipeg North Centre): Agreed.

GOVERNMENT ORDERS

[*English*]

RAILWAY RELOCATION AND CROSSING ACT

PROVISION FOR PLANNING, ACQUISITION OF LAND, GRANTS, GRADE CROSSING ASSISTANCE

House again in committee on Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings—Mr. Basford—Mr. Boulanger in the chair.

At six o'clock the committee took recess.

[Mr. Marchand (Kamloops-Cariboo).]

AFTER RECESS

The Committee resumed at 8 p.m.

The Assistant Deputy Chairman: When the committee was interrupted at five o'clock this afternoon clause 2 of the bill had been carried. Shall clause 3 carry.

On Clause 3—*Application to commission.*

Mr. Nowlan: Mr. Chairman, I know there are other members who want to speak on this as well as other clauses of this bill, so at this stage I will keep my remarks short. Clause 3 under Part I, respecting joint urban development and transportation plans, begins to outline a litte more fully the objectives of this bill in respect of relocation of rails in certain urban areas of the country, along with the development of more safety features at railways crossings. I understand that this plan also applies in respect of rural areas.

Before we recessed for dinner, I had referred to transportation in this country as being somewhat symptomatic of the lack of transportation policy in this country. I appreciate that this is perhaps not the time to make a comprehensive speech on transportation matters throughout the country, and specifically in Atlantic Canada, but I should point out in passing that the Minister of Transport confessed not long ago that transportation was in a mess.

After 11 years under this present government, perhaps the Minister of Transport is to be complimented for his frankness as exemplified by his confession that transportation generally, and specifically in respect of policy, was in an absolute mess in this country. I do not think he used the word, "absolute", but he certainly said it was in a mess. As we sit on this side of the House considering different piecemeal approaches under different ministers of transport to this whole matter of transportation, we can only echo that transportation is in a bad way across the country. Whether this particular bill should be supported by all members of this House because it will help unify safety features in respect of railway crossings in various cities is a matter for debate, nevertheless this bill does not offer any solutions for the fundamental problems of transportation.

● (2010)

This country was born, grew and developed on the basis of its transportation, and whether we are free enterprise socialists, liberal socialists, as we call them today, or Conservatives we must all agree that it was the CPR, the link between the east and the west, that finally drew this country together. Ironically, in this day of communications and increased technology, it is perhaps the problems of transportation or the lack of a transportation policy in the national sense that is really causing some of the divisiveness and disunity in this country. But here we have Bill C-27 which will make more beautiful some of our urban areas in Canada, which will perhaps take down some water tanks, shift some roundhouses and engage in other like ventures as well as perhaps help to improve safety on the road and relocate railway crossings across the country.

The Minister of Transport who is not in the House right now, confessed that Canada has no transportation policy. I

wonder what was the reason for this confession. I was a member of this House, as were other members on this side and some on the opposite side, when that great bill on the national transportation policy was brought to the House. It was supposed to revolutionize the concept of transportation in this country. All modes of transport were supposed to charge what the traffic would bear. As a result of that bill the Canadian Transport Commission was established headed by the former minister of transport, Mr. Pickersgill, at a very interesting and rewarding salary. Then, we went from the Pickersgillian pork barrel to the late minister of finance—I say "late" although he is still very much with us but is no longer minister of finance here—who became the next chairman of the Canadian Transport Commission.

I wonder if perhaps one of the problems of transportation—be it railway crossings or relocation of railway crossings in the centre of the city—is that politics, political appointments and political necessities have been the dominant considerations governing many of the decisions of this government. Regardless of the personalities of the chairmen of the CTC, whether it was Mr. Pickersgill, Mr. Benson or whoever else may become the next chairman, this is not the way to decide the transportation policy and the future of our railways.

Speaking of railways, there is something that has not received much attention since the recent appointments. We have two national railroads, the CPR and the CNR, and here again one wonders if perhaps politics are not influencing the decisions that are being made in the running of these two corporations. We have a brand new president and a brand new chairman of the CNR. The former president, Mr. MacMillan, was evidently doing a good job so that he has had to be replaced by two individuals. One would have thought that this government might have learned from the experience of Air Canada that when you diminish the responsibility of a chief executive, and this is especially true in transportation—on when you start to divide that responsibility, you find that the organization does not have the drive that it would have had under one chief executive officer. Personally, I do not know the two new gentlemen who are running the CNR, but judging from the experience of Air Canada and the fact that two individuals were appointed by this government to run that corporation, this mistake should not have been made again because Air Canada has run into a lot of problems.

If we really wanted to look into the problems of Air Canada tonight, I would have to go into greater detail to outline them than I am permitted under this bill. But here we are doing the same thing with the CNR. I do not know the background of these two gentlemen who are now replacing the president of the CNR and I do not know whether they were formerly CNR vice-presidents, but I do know that one of them has not been very long with the railway. However, I wonder whether that is the way to solve some of the problems of the CNR. So, here we have the Canadian Transport Commission, which is one of the main bodies responsible for implementing the policy under this bill, and the CNR, which is one of the two main railways affected by this bill. We will put a postage stamp here, do a patchwork job there, but in terms of a fundamental transportation policy we are not facing the realities and putting forward solutions that some of these pressing problems deserve.

I am sorry to see the Minister of National Health and Welfare leave the House, but may I suggest that with his great experience in piloting the football legislation through the House, and having been the grey eminence behind the throne before he was elected, he might have been useful in curing some of the sicknesses in the transportation system of this country. Perhaps instead of concentrating on football and worrying about health and welfare, if we are really going to carry this dual concept to an extreme—the Russians wanted a troika at the head of the United Nations so that no one could do anything but we prefer dual authority in the CNR and Air Canada—perhaps we could have the minister move out of his legislative role and help Mr. Benson. Perhaps, we should have him move into the CTC to help balance the Benson rudder with a Lalonde rudder.

Mr. MacKay: Perhaps we could do the same with the Minister of Supply and Services.

Mr. Nowlan: No, I would not want him to go anywhere.

I know that there are other hon. members who want to speak on this bill. I do not have anything critical to say of the Minister of State for Urban Affairs who is piloting this bill. This is basically a transport bill, a transport problem. Although it affects cities it also affects many rural parts of Canada. I know that the Minister of Transport, who has a lot of intestinal fortitude, is not hiding behind the skirts or the suit of the Minister of State for Urban Affairs, but when you have the Minister of Transport in a government that has been in power in this country for 11 years confesssing that our transportation policy is a mess and that the only thing we can do is to adopt a bandaid approach to certain localized problems, then I say it is time something was done. The eastern part of Canada is dependent on a viable transportation policy, something we were promised in 1969 by the then minister of transport.

Our problem is centred around the maritime freight rates policy. I say that the Minister of Regional Economic Expansion will have real problems on his hands with regard to that. I am glad to see him come into the House—there must be some telepathy between us. If the maritime freight rates subsidy, which is as basic to Eastern transportation as are the Crowsnest pass rates to the west, is affected then the shipment of goods from one part of the country to another will also be affected so that viable industry will be hard pressed to continue, let alone to expand, on the basis of this type of policy. I say that this government has grave problems, and yet here we are talking about railway relocation and the safety of railway crossings.

I know that there are other hon. members who want to say a few more words on this bill. All I have to say about railway safety and railway relocation is that the sooner we come to grips with the fundamental problems in the country, the better off we will be. The most fundamental problem right now is to find out where the government of this country is and who is running this country so that we can have a government making decisions on basic questions in all areas, not just on transportation policy. Canadians will really only have real safety when they

relocate this government on the opposition side and have this party go to the government side. Then a policy will be adopted affecting railway crossings, affecting urban beauty and improvement, but fundamentally creating a viable transportation system and making this a better country for all Canadians.

● (2020)

[*Translation*]

Mr. Fortin: Mr. Chairman, thank you for recognizing me. I would like to speak about clause 3 of Bill C-27.

Before the dinner hour, I asked the Minister of State for Urban Affairs (Mr. Basford) to give me a guarantee or a concrete assurance about the bill we are studying and I hope we will pass it so that it will apply from one ocean to the other, and make all Canadians equal under the law, in spite of often hardly inexplicable wills in certain provinces.

The minister did not well understand what I said, i.e. what would happen if a municipality located in another province wanted to benefit from the bill under study. Could it do it? The minister answered that this was against the principle of consultation with or intervention by the provinces.

But this was not the question. I was only repeating what *Hansard* said he said on page 1757.

The House is now studying clause 3. I would like to be very exact about this. It is said and I quote:

3. (1) Where, in respect of an area in a province that includes or comprises an urban area . . . the government of the province and all the municipalities within that area have agreed upon an urban development plan and transportation plan (hereinafter in this Part called an "accepted plan") . . .

—up to then, all goes well, there are no problems. I continue quoting clause 3:

. . . for that transportation study area, the province or a municipality . . .

—this is what the minister told me before lunch. In answer to my question, he referred to clause 3 where it is stipulated that "the province or a municipality—"

But the minister did not then continue the quotation. But, if you continue, you can see on line 10—

. . . the province or a municipality acting on behalf of the province . . .

Which means, Mr. Chairman, that a province, no matter what its needs, its situation or the common interests of the people living in this urban area, will not be able to avail itself of the benefits of this bill which, I hope, will be endorsed by the greater majority of hon. members. Therefore, the people living in this municipality will not be treated on an equal footing with the rest of the Canadian people.

In my opinion, once it has been passed by Parliament, an act should apply to the whole of Canada, without consideration of language, race, creed, or province of residence. Because Parliament is the supreme body, such an act should be recognized and adhered to by the whole of Canada. When Bill C-133 was adopted by this House, granting the provinces $250 million with which to improve abandoned or outdated neighbourhoods and develop low cost housing, we sincerely believed that this legislation would apply universally to the whole of Canada.

This legislation was adopted in June 1973 and it has not yet been implemented in Quebec, while in Ontario, over $36 million have been spent up to now. Mr. Chairman, I think this is not acceptable.

I do not cast any blame on the Minister of State for Urban Affairs (Mr. Basford) for this, because I know very well who is bluffing in the implementation of this law. The point I want to get across to him is that we, in Quebec, wish to be considered Canadians and respected as all other Canadians; we do not want to be set aside because some government puts peanut politics and autonomy ahead of its citizens way of life.

Mr. Chairman, Bill C-27 comes as the normal and logical sequence of Bill C-133. And because the latter supplements the former, to promote urbanization, mainly in the core of cities such as Winnipeg, Toronto and in small municipalities, this means that if tonight, as member for Lotbinière, I vote in good faith for the bill, I have to bear in mind that one or two years hence neither Bill C-133 nor Bill C-27 will be implemented in Quebec, and this I cannot accept.

I would like the minister to give me some guarantee tonight that Bill C-133 will bring some advantage to the people of Quebec as much as to those of British Columbia. And I would like him to say what mechanism he provided for in the implementation of Bill C-127 so relocations of railway lines could take place in Quebec, Ontario or Manitoba.

Mr. Chairman, I am not a separatist, I am a Canadian, and proud to be one, but I am sick and tired of voting legislation in this Parliament which has no effect in my own province. I would like the provinces to be consulted before a bill is brought in before Parliament so that when it is passed the bill previously agreed to by all provinces can apply from one coast to the other without distinction.

When under clause 3 the right of a municipality is limited to "acting on behalf of the province", that means—and I draw the minister's attention to that—that the province has a right of veto on the application of this act.

Mr. Chairman, that is not true federalism since any province could decide as it pleased under the opting out rule to withdraw from the legislation voted by the supreme institution that is Parliament. The time that the minister and his officials will have spent implementing or see this legislation through will be time lost.

Mr. Chairman, I would have several questions to put to the minister. What progress has been made in the discussions on Bill C-133 with the province of Quebec? Who is blocking the decisions? The provincial government or the federal government? What relationship is there between Bill C-27 and Bill C-133 and is there any relationship in the setting up of urban planning areas, such as the minister wants, and I congratulate him for that, what guarantee can he give me that Bill C-27 will be more respected in the province of Quebec than Bill C-133? Have there been up to now any discussions or negotiations with any or all of the provinces before this bill was tabled for first reading on April 22 last? Were there discussions with the provinces? If so, what was the provincial response? Did they give

their *sine qua non* agreement? Did they object or did they tell the minister he had their support? What was Quebec's answer on this bill? I would like the minister to put that down in black and white, tonight or tomorrow, to protect me against the Quebec government, who in six months time, for petty reasons of partisan policies, will object to this bill on the grounds of autonomy and small politics.

Mr. Chairman, this is my position. I strongly support this bill since it meets a real need and places at the disposal of our municipalities the money that they need to promote urban development zones. However, because of certain foolish members of our provincial gouvernements, including the Minister responsible for Urban Affairs in Quebec, Quebec will not benefit from this bill and this money. This, Mr. Chairman, is no longer profitable federalism. For my part, I do not believe in politicians, but in Canada.

Mr. Chairman, I am counting on the good will of the minister to reassure me and my colleagues on this point. And because I am not confident that the Quebec government will respect the laws of Canada, because I accuse the Bourassa government of being more separatist than the Parti québécois of René Levesque, I say that Premier Bourassa is even more separatist than the separatist party, this is why he does not have my confidence. This is why I would like removed from clause 3 the phrase which says that a municipality will be able to benefit from this biil provided it acts on behalf of the province.

For my part, I say that a municipality that needs federal assistance for the common good should be able to act as far as possible with the agreement of its provincial government. Otherwise, a financial mechanism should be provided to ensure that the municipality will benefit from the assistance, not in a tripartite way, but bilaterally, that is, by the action of the municipal government in association with the federal government.

● (2030)

There is no reason why Victoriaville, Warwick, Princeville or my whole riding should be deprived of those amounts of money, when cities like St. Boniface, Sudbury and Hamilton benefit from them. We would be lucky if we had a provincial government that truly believes in Canada, but we do not have that in Quebec, and we too would like to benefit from those advantages. That is why I move the following amendment to clause 3:

That clause 3 of Bill C-27 be amended by deleting the words "on behalf of the province" in line 11 and substituting therefore the words "on its own behalf".

That means, Mr. Chairman, that from now on we are going to build a strong Canada, and make participants of Canadians, municipalities and governments. We are going to make responsible governments of our municipalities and no longer have governments that suffer the unfortunate decisions of some provincial governments. That means, Mr. Chairman, that those of our provincial governments that are not Canadian will have to choose between separatism or reintegrating the ranks of Canadians. Mr. Chairman, the Quebec government which gargles with great literary quotations and autonomy, will have to take advantage of federalism, will have to decide where it belongs in Canada, or else separate. I therefore ask my colleagues of other provinces to support me in this, in order that all Canadians, from sea to sea, be placed on an equal footing.

[*English*]

Mr. Horner (Crowfoot): Mr. Chairman, in rising to take part in this debate for a brief moment, a number of questions have been forming in my mind as I have listened to it and read those parts which I did not hear. The bill suggests to me that a lot more power will be given to the Canadian Transport Commission. I always thought the Minister of Transport felt that the Commission had much power already and he had none at all. If I am correct in my interpretation of his remarks with regard to transportation in Canada, it is no wonder he is neither taking part in this debate nor in the House listening to it. He probably detests every word of it, seeing more power being given to the CTC and less possibility of a modern transportation system in Canada. Perhaps even a little bit more power is going to the Minister of State for Urban Affairs, although I do not see how he enters into the picture other than that he might be the kind of person who can pilot the bill through the House without too much difficulty. The other minister who appears to have some power under the bill is the Minister of Public Works.

As I interpret the amendment put forward by the previous speaker, the onus is upon the municipality to apply for restitution for some kind of improved transportation system. I do not know how many municipalities there are in Canada, but if each one puts forward suggested improvements in the transportation system, we may find ourselves in greater trouble than we are in now, so perhaps we should take a little bit more care to analyse this bill.

Clause 3 (1), of Part I specifically provides "hereinafter in this part called an 'accepted plan'. I looked through the bill to find out what would constitute an "accepted plan", in the eyes of the commission, for an urban transportation development system. I find that the clause goes on to say:

... for that transportation study area, the province or a municipality acting on behalf of the province may, subject to subsection (5) ...

So a municipality may submit what it considers to be an "accepted plan" for a rail grade improvement, a rerouting of present highways to have an overpass on a given railroad or, even, to develop what might be considered as urban transportation within that urban community.

First of all, one should assess what is meant by urban area. In his speech the minister gave the Statistics Canada definition of any area of 30,000 or any community of 1,000 square miles. But that is not the problem facing the major cities across Canada today, Mr. Chairman. They want some kind of study which will determine whether it is feasible for them to develop an urban transportation system within cities with a population of 250,000, 500,000, three-quarters of a million, one million or better. The question is, for which size of city would it be economically feasible to develop an urban transportation system? The bill does not answer that question at all, and I wonder if the Minister of State for Urban Affairs who is piloting this bill through, has an answer. When discussing that part of the bill between clauses 3 and 9, or even 7 and 9, the minister should tell the committee how large those urban areas will be which may qualify for assistance with urban

transit systems. I ask the minister to spell out clearly whether he considers an urban transport system economically feasible for cities of one million, 750,000, 500,000, or even 250,000. How big must a place be before it can qualify for aid. So far in this debate he has not told us.

● (2040)

Clause 3 deals with the transportation study area. Is the federal government leaving it to the municipalities to say they need urban transit and is it saying, "We will give you X dollars if you think you can build an urban transit system?" Or, does the federal government intend to establish the same kind of urban transport system for all urban centres of Canada? If so, the government ought to lay down guidelines with regard to criteria and size. I do not want to see happening what I have seen in the United States. In some cities there are, on the same street, streetcars, a trolley bus system, a diesel bus system and, in some cases, a subway system underground. There might even be a monorail system above ground. Under this legislation as drafted, municipalities could set up whatever systems they please. If the system is accepted, they would get a contribution from the government. Which system does the government favour? Is it monorail, the subway, the diesel bus, the trolley bus, or the streetcar which is still plying some streets in Canada.

The government will pay 50 per cent of the cost of a relocation study. How will that affect the CNR? That company, according to the former president, owns 190 choice acres in downtown Toronto. The president could not give the transport committee the value of the land; I suggest that its value is astronomically high.

Mr. Alexander: It could be as much as $2 billion.

Mr. Horner (Crowfoot): My hon. friend from Hamilton West suggests it could be worth $2 billion. Perhaps he is right. The government should spell out in the bill the conditions under which it will pay 50 per cent of the cost of the relocation study. I am not overly favourable towards the idea of giving the CNR 190 choice acres in downtown Toronto, which is some of the most valuable real estate in Canada. I am not in favour of my constituents' money being spent to provide the CNR with millions and millions of dollars from the sale or use of land in downtown Toronto.

The bill should be more specific as to what plans will be permitted. Under the bill a certain percentage of the cost of relocation programs will be borne by the government. It is designed to pour oil on troubled waters, in this case the railways, in the hope of placating them. This is a motherhood bill. It even makes provision for railway crossings in small municipalities. If I were not so certain there is not going to be an election I would be inclined to think that this bill has been introduced to foster the hopes and aspirations of many municipal councils, but not to satisfy them.

The bill does not spell out which plans will be accepted. If we are to overhaul the Canadian transport system, we should not overhaul it municipality by municipality or city by city; we should overhaul it from coast to coast. We must overhaul it with a view to improving transportation, not with a view to creating a hodge-podge system, under which different transport systems will be accepted by different municipalities. That is why I suggest that there should be across Canada one universally accepted mode of urban transit. We do not want to see a monorail system in Toronto, a subway in Montreal, and some other surface system in Edmonton, be that diesel bus, trolley car or streetcar. We want to see the same kind of system serving the entire country, which will make for ease of maintenance and economy of repair.

I suggest the federal government should say, "The same kind of system will operate across the country", instead of saying, "We accept the Toronto plan and system but we do not accept the Edmonton system, and therefore will not help Edmonton." The federal government should lay down criteria for acceptable plans and systems. It should award money according to a points system. If a city meets certain of the requirements, it should score so many points and qualify for a certain level of aid. I think that there should be a limit to the percentage of aid for which one can qualify. I readily concede that it would cost more to build a transit system in a larger centre than in a smaller, that it may cost more to relocate railway lines and build grade crossings in large centres than in small.

I am not enthusiastic about paying the railways 80 per cent of the cost of marking railway cars and locomotives. I think the railways should devise a system for marking their cars clearly so that they are visible by day and by night, but do this without asking the CTC to pay 80 per cent of the cost. In my opinion that would not be proper.

Before we build major urban transit systems, we should study the likely effect of these systems. According to the *Financial Post* of November 3, about 1.4 billion people in the early 1950's were using some kind of urban transit facility. By 1974 the figure had dropped considerably. In the same period the number of people travelling by car on urban roads had doubled. So, we must assess the effects of any urban transit plan and ask, will the population of a given area support such a plan, and how large must a community be if a plan is to be successful.

● (2050)

I may refer to some of the programs which have already been carried out, within the city of Vancouver the CPR has evacuated a large amount of right of way in that city. A rapid transit system could be developed to bring people from near airport to the centre of Vancouver along that CPR right of way. This minister comes from Vancouver. That is why I draw this to his attention. As of this time, the government has failed to made a proposal, to the province concerning the amount it is prepared to contribute to the cost of an urbanized transit system within that city. Is it 50 per cent or 30 per cent? The government has failed to state what percentage it is prepared to pay.

It is interesting to note that under this bill the government will pay 50 per cent of the cost of a study. As members of parliament, we know how long studies can take. They take as long as politicians and the government wish them to take. If the governments reach a decision, somehow or other the study comes to a close. By the time these studies are completed, the minister may or may not be re-elected. If I were a Vancouver voter, I would want more information before the election. I would want to

know what portion of this cost the federal government is prepared to offer the British Columbia government. What portion will the city of Vancouver have to pay?

I have specifically referred to Vancouver. I can also mention Calgary and Edmonton. Both of those cities are attempting to devise an acceptable plan in their eyes for some kind of modernized urban transit system. This bill does not spell out what is, in fact, acceptable. It merely suggests that something acceptable to the province or the municipality on behalf of the province may be accepted. It does not even say will be accepted.

Clause 6 does not set out in detail what is meant by a rapid transit system. It only suggests that it must be rapid. Clause 7 does not say what the government or the railways intend to do with the acquisition of land. I was interested in hearing the minister say this afternoon that the government does not have a ruling on that. I suppose that will also involve some great study.

Clause 9 states that the Minister of Public Works will have the power to dispose of this land in any way he sees fit. I suppose it depends on whether the Department of Public Works goes into the business of providing some kind of rapid transit system.

As far as I am concerned, I do not think the bill is absolutely wrong. However, I suggest the minister must answer a number of very pertinent questions if he wants speedy passage of the bill this evening. No municipality should hold its breath until it gets some funds under this bill because the main purport of the bill is studies first. Mayors and councillors of municipalities will grow gray and long in the tooth before some of the studies this bill purports to involve them in have finally reached a conclusion. I believe the major intent of this bill is to hold out a carrot to those municipalities in dire financial straits in the hope they may think kindly of the present minister. The minister is not taking the city of Vancouver for granted. He is holding out a carrot to them as well as the other cities across Canada.

I wish the minister would set my fears at rest, if not those of others, before we move on to any other clause.

The Chairman: Before I recognize the hon. member for Timiskaming, perhaps the Chair might be permitted to present the proposed amendment by the hon. member for Lotbinière as translated by the Chair's adviser. The English version of the amendment proposed by the hon. member for Lotbinière reads:

That clause 3 of Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings, be amended by deleting the words "on behalf of the province" in line 11 at page 3 and substituting therefor the words "on its own behalf."

Mr. Peters: Mr. Chairman, I realize there are difficulties with this amendment. I have the honour of representing part of the city of Timmins. For a considerable period of time, that city has been concerned with the matter of relocation. Timmins is faced with a problem that is somewhat similar to a problem being faced in Quebec where, if there is going to be anything done, it does not matter if the federal government wants to put up the money. The province wants all the kudos for the money it has expended. With regard to the relocation of the yards in Timmins, the province is involved in two ways. Because of the British North America Act, the municipality is a creature of the province. Secondly, it is a provincially owned railway. Because of that, the provincial government would be involved in any case.

If this amendment were to pass, it would have the effect of saying that once the federal government agreed to the criteria, they would make the decision as to the advantages of relocation in a particular area. If the provinces and the municipalities agreed with the criteria set by the federal government, that would result in a study. Once those conditions are met, the province would no longer be able to say "no, we will not." The municipality, not in the name of the province but in its own name, would be able to take advantage of the program and the agreement resulting from the criteria set by both the federal and provincial authorities. The municipality would have the final say as to whether the study and relocation would take place.

We have often been plagued, not only in Quebec but also in Ontario, by the fact that the federal government has time and again proven to be totally ineffective and inefficient in providing any type of assistance which would help a large part of the province because the province itself has a designation which strengthens the priority of the province. In my experience, this does not apply to northern Ontario and it has not applied in DREE, ARDA or any of the other federal programs designed to assist the people in norhern Ontario because that has not been the wish of Queens Park.

In the area adjacent to mine in northern Quebec, the problems are very similar. There is a great objection by the province to allowing a municipality or area to take advantage of programs unless the provincial government is given full authority to undertake them. The people mainly affected are those in the municipalities, that is the people directly involved in whatever redevelopment takes place in transportation. After the federal government and the province have made the overall agreement, it is my opinion these people should have a say as to what the criteria will be. The provinces still demand control over programs made available through federal assistance. For example, under the DREE program agreements are made, not with the people who need assistance, but between interested parties in the provinces and their counterparts in the federal government. This system means that very few of the things people in northern Ontario wish to get done are, in fact, accomplished. For many years the people of Timmins have wished to get rid of railroad hazards in their city, to reroute spur lines and, in particular, reconstruct an overpass which creates a dangerous situation since several times a year, when flooding occurs, three or four feet of water covers the road, washing out vehicle transport.

● (2100)

As the hon. member for Crowfoot has pointed out, though, there are certain advantages. Some of us who have been here a long time remember the machinations which took place in Ottawa when it was decided to relocate the rail system of this city. The changes eventually made affected not only Ottawa, but the City of Hull, as well.

They meant that a large part of the Province of Quebec could not be served as it had been served by the railway in the past. The National Capital Commission traded off land to the railway, and received land in exchange. The province, it seemed, was in no way concerned with this relocation project.

I do not deny that when new arrangements of this kind are made the consequences of changes brought about by developing an alternative system of transportation must be taken into consideration. But should we not, in keeping with the terms of the British North America Act, reach agreement with the provinces as to the type of program they can implement, or agree to on behalf of their municipalities, and then allow the municipalities to take advantage of the program in their own right without the provinces being called upon to agree to each specific project? It is true that large sums would be required to carry out relocation schemes and rapid transit schemes but on the other hand many of these projects will affect only those who live in the municipality concerned—there will be only a limited effect on the transportation system of the province, and no effect at all on the national transportation picture.

Reading the bill over, I came to the conclusion that the government has been very careful to avoid dealing with the municipalities as powers in their own right. Last week I had the opportunity of attending the annual meeting of the Reeves and Mayors Association attended by representatives of all the municipalities in northeastern Ontario. A general complaint I heard there was to the effect that the municipalities had no say in the implementation of schemes agreed upon between the federal government and the province. Decisions whether or not developments would be carried out in any particular area were made by the province and in any case very little money was usually available for the smaller communities. I suspect this will be true of the relocation proposals. It is all very well for the minister and his officials to word things in such a way that there can be no appeal to the Supreme Court under the British North America Act. This has the effect of making the provinces more powerful and renders less effective efforts by the federal administration to equalize conditions in all parts of Canada in the interest of good order. In the United States laws have been passed by the federal authority in many fields, and such legislation has often been challenged by the state authorities. Very often, the states have lost ground and the federal authority has been able to exercise a much greater influence than it has been possible for the federal government to exercise here.

Like the hon. member who moved this amendment, I come from a part of Ontario which is distressed, which more closely resembles the maritimes than the Golden Horseshoe which controls most of the wealth of Ontario. If we are to have a relocation study and project in the town of Timmins under this legislation we must provide the municipality with the wherewithall to conduct its end of the study because the people with whom they co-operate, and who are at the same time the antagonists, are the agencies of the provincial government. Their aims are not necessarily the same.

[Mr. Peters.]

• (2110)

You have allowed this amendment, so I presume you agree it is in order. I would strongly urge that we proceed on some other basis than on an archaic interpretation of the British North America Act, because in the past the people in various parts of Canada have not been getting a fair shake from the provincial government. They are only able to take advantage of this kind of legislation to improve their lot if they receive assistance and leadership from the federal government.

I hope the minister will give consideration to this amendment, which in my opinion carries with it the right of the province to set the criteria under which it will participate, as well as giving the federal government the right to set the criteria under which it will participate. Now, in addition, the municipalities will have a say as to whether they will participate in what is to take place. That being so, I hope the minister will see fit to agree that once these criteria are set in accordance with the wishes and desires of the municipalities, this will be sufficient to motivate the passage of this clause which allows these municipalities to participate under federal legislation without the provincial government having a veto.

Mr. Basford: Mr. Chairman, perhaps I might just say a word or two about the amendment moved by the hon. member for Lotbinière. I realize that in the impassioned speech he made there was the suggestion that this legislation be in effect for all provinces, all parts of Canada and all Canadians, and that certainly would be my wish. He asked some specific questions, particularly what was the link between Bill C-133, covering amendments made last fall to the National Housing Act, and this legislation. There is no legislative link as the bills are somewhat different and the procedures are considerably different.

That hon. member in this House and privately expressed his disappointment, which I share, that certain programs under the National Housing Act are not operative in the province of Quebec because the law requires that there be a federal-provincial agreement in order that the programs apply, particularly the neighbourhood improvement program. The housing act says that the program will not apply unless there is federal-provincial agreement, and up until the present time we have been unable to negotiate or finalize an agreement on that matter with the province of Quebec, hence it does not apply there at the present time. This legislation does not make that requirement. It does not say that before this program applies there must be a general federal-provincial agreement. It applies when royal assent is given and the measure is proclaimed.

Part III of the bill, which includes amendments to the grade crossing fund, makes no reference to provinces or provincial approval. The province which the hon. member represents so ably in this House has taken full advantage of the grade crossing fund and the program envisaged in this legislation. For the current year 1974, in the first quarter the province of Quebec has had a commitment from the grade crossing fund in respect of projects within that province amounting to $2.2 million as compared to $1.3 million for the same period in the province of Ontario. So the municipalities in Quebec are now taking very

active advantage of the provision relating to grade crossing and grade separation under this legislation.

The hon. member is correct in respect of proposals relative to railroad relocations. Under Section 3 of the act the province, on behalf of a municipality, may apply to the Canadian Transport Commission, submit an urban development or transportation plan and obtain a relocation order from that commission. Regardless of what the constitution may say, it is our obligation as a government to propose legislation which is constitutional, and I think we have endeavoured to observe that obligation.

There are a number of practical reasons that the provinces must be involved in the preparation of urban development plans for presentation to the Canadian Transport Commission. Some of the elements of an urban development plan that would be put before the Canadian Transport Commission will undoubtedly involve such items as municipal goals and objectives, growth forecasts and regional or urban area land uses, and in addition, as one hon. member mentioned this afternoon, questions of environmental and ecological protection. Many of these things are joint responsibilities. Environmental and ecological protection are clearly under provincial responsibility.

Questions of growth and growth strategy are intimately involved with provincial jurisdiction, policies and programs. Unless regional development plans are worked out in close co-operation with the provinces they are not worth anything. They would be prepared in a vacuum if prepared without reference to one of the parties which has most of the power and most of the instruments with which to implement regional development plans.

The Canadian Transport Commission has a clear authority over railways, and clear authority under this legislation to order their relocation, expropriation, and other matters clearly falling within federal jurisdiction. If we are to have regional development plans it is essential that we involve the government which has most of the power and jurisdiction relative to that development, and that is why the section is worded as it is.

I would emphasize that this legislation is not similar to the National Housing Act which in respect of some of its provisions says that before a program can apply there must be an over-all federal-provincial agreement relative to rehabilitation, neighbourhood improvement or land assembly. That is not the case here. In this case we deal on a project by project and proposal by proposal basis. The province of Quebec, in which the hon. member is most interested, although I recognize he was speaking on behalf of municipalities in all provinces, has taken full advantage of the grade crossing provision, and I expect it will take full advantage of the railway relocation proposals. I suggest this is demonstrable by the fact that the city of Quebec has one of the most imaginative and thoughtful railroad relocation proposals to be presented. It has been worked out and studied in co-operation with my seat mate, the Minister of Regional Economic Expansion.

One of the more interesting proposals is the one in respect of Petite Bourgogne in the city of Montreal. The province of Quebec has agreed to that proposal, as have the residents of that neighbourhood and the federal government. But to relocate and reorganize the railroads in that area of Montreal would seem to me to be a very silly thing to do unless the provinces, which has much of the jurisdiction in terms of the urban policy, were intimately involved in the preparation of the urban study and urban development plan. Therefore, I think it is essential that the wording of this legislation as proposed be carried.

● (2120)

The Chairman: Before the Chair recognizes the next participant in the debate on this particular matter may I point out that I have had some reservations concerning the acceptability of the amendment of the hon. member for Lotbinière. However, a point of order has not been raised in connection with it. I utter these words because I—as might be the case with another Chairman,—may not wish to be bound in the future by the nature of what has passed so far without challenge.

Mr. Harney: Mr. Chairman, the logic of the minister's last remarks would fall with thunderous weight on the committee if the minister were addressing himself specifically to the words of the hon. member for Lotbinière. We all realize that there is a first part to subclause (1) of clause 3, to which apparently the minister is not paying any attention at the moment. Let us look specifically at what the hon. member for Lotbinière is proposing in his amendment. He is not saying that the province should not be involved in the application of the provisions of this bill; he is not saying that there should be no urban development approved by the municipalities and the provinces jointly; he is not trying to cut out the provinces. All he is trying to do is to allow a little initiative to the municipalities.

Let us look very carefully at the fine, chiselled language of subclause (1) of clause 3, particularly the first part which the minister ignored in his remarks, which reads:

> Where, in respect of an area in a province that includes or comprises an urban area (hereinafter in this Part called a "transportation study area"), the government of the province or the municipalities within that area have agreed upon an urban development plan—

Where this is the case, where the government of the province and all municipalities have agreed upon an urban development plan, it goes on to say:

> —and transportation plan (hereinafter in this Part called an "accepted plan") for that transportation study area, the province or a municipality acting on behalf of the province may,—

Here is where the hon. member for Lotbinière suggest that either the province or the municipality may instigate an application. He does not suggest that they carry out a plan which they cooked up by themselves separately, but that they instigate an application for a plan which both entities, the province and the municipalities involved, have worked out together and agreed upon. I say "instigate an application", not carry out a plan because they are still going cap in hand to the Canadian Transport Commission; they do not utter the fiat.

It seems to me that the idea and spirit behind the amendment is a very good one, where two entities, such as the province and the municipality—and this according to the subclause—have agreed upon a plan. You know what that entails—months, probably years of study. When they have agreed upon a plan of development, either one of the entities may instigate an application. Surely, we are not

running afoul of the constitution because we are not allowing the municipality or the province to make the final decision; we are leaving it up to the commission which can only act if there has been an agreement between the two entities and a decision.

I like to read the constitution every once in awhile, and I say that this is indeed clearly within the provincial field. There is nothing unconstitutional about the amendment. Let us look at section 92 of the BNA Act, subsection 10 paragraph (a). I will read the whole thing so that we know what the words of section 92 say. It reads:

92. In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated . . .

Then, you have a list. Under it we find subsection 10 which reads:

Local Works and Undertakings other than such as are the following Classes:—

(a) Lines of Steam of other Ships, Railways Canals, Telegraphs, and other Works and Undertakings connecting the Province with any other or others of the Province, or extending beyond the Limits of the Province;

I know that there are railways in Canada that do not extend from province to province; some operate totally within the province. But the railways with which the hon. member for Lotbinière is concerned operate from province to province. Most of the railways with which I would be concerned operate from province to province, and certainly would be covered by subsection 10. So I do not think we are violating the constitution. I think that the amendment of the hon. member for Lotbinière is so well contained and constrained by the extremely thoughtful language which the minister and his minions have put into the bill, it is such a tender little offering to the initiative of municipalities, that we should pass it.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I should like to say a few words about the amendment put forward by my colleague, the hon. member for Lotbinière (Mr. Fortin). I support that amendment for two quite specific reasons which greatly concern me as well as the Quebec municipalities which are willing to discharge their duties and their responsibilities towards their ratepayers.

The constitution of our country is a question often referred to, but less during the past few years. Nevertheless, the constitution remains and we must live under three different governments: federal provincial and municipal governments.

I would like to mention more particularly the responsibilities of municipal governments. We know that in each municipality, the authorities must do their utmost to assure to ratepayers essential public utilities such as aqueducts, sewers, streets, sidewalks and fire protection. We can even add recreation and other services which municipalities are compelled to provide to ratepayers.

Municipal authorities are complaining, rightly so, that they lack revenue to fulfill their responsibilities, their duties.

[Mr. Harney.]

Recently, the Canadian Federation of Mayors submitted, in a brief to the cabinet and opposition parties, that the revenues of municipalities are not consistent with their obligations. The Quebec mayors are tired of making representations to the provincial government and always being refused, under the pretext that the province does not have enough money and is unable to bow to their requests.

They have decided to appeal to the federal government for a fair share of tax revenues. That is an indication that municipal administrations want to take their role seriously, to meet their responsibilities without violating the constitution.

On December 6, 1972, the Minister of Finance (Mr. Turner) and the Minister of Manpower and Immigration (Mr. Andras) announced a very specific policy. Under this policy the federal government, in order to help solve the unemployment problem and create jobs, made funds available to the provinces and the municipalities enabling them to do public works likely to create jobs and ensure services.

● (2130)

On page 2 of this statement, we can read the following:

a provincial-municipal fund of $350 million for investment programs for the winter in order to provide provinces and municipalities . . .

This is very precise.

. . . loans and grants for financing investment projects for the winter and the next two years.

And further, Mr. Chairman, the idea which inspired the publication of this statement is precise. On page 6, we can read this:

Each province will have full freedom to administer the amount allocated, including the distribution of funds between the province and its municipalities, and among the municipalities.

. . . if required.

Should a province prefer not to undertake the administration or distribution, the funds will be made available to the municipalities directly . . .

Therefore, the object of the amendment moved by the hon. member for Lotbinière (Mr. Fortin) is not to create a precedent.

Therefore, the cabinet then recognized the possibility of funds being made available directly to municipalities. And one can read further:

. . . subject to the approval of the provincial government.

I agree with that, but I do not agree whenever a government uses its authority to prevent municipalities from taking advantage of federal funds that could help them reach certain objectives while creating employment.

As for me, Mr. Chairman, I am a little fed up of hearing about provincial autonomy and the Constitution, while the development of municipalities and provinces is being crippled through the use of such terms. I would like us to be more up-to-date than that in 1974. There was a time when one could fight for principles. I agree, but since that has been recognized by the people as a whole and the authorities at all levels, I believe we should go ahead.

I keep on with the quotation:

Although the funds are made available to provinces and municipalities, considering the needs and relatively favourable financing condi-

tions, it is believed that most of the funds will be in fact assigned to municipalities by provincial governments.

Now, Mr. Chairman, on November 23, 1973, in the Committee on Miscellaneous Estimates, as one can read in Issue No. 51, I asked the Minister of Finance if he could give us a report on the use of funds in the province of Quebec concerning this program. The minister graciously accepted to table the report on the funds used between December 6, 1972 and October 31, 1973. And in that report, which is public, one can see that out of 43 projects enumerated, the province of Quebec got the lion's share.

The province of Quebec appropriated 70 per cent of the funds for 27 projects, leaving only 30 per cent for all Quebec municipalities which at that date had been able to achieve only 16 projects. I very much regret such a situation, because after all this program was specially designed to help municipalities undertake works that would have created jobs in these centres.

In considering the development plans of the Quebec government, we find that bridges have been built as well as approach works to highways, viaducts, service roads and what not. Furthermore, I would be tempted to believe that these funds have been used for some political purposes on the eve of the provincial election that took place last fall and to fatten the political partisans and the party's servants. We have to call things by their name in such circumstances and be prudent concerning what we are to do in the future.

I would also like to bring another question to the attention of the hon. minister and of this House, that is Bill C-133. Although the Minister of State for Urban Affairs (Mr. Basford) has just stated that there is no relation between Bill C-27 and Bill C-133, C-27 will however be subordinated, in its application, to the provincial administrators' good will. And it is in the interest of those municipalities that will have set out plans and projects, that the amendment brought forward by the member for Lotbinière must come into the picture, after the difficulties presently experienced by the federal government with the government of Quebec with regards to the signature of a standard agreement so that the population of Quebec can benefit from this legislation which I have supported because I consider it valuable and because I think it can help municipalities play their role and meet the objectives established by the taxpayers. But, almost a year after the adoption of that legislation, we are still at the negotiating stage and I think that the difficulties must be on the financial side. I suppose that the government of Quebec must ask the federal government: give us the millions, and we will distribute them. I suppose that is where the problem lies.

Mr. Chairman, I agree that the lines of hierarchy must be followed, that the Constitution must be followed, but not that a part of the population has to suffer even though it lives in the province of Quebec. We still want that within Canada, the total wealth of the country serves the whole population independently of where they live.

That is why I would like to ask the minister responsible for Bill C-27 whether he has consulted with the government of the province of Quebec before drafting this bill. If so, could he tell us whether the government of Quebec has given its approval for the adoption of the bill?

If not, does the minister anticipate meeting as humanly as possible the same difficulties he met with Bill C-133?

These are all questions that we can ask ourselves in an objective manner and, believe me, Mr. Chairman, I am asking them in all honesty because I am interested in the municipal field where I spent 30 years of my life. I am probably not as knowledgeabe as the experts, but a bit. This is why I have a right to know the feelings of the authorities of the various municipalities, in the province of Quebec and in the rest of Canada, which really want to go ahead.

We have advocated and we will continue to advocate a solution aimed at helping not only the municipalities, but also the provinces and the federal government, in order to find financing sources which would avoid difficulties. It is in fact a question of money, of income.

I was present at many conferences between the Quebec government and municipalities where they were asking the provincial government to grant them more revenues so that they could meet their responsibilities. The provincial government said: We cannot give you more, the federal government takes everything. It is still the same.

I also attended two federal-provincial conferences where the provincial premiers and ministers of finance told the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner): Give us a larger share of revenues so that we may meet our commitments. And the federal government answered: We do not have enough for ourselves, how can we give you anything?

Mr. Chairman, it is time we changed in depth our financing procedure in the public sector, and serious consideration should be given to our proposal urging a greater use of the bank which belongs to Canadians, the Bank of Canada. This is our institution, and if we must amend the act that governs it, let us start as soon as possible so that the federal government may have a source of financing at a lower cost than at present. This would give the provinces a larger share of revenues. If we could do this, we could eliminate several problems and accomplish many things.

In conclusion, I should like to commend the hon. member for Lotbinière for moving this amendment designed to foresee, if possible, and prevent a problem like the one that arose with bill C-133. I would also like to ask the minister responsible for Urban Affairs to continue and speed up if possible the negotiations on the subject. If we could obtain a reasonable agreement, it would ensure justice for French Canadians.

● (2140)

[*English*]

Mr. Horner (Crowfoot): Mr. Chairman, while it is not my intention to hold up a committee decision on an amendment moved by the Social Credit Party, if I understood the ruling of the Chair correctly, it appears there is some uncertainty as to whether the amendment is in order. I do not know therefore, whether I would be assisting the Chair by discussing clause 3 until ten o'clock, in which case the Chair would have until tomorrow to decide whether the amendment was in order. If I am wrong in my assumption, Mr. Chairman, please correct me.

Assuming that my interpretation is correct, I wonder if I could outline again some of my problems. I assume that the moneys set out in the recommendations are the total moneys allocated for a single project, not the total moneys allocated for all projects under the specific definition. If the minister believes I am wrong in this, I encourage him to correct me.

If I am correct in this, then there is no end to the amount of money available in a given situation, specifically in the studies proposed, specifically the relocation grants, specifically the painting of boxcars and engines—the whole list of possibilities where moneys may be allocated to municipalities or railroads. If this is the case, could the minister give the House an explanation as to why the government did not feel it necessary to specify the criteria so that we could be assured there was no partisanship on the part of the three ministers involved, the Minister of Public Works, the Minister of State for Urban Affairs, the Minister of Transport, or even the CTC?

This question is prompted by the example of the LIP program. The riding of the Minister of State for Urban Affairs received seven times more LIP money than a riding in Vancouver which is adjacent to his. What criteria were used? Under the LIP program a certain amount of money was allocated to Canada as a whole and lists of projects were compiled. Yet, in a city comprised of six or seven ridings, the minister's riding received seven times the amount allocated to the riding represented by one or other of the opposition parties.

If I am correct in my interpretation of the regulations for this bill, there is no limit on the amount of money but there is an "accepted plan". It is spelled out very clearly in line 11, page 3, in Part I, clause 3, and again in subclause (5) on page 4, line 8, which reads:

● (2150)

Where an application to the Commission under subsection (1) is made in respect of an accepted plan that contemplates the use of federal programs . . .

In view of the partisanship shown by the minister and the cabinet, the committee should be told what constitutes an accepted plan. For instance, the CPR has removed certain tracks in the Vancouver area. Will the federal government give the city of Vancouver money with which to buy that right of way from the CPR? Or, will Saskatoon be reimbursed for its previous purchase of CNR right of way? Will retroactive actions be considered, or will the bill apply only to plans which will be carried out in future? The minister has remained silent on that aspect. The subclause provides that the urban development or transportation plans shall not be received by the commission unless it is shown to the commission that, as clause 3(5)(*a*) says:

(*a*) the Minister of State for Urban Affairs is satisfied that the federal programs contemplated for use in the urban development plan forming part of the accepted plan are available and would contribute significantly to the improvement of any urban area within the transportation study area in respect of which the application is made; . . .

According to the bill, the government will pay not more than 50 per cent of the amount of the cost of preparing urban development plans and transportation plans. Such plans, as I have mentioned just now, must contribute significantly to the improvement of an urban area. What criteria will be used to determine if a plan contributes significantly? Will there be environmental considerations? For instance, carrying out a plan might mean that the CPR will not pollute the Fraser Valley with coal dust from coal cars. What will be a significant contribution? I can imagine many transportation studies, particularly in the Vancouver area, which would contribute significantly to improving the urban area in respect of which the application is made. I am not a lawyer, but I suggest that "significant" could mean more than 50 per cent in this case.

I remember in the debate on the farm marketing bill the minister of agriculture of that time said, "significant" means more than 10 per cent of a certain figure. I do not know what the words, "contributes significantly to the improvement of any urban area within the transportation study area" mean. The minister should explain the criteria which the government will apply. For instance, will the federal government accept transportation studies into which it has had no input but towards the cost of which it is expected to pay. Further, will the federal government in some cases pay 50 per cent of the cost of relocating tracks; will it, in other cases, contribute only, say, 37 per cent of the cost, or 25 per cent?

I know that both Edmonton and Calgary are studying urban transport. Once the bill is passed, can they apply to the Minister of State for Urban Affairs and say, "Our transportation study was not comprehensive enough. As the government is paying 50 per cent of the cost, we want to do a new, more comprehensive study, which will cover our needs for the next 20 or 30 years; our current study covers a much shorter period." The minister should spell out clearly what is meant by transportation study. Will 50 per cent of the sort of study I have just mentioned be covered? Once a transportation study for a certain area is approved, will the federal government automatically pay a portion of the cost of such study?

The minister does not seem willing to rise in his place and answer. He seems reluctant to speak. I notice the Minister of the Environment moving over to converse with him. That minister was involved in a transportation study involving the Vancouver area which created all sorts of pollution, so to speak, in that area. The interests of the Minister of State for Urban Affairs and The Minister of Transport conflicted. In the result, coal coming from the interior of British Columbia and Alberta could not be unloaded at Squamish even though the natural harbour was ideally suited for the handling of coal. Because of the conflicting interests of three ministers, and their embarrassment and indecision, the greater Vancouver area suffered a loss. May I call it ten o'clock?

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, is there any brave soul on the government side who can speculate on what the business of the House may be tomorrow?

Mr. Basford: Mr. Speaker, the House leader indicated earlier that we would be proceeding with the legislation introduced today. We had agreed last week that all parties would put up only two speakers on second reading of Bill C-27, which would then be referred to committee of the whole House. It was thought that in the committee of the whole we would make considerable progress with Bill C-27. So, subject to further communication in the morning from the President of the Privy Council, (Mr. MacEachen), I suggest that the business will be consideration in committee of the whole of Bill C-27. I hope we can make considerable progress with the bill tomorrow in committee of the whole. After that the House leader would proceed with the anti-gouging bill. That is to be the business, subject, as I say, to further communication from the President of the Privy Council in the morning.

Mr. Knowles (Winnipeg North Centre): Perhaps if the Minister of State for Urban Affairs (Mr. Basford) confers with the government House leader he will find that his bill will be followed by the Federal Business Development Bank bill.

● (2200)

Mr. Basford: Mr. Speaker, it is on the basis that we make substantial progress.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR TRANSPORT—STATUS OF PROPOSED PASSENGER HEAD TAX

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, a few days ago, like many other members of this House, I was rather curious as to what the Minister of Transport (Mr. Marchand) and the department were doing with the proposed airport head tax on passengers. Accordingly, I asked the minister what I thought were a couple of reasonable and sensible questions as to why there were delays, and what was now the status of the tax. I received a very unsatisfactory response, which is why I wanted to bring the matter forward for debate this evening. The Department of Transport has been so kicked around lately that one almost feels sorry for having to say anything more about it. I guess everything has been said that can be said. However, even with a situation like this, it has to be pointed out that if there ever was a do-nothing department, it has to be this one, at least at the present time.

How can the Minister of Transport and the department seriously purport to be working on a meaningful transport policy for this country when they cannot even bring forward an administrative measure that was proposed with great fanfare last December? How can the department under present conditions, do an efficient job of providing

Canadians with efficient transport when a matter as routine as a proposed airport head tax cannot be resolved, explained or apparently dealt with in definitive fashion? As far as this tax is concerned, we on this side of the House are not convinced it should be implemented at all, but having brought the measure foward with such great fanfare, and having done so in a very tactless and bumbling manner, at least after this many months the situation should be clarified.

Just how bad the minister's timing and sense of propriety was is illustrated in the proceedings of the standing committee for last December 6. At that time I had occasion to question Mr. Pratte of Air Canada. After a bit of preamble, we discussed the imposition of the tax and the announcement, about which he knew nothing until he had it reported to him or read it in the paper. I said, and I quote:

> Well, Mr. Pratte, I do not know how you feel about the situation, and I do not want to be unfair to you or express feelings that I have no business expressing, but I am indignant on your behalf, that you, as President of our national airline, had to learn from very indirect sources of this type of major decision that is going to affect you and so many of your employees.
>
> Is this the type of thing that you are reported as expressing dissatisfaction about in the past? Are you satisfied that there is sufficient communication between yourself and the Ministry of Transport not only out of ordinary business courtesy but so your airline and your top management can prepare most efficiently and most directly for this sort of thing? Are you happy with this situation?

Mr. Pratte replied:

> In that particular case I thought there should have been more consultation not only with Air Canada but with industry generally. You know, all carriers relatively speaking are going to be hit to the same extent as we are, except that in our case since we have a greater proportion of short-haul passengers than others this is probably going to hurt us more than it would a long-haul carrier due to the fact that the tax is on a per-passenger basis.

Mr. Pratte and Mr. Baldwin then went on to illustrate just how terrible communications were and how ill conceived, bumbling and lucicrous the minister's attempts to that point were to implement this administrative measure. I said to Mr. Baldwin:

> So I suppose not only will you have the fare increase that you were proposing to have but the administrative details and complications involved in this will result in a larger fare increase than you otherwise had planned.

Mr. Baldwin replied:

> Well, we will have to recover, if we move in this direction, not only the amount to be paid to the government but there will be added administrative costs within the airline in terms of procedures and staff work.

The dialogue goes on and on. I do not want to take the time of the House to illustrate how terrible and ridiculous this situation is at present. Now, after months and months of questions, we find that the minister is continuing to make a complete fiasco out of this affair as he has done with so much of his department's administration. He succeeded in alarming the Canadian public, the domestic air transport industry, in alienating the international aviation organizations to which Canada belongs, IATO and ICAO, and, most of all, in refusing to clarify what is going on. Now, he adds to the confusion by saying the matter is being discussed within the department. At least the department is finally being given a voice, but why was this not done last December?

When the people of Canada and the industry continue to expect something which they should know better than to expect from this government and this minister, why does the government continue to indicate it is not prepared to give us any answers? I believe the minister said to me, when I asked him a question on April 22: "If we were in a position to give all those details the matter would not be under discussion in the department; it would have been discussed." I say to the government and to its spokesman tonight: Is it not high time that this matter was discussed and that this do-nothing department brought forward a definitive policy? It is perhaps too much to ask them to produce a general policy, but could they not give us some indication of the proposal which will be produced to implement this tax? Will they go ahead with it or will they withdraw in their usual confusion? Do they know? That is my question, tonight.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, it may be a do-nothing policy, but it is the hon. member for Central Nova (Mr. MacKay) who wants to impose a tax on the people a lot earlier than it might otherwise be imposed, as a result of his insistence. He wants the people of Canada to be taxed, and the sooner the better. That is exactly what we get from members of the opposition: how soon can you impose a tax.

Mr. Knowles (Winnipeg North Centre): Order! That is from the Official Opposition.

Mr. Guay (St. Boniface): The hon. member for Winnipeg North Centre is correct.

A final decision has not yet been made by the government in respect of either the airport fee which was announced in December 1973 or any other of the various alternatives which could be implemented as a means of generating the same amount of additional revenues.

However, I can confirm that the Air Transportation Tax Act, which all hon. members will recall was passed by parliament in December, 1969, appears to be the preferred measure, at least as viewed by the Air Transportation Association of Canada, the Air Transport Association of the United States, the International Air Transport Association and the air carriers.

I wish to assure the House that very careful consideration is being given to all factors associated with additional cost recovery policies in the Ministry of Transport, not only to determine measures which are administratively feasible but, more important, measures which are economically and socially desirable. For example, special attention must be given to the circumstances of people living in the more remote areas of Canada in terms of providing transportation to them at a cost which will not result in discrimination simply on the ground that they live too far away from the major metropolitan areas of Canada which are serviced, for example, by big, international airports with their related sophisticated air services.

We must also pay particular attention to some of the harsh realities in respect to air transportation in Canada, and one of these is that air transportation cost per seat-mile is significantly higher in the northern parts of Canada as compared with the more southerly parts. We are examining ways to make sure that any additional cost recovery measures will not impose undue hardship in the north while at the same time maintaining the principle of equity between all users of air transportation services and facilities in Canada.

As hon. members are aware, the Air Transportation Tax Act provides for a per cent ad valorem rate to be levied on the price of air tickets paid, or payable, in Canada. Anyone can appreciate that such a tax could result in additional costs of about $18 on a return air journey from St. John's to Vancouver. All members could easily work out further illustrations by applying a 5 per cent rate to the price of various air tickets. This unlimited application of a percentage rate has been causing some concern and we are seeking solutions to this problem.

● (2210)

I am grateful to members of this House for having made various suggestions to the minister over the last several months and these suggestions together with all other factors which have been brought to our attention, keeping in mind that our officials have been conducting extensive consultations with the air industry associations, the carriers and the public, will be evaluated in order to allow the government an opportunity to make a decision based on all relevant information.

Speaking personally again, I for one would not at the moment wish to impose that tax as I always feel these taxes come too soon.

Mr. MacKay: Do you want to withdraw it?

PENSIONS—POSSIBILITY OF LEGISLATION TO PROVIDE GREATER PROTECTION AND ESCALATION FOR PERSONS IN PRIVATE PLAN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday March 21, as recorded in *Hansard* at page 727, I put a question to the Minister of Finance (Mr. Turner) the first part of which was in these words:

> Is the government giving consideration to making amendments to the Pension Benefits Standards Act or to introducing any other legislation to provide greater protection for those who are enrolled in private pension plans?

That was the main thrust of my question put in general terms. The fact is that I am concerned about the many ways in which those who are in private pension plans need greater protection. Then I went on to put a specific question. I stated it twice, but perhaps I may quote it tonight in the words I used when I got to my feet the second time. I put it in this way: will the minister:

> —take steps to provide in the legislation that all private pension plans must escalate their pensions, during the years of retirement, according to the rise in the cost of living?

As I have already indicated in raising this question, I am concerned in a general way about the protection needed by persons in private pensions plans. They need protection to make sure that the funds are there, that the pensions they are supposed to get will be payable to them when the time of retirement comes and so on. But the grievance which is being felt most strongly these days by recipients of pen-

sions from private plans has to do with the matter of escalation.

The government has done fairly well, with a little prodding from some of the rest of us in Parliament, in providing annual escalation on a cost of living basis for just about all pensions that come under federal government responsibility, but private plans are lagging very much in this respect, and it does seem to me that the time has come for the government to make it clear that private pension plans ought to follow suit.

Late in 1973 the income tax regulations were amended to permit private pension plans to escalate to the full extent of the cost of living, not just 2 per cent as had previously been the case, and still get income tax deductibility, but that is all the government has done thus far. It has just put this on a permissive basis. There is the Pension Benefits Standards Act which controls and regulates pensions that come under federal responsibility. I think the time has come for the Pension Benefits Standards Act to say that all pensions that come under federal jurisdiction or responsibility should be required to be escalated after retirement by the full amount of the cost of living.

Let me give an example, and I mention it not because I generally think that banks are bad boys but because they are an example that comes to mind. Let me give the example of chartered banks. Many of them have reached the point where they are providing some escalation of the pensions of their retired employees. In most cases it is a 2 per cent escalation or an ad hoc amount; in very few cases is it an escalation equal to the actual rise in the cost of living. But what really concerns and annoys some retired bank employees who have been in touch with me is that when a bank provides an escalation in the pension of a retired employee, it does so subject to that escalation being cut back when there is an escalation of old age security. So the whole idea of pensioners getting an escalation in their income so that they can keep up with the cost of living is nullified when a pensioner gets an escalation in one pension but has his other pension cut back by that same amount. He ends exactly where he started. I say to you, sir, that that is actually happening in the case of some chartered banks in this country with respect to their retired employees. Banks do come under the Pension Benefits Standards Act. They are under the jurisdiction and responsibility of the federal government.

I suppose I should simply say to the Minister of Finance (Mr. Turner) that I hope he will have a talk with some of these banks and help them to see the light with respect to this matter. But so far as I can tell from other talks that he has had, not a great deal has resulted from them and I think the time has come for something more than talk. That is why I urge legislation to protect those in private pension plans and in particular to protect their right to escalation of pensions and their right not to have their escalation nullified in the way that it is now being done in so many cases.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am rising in connection with the inquiry from the hon. member for Winnipeg North Centre (Mr. Knowles) who wanted to know whether the government would introduce a piece of legislation to force private pension plans to escalate their benefits during retirement years in line with the rise in the cost of living index. I should like to make a few remarks concerning the federal and provincial legislation in this area.

Let us not forget, when we receive inquiries such as this, that the federal government is empowered to act only in connection with pension plans in areas of employment under the jurisdiction of Parliament, as listed in the Schedule to the Pension Benefits Standards Act.

Most pension plans for workers in Canada come under the jurisdiction of the provinces, four of which have adopted provisions similar to those in the Pension Benefits Standards Act.

The only way whereby the federal government could try to obtain the escalation of pension benefits in all pension plans would be indirectly, through the Income Tax Act. Normal penalty for violations of this requirement could then be a withdrawal of registration in the plan, which would prevent both employer and employee contributions from being deductible under income tax legislation. The end result for employees could be still lesser protection of their future than they now enjoy.

Any federal action in this direction would materially alter the agreed roles of the two levels of government under federal and provincial pension plans that have come into being during the last ten years, in order to improve on private employers' pension plan transferability and solvency.

None of these legislations force employers to offer pension plans, nor prevents them from ending plans, considering employers had enough difficulty in financing pension plans without benefit escalation, such a requirement could very well force employers into terminating existing plans. Hon. members will no doubt understand that such measures can only be envisaged with utmost caution.

● (2220)

[*English*]

THE CANADIAN ECONOMY—INCREASE IN CORPORATE PROFITS AND DECREASE IN LABOUR'S SHARE OF NATIONAL INCOME—GOVERNMENT ACTION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, on April 15, as recorded at page 1415 of *Hansard*, I asked two questions of the Minister of Finance (Mr. Turner).

The first dealt with the fact that the labour component of the national income in Canada had fallen to 70 per cent from 75 per cent, while the corporate share of our national income had risen in the same period by approximately the same number of points, that is, by 5.3 points to 12 per cent of our national income. Here I am referring to the corporate profit after tax.

Then, not being satisfied with my first answer I asked the minister a second question, as to whether or not he was aware of the fact that in Canada corporate profits were running at "12 per cent of total Canadian income compared to 6.6 per cent for corporations in the USA." I asked him:

—does the minister still believe it is necessary to continue his liberal tax concessions to Canadian corporations bearing in mind such

Canadian corporations now earn more after tax than American companies earn before tax in relation to national incomes?

I raise this question because I feel that it is dramatically shown, in the figures now coming out of the various statistical agencies, that there has been a very deliberate shift on the part of the government with respect to the sharing of national income in Canada.

Since replying to those questions in the House the minister had an opportunity to speak in Winnipeg on April 19, to which speech I wish to make reference, and today we were furnished with the Economic Review dated April, 1974, from the minister's department. I find this review extremely interesting because at pages 52 and 53, in effect, the minister confirms the point that I had raised. Here I refer to the fact that he says, according to page 52, that the "before-tax profits accounted for a larger share of the nation's gross income in 1973 than the average since 1958." I am disappointed that in making that reference the minister was not more explicit and did not refer to the actual figures.

In his answer to me on April 15 he indicated that he could show that my figures were reversed in the previous decade. At that time I indicated that that was not so, and I reiterate it tonight.

At page 53 of the Economic Review which came out today, the minister says:

In 1973, wages, salaries and supplementary labour income was down to 70 per cent—

That is actually the figure I had used.

—of net national income—

He then says:

Thus in real terms, average increases in labour income per employee or in wages and salaries increased very little or actually fell in 1973.

Here, Mr. Speaker, I would like to emphasize that I believe the minister has been most unfair to the people of Canada and to this House in referring, from time to time, to real disposable income for the average Canadian going up 6.8 per cent in 1973. I say this because it was known privately that the minister could only justify that figure by using a deflator which has rarely been used up until now by statisticians as opposed to using the customary consumer price index deflator. I hope that the minister will explain this to the House. I am pleased that in his review tabled today he at least shows the two deflators in action. They point out, Mr. Speaker, that if the Consumer Price Index deflator is used Canada's real growth was 4.8 per cent in 1973, not 6.8 per cent, which is the figure that the minister has bandied around for some time. If you use the CPI deflator, the effect is shown in the review at page 53 where it is pointed out that the average workman's wages have actually decreased by .9 per cent.

I mention this because I hope that the parliamentary secretary will explain to the House why they have chosen to evade my question when it was put in the House and subsequently to use a deflater, which I feel is not relative, when the minister spoke in Winnipeg.

[Mr. Stevens.]

There is a footnote on page 52 explaining the difference between the CPI deflator and what is generally known as the consumption inflator. I find the minister's suggestion truly remarkable. He states that he thinks it is preferable to use the consumer deflater in that it does not allow for shifts by consumers toward less expensive goods and services as price structures change.

In plain English the minister is saying that inflation in this country has become so devastating that people are having to give up good food and shift to less expensive food. Then, the government has the colossal gall to come to this House and indicate that it wants to use the deflator to show that the lower costs are in truth there because people are giving up the better quality foods in order to eat the less expensive. This is a very, very sad testimony of the mismanagement of this government in our economic affairs. In short, they are saying, "if you cannot eat beef, turn to spaghetti and macaroni or any other cheap food and we will use a deflator to make the over-all economic performance look better". I hope we have an explanation of this tonight, Mr. Speaker.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member states that in the past three years, profits after taxes have jumped over 5 points of national income while the labour share of the national income has declined 5 points.

The published data do not indicate such a substantial alteration as suggested by the hon. member. In 1973, the profits share was 3.8 points higher than in 1970 and the labour share was lower by 2.8 points.

In percentage of the net national income in relation to cost factors, I would like to quote a few figures for the average period extending from 1965 to 1973: profits after taxes, 9 per cent and labour income, 70.9 per cent. The average for 1970-73 is 8.8 per cent and 72 per cent. For 1969, it was 8.4 and 71.2 per cent; for 1970, 7.3 and 72.8; for 1971, 7.9 and 72.9; for 1972, 9 and 72.2; for 1973, 11.1 and 70 per cent. The difference between 1969 and 1973 is 2.7 for benefits after taxes and 1.2 per cent for labour income. From 1970 to 1973, there was a difference of 3.8 per cent and —2.8 per cent.

● (2230)

The years chosen by the hon. member for York-Simcoe (Mr. Stevens) give a highly exaggerated idea of the evolution, 1970 having been characterized by an exceptionally low rate of profits, and unusually high income. In 1973, profits were 2.1 per cent lower than the average for the period 1965-73, while the percentage corresponding to salaries were 0.9 lower than the average. In fact, profits as a percentage of the GNP were lower in 1970, shares reaching their lowest level since 1949.

It is true that profits, before and after taxes, were higher than usual in 1973. Before tax deductions, they amounted to more than $14.5 billion, that is 12.5 per cent of the GNP. Profits after tax deductions were slightly more than $10 billion. Still, it must be noted that companies did not increase their dividends by much in 1973. The greater part of their additional profits were kept to finance investments, and retained earnings amounted to $7.8 billion that year. Those retained earnings, added to depreciation amounting to $6.5 billion, provided $14.3 billion in cash flow for investing. In 1974, businesses expect to invest $18.5 billion in Canada. As the minister said in reply to the hon. member, those investments will mean more production, employment and income for all Canadian workers.

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

HOUSE OF COMMONS

Tuesday, April 30, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Third report of Standing Joint Committee on Regulations and Other Statutory Instruments—Mr. Fairweather.

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

* * *

WAYS AND MEANS

TABLING OF MOTION REGARDING TAXATION ON PETROLEUM AND PETROLEUM PRODUCTS FOR MONTH OF MAY

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to lay on the table of the House notice of a ways and means motion with regard to taxation of petroleum and petroleum products for the coming month of May.

* * *

FISHERIES

HALIBUT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek the consent of the House to move a motion of urgent and pressing necessity concerning the catastrophic decline of halibut stocks off the Pacific coast and in the Bering Sea and the need for the government to make some public statement of its intentions. I would not intend to debate the motion if it is accepted and take up the time of the House. I therefore move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That at eight o'clock this day the House revert to motions to provide an opportunity for the Secretary of State for External Affairs or another member of the government to make a statement regarding the government's position with respect to the halibut resource of the Pacific coast and the Bering Sea.

Mr. Speaker: The motion proposed by the hon. member for Skeena under the terms of Standing Order 43 requires unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

FINANCE

SUGGESTED LOANS BY BANK OF CANADA AT ADMINISTRATIVE COST TO PROVINCES AND MUNICIPALITIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a very urgent question.

To control the frightening rise in the cost of living and the exorbitant interest rates, I move, seconded by the member for Bellechasse (Mr. Lambert):

That this House unanimously recognize the necessity of amending without delay the Bank of Canada Act, so that the latter be authorized to provide loans to provinces and municipalities at an interest rate equivalent to administration costs.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity; the motion cannot therefore be put.

* * *

[*English*]

POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I ask for the unanimous consent of the House under Standing Order 43 to present a motion of urgent and pressing necessity. In view of the recent announcement by the British Columbia's Minister of Lands, Forests and Water Resources that the province of British Columbia will be making application to the International Joint Commission for a further order regarding the Skagit Valley, requesting that the commission should revoke its 1942 order in view of the irreparable damage to the province of British Columbia which will occur if the natural level of the Skagit River at and above the international boundary is allowed to be raised above its present level, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

Prisons and Reformatories Act

That this House endorse in principle the application of the British Columbia government to the International Joint Commission in an endeavour to stop the flooding of Canadian territory by the proposed raising of the Ross dam.

Mr. Speaker: Again, the hon. member's motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

● (1410)

PRISONS AND REFORMATORIES ACT

PROVISION THAT TOTAL OF DEFINITE AND INDETERMINATE SENTENCES IN ONTARIO AND BRITISH COLUMBIA SHALL NOT EXCEED MAXIMUM PRESCRIBED FOR OFFENCE

Mr. Ron Atkey (St. Paul's) moved for leave to introduce Bill C-283, to amend the Prisons and Reformatories Act.

Some hon. Members: Explain.

Mr. Atkey: Mr. Speaker, the Prisons and Reformatories Act provides for the imposition of sentences of definite and indeterminate terms on young offenders in British Columbia and in Ontario for offences under the Criminal Code which in the aggregate can exceed the maximum term fixed by the Code for these offenders.

The purpose of the Prisons and Reformatories Act is to reform and train young offenders and not to impose harsher punishment upon young offenders in British Columbia and Ontario. However, this appears to be the effect of this legislation at the present time as it has been interpreted by the Supreme Court of Canada in the recent Burnshine decision, and just as justice should appear to be done—

Mr. Speaker: Order, please. I have to interrupt the hon. member to remind him that under the terms of Standing Order 68 he can only give a brief explanation and indication to the House of what the subject of the bill is. He should not make a speech on first reading. Perhaps the hon. member will limit his remarks to that aspect of the matter.

Mr. Atkey: In one sentence, Mr. Speaker, the purpose of the bill is to clarify what appears to be an anomaly by putting before parliament an amendment to the Prisons and Reformatories Act so that parliament may make the decision, in the context of that act, as to what constitutes equality before the law as contained in the Canadian Bill of Rights.

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

[Mr. Harding.]

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

NATIONAL CAPITAL COMMISSION

ISSUE OF BOOKLET IMPLYING THAT NAME OF CAPITAL IS "OTTAWA-HULL"

Mr. Peter Reilly (Ottawa West): Mr. Speaker, under Standing Order 26 I ask permission to make a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the persistence of the government of Canada in continuing to publish and to cause one of its agencies to disseminate and keep for sale a pamphlet, some of whose statements contain grave errors in fact and are in direct contradiction of articles of the British North America Act and the National Capital Act, and which statements are being promulgated to citizens of Canada as government policy despite the fact that a minister of the Crown has described the contents of the pamphlet as unfortunate and not representative of the policy of the government.

Mr. Speaker: The hon. member for Ottawa West has sent the notice required under the provisions of Standing Order 26, which has given the Chair an opportunity to consider the interesting suggestion to be raised by the hon. member. I wish to thank him for his courtesy in providing the Chair with extensive background notes which have been of value in considering whether the ordinary business of the House should be set aside by virtue of the provisions of Standing Order 26.

As hon. members know, the criteria to be taken into consideration by the Chair in making a decision under the terms of Standing Order 26 are basically to be found in the Standing Order itself. In addition, decisions have been made from time to time which may give some indication as to some of the factors to be taken into consideration in reaching this kind of decision.

One of the main problems facing the Chair is to be found in the wording of Section 16(a) of the Standing Order which states clearly that "the matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration". In my opinion, the test of a genuine emergency calling for immediate and urgent consideration is one which can only be overcome in relatively extreme circumstances. Is the question submitted by the hon. member a genuine emergency? I would find it difficult to hold that it is, particularly as the matter was first brought to the attention of the House last Wednesday, almost a week ago. I might say that there appears on the notice paper a question, No. 872, in the name of the hon. member for Leeds bearing on the same subject.

Another factor that must be considered by the Chair in arriving at a conclusion on the acceptability of a motion under Standing Order 26 has to do with other opportunities for debate. As the hon. member knows, section 5 of Standing Order 26 sets up a number of considerations to be borne in mind, and one of them is that the Speaker shall have regard to the probability of the matter being brought before the House within a reasonable time by other means.

An announcement has already been made by the government that the House is to enter into debate on the budget of the Minister of Finance, with the presentation of that budget to be made on Monday next. In view of the fact that six and one half days will be allocated in the ordinary course of events to the budget debate, coupled with an additional 13 days which will be made available for supply proceedings, it follows that every second sitting day between now and June 26 will be a non-legislative day providing opportunities to debate important and urgent issues at the initiative of hon. members of the House. The Chair must conclude that one and perhaps two of the basic requirements of Standing Order 26 are not met in the present circumstances.

In view of what I have said and taking into account all the circumstances, including both the provision of the Standing Order and the practice, I do not think the Chair is at liberty to propose a motion for the adjournment of the House this day to discuss the matter raised by the hon. member for Ottawa West.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

LABOUR'S SHARE OF NET NATIONAL INCOME IN 1973—POSITION OF MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Finance relating to the Economic Review tabled by the minister yesterday which shows that the share of labour income fell to 70 per cent of the net national income for 1973 from the exceptionally high shares of 1971 and 1972. Is it the position of the minister that the working people got a more proper share of the net national income last year than previously? If so, does last year's proportion which was received by the working people of Canada represent the basis for economic policy for 1974?

Hon. John N. Turner (Minister of Finance): Not necessarily, Mr. Speaker. That statement is merely a statement of fact in the Economic Review.

EFFECT ON REAL INCOMES AS CANADIANS SHIFT TO PURCHASE OF LESS EXPENSIVE GOODS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the report explains why the minister does not use the consumer price index to calculate real personal disposable income. The report states as follows:

> ... the CPI does not allow for shifts by consumers toward less expensive goods and services as price structures change.

Is it the view of the minister that real incomes actually rise as Canadians shift to less expensive goods as more and more of the goods they used to buy are priced beyond their reach?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would put it a little more simply. Probably the widest indicator of the movement of prices in this country is the GNE deflator against which the calculation of personal disposable income is made. The CPI does have certain limitations in economic terms, such as were set forth in the Economic Review.

RATE OF INFLATION IN CANADA COMPARED WITH OTHER COUNTRIES—MEASURES TO DECREASE

Hon. Robert L. Stanfield (Leader of the Opposition): Since the minister has referred to the gross national expenditure deflator which corresponds to the definition of price change in the economy used in the course of the review, and since the review admits that last year Canada had a greater inflation problem than any other major OECD country with the exception of Japan and this is the inflation index preferred by the review and by the minister, is this insidious position for Canada acceptable to the minister and the government? If not, what direct and comprehensive measures does the government propose to take to start to correct it?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is not the current comparative position. I will be dealing with the current figures next Monday evening.

* * *

● (1420)

FISHERIES

PACIFIC AND BERING SEA HALIBUT—REPRESENTATIONS BY CANADA TO JAPAN, RUSSIA AND SOUTH KOREA RESPECTING OVERFISHING

Mr. David Lewis (York South): Mr. Speaker, I want to direct a question to the Secretary of State for External Affairs in connection with a matter which has been brought seriously to the attention of members of the House by west coast fishermen. Arising from an answer the hon. gentleman gave to a question last Friday concerning the International Pacific Halibut Commission meeting held on April 16, can the minister tell us what representations he has made to the governments of Japan, the Soviet Union and South Korea requesting them to curtail their fishing activities, particularly their take of halibut off the Pacific coast and in the Bering Sea? If representations have been made, what answers have been received and have the fishing activities actually decreased?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I shall be meeting representatives of the west coast fishermen myself this afternoon to discuss this matter. Approaches have been made to the Soviet Union, Japan and Korea in connection with the halibut situation. Japan has already responded by taking some voluntary measures in the Bering Sea and has indicated its willingness to discuss further co-operation. The Soviet Union has also agreed to discuss the situation, and we expect the Republic of Korea will fall in line.

Mr. Lewis: The minister will no doubt recall receiving a letter in March from the chairman of the International Pacific Halibut Commission in which the chairman said there had been catastrophic reduction in the halibut stock. Were the hon. gentleman's representations made following receipt of this letter from the chairman to the effect that fishing must be restricted wherever it adversely affected the halibut resource? Are the responses he mentioned today responses in reply to representations made in consequence of the chairman's letter?

Mr. Sharp: Yes, Mr. Speaker. There is general agreement with the position expressed by the leader of the New Democratic Party. There has been gross overfishing. Our interest is the same as that of all the fishing nations in bringing about a reduction in fishing and restoration of the halibut stocks.

Mr. Lewis: May I ask the minister whether he is taking steps to do what seems to me as a layman in this area the obvious thing, which is to request the Soviet Union, Japan and South Korea to meet with the United States and Canada—we are members of the International Commission—in order to have this matter discussed jointly by all five governments involved instead of making these bilateral representations?

Mr. Sharp: A meeting of the five governments is one of the possibilities. If that turns out to be the most useful approach we will follow it. Otherwise, we shall take action which might be more effective.

* * *

[*Translation*]

AGRICULTURE

INQUIRY WHETHER FARM LABOUR AGREEMENT WITH QUEBEC HAS BEEN RENEWED

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Minister of Agriculture.

Can he tell us if the federal-provincial agreement with the Quebec government about farm labour ending March 31, 1974 has been renewed and, if not, are negotiations in progress between the two levels of government with a view to continuing this agreement?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would have to check and find out and let the hon. member know.

* * *

FISHERIES

HALIBUT—SUGGESTED IMPOSITION OF 200-MILE JURISDICTIONAL LIMIT OFF COAST TO SOLVE PROBLEM OF OVERFISHING

Mr. John Reynolds (Burnaby-Richmond-Delta): I have a supplementary question, Mr. Speaker, for the Minister of Fisheries. In view of the fact the halibut catch off the coast of British Columbia has declined by more than two-thirds since 1969, is the minister willing, in view of the emergency, to impose a 200-mile limit arbitrarily so that we can solve this problem and negotiate with the other countries?

Hon. Jack Davis (Minister of Fisheries): No, Mr. Speaker.

PACIFIC AND BERING SEA HALIBUT—POSSIBILITY OF UNILATERAL ACTION BY CANADA IF NEGOTIATIONS WITH OTHER COUNTRIES TO PREVENT OVERFISHING FAIL

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a supplementary question about the halibut situation. Inasmuch as the chairman of the International Pacific Halibut Commission on March 15 in a letter to the minister suggested the possibility of even unilateral action on the part of Canada to prevent a continuation of the catastrophic decline of halibut stocks in the Bering Sea and off the Pacific coast, can he tell the House whether, if nothing arises in a concrete way out of meetings to take place with other countries, Canada has a contingency plan or is contemplating the taking of unilateral action? I am not asking what that unilateral action might be but whether the government is planning to take such action.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think we should try to solve this problem by co-operation rather than by threats, in the first instance at least.

An hon. Member: But you are not going to.

* * *

FINANCE

POSSIBLE FURTHER INCREASE IN BANK INTEREST RATES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. In light of the fact the Bank of Canada raised the bank rate some two weeks ago with government approval in order to contain lending by banks, would he care to say what the views of the government are on the report that the banks may again increase their prime rates so they can increase their deposit rates in order to cope with the excessive demand under the inflationary pressures today?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have had a very close relationship with the hon. gentleman over the years and I do not think he would really expect me to comment on interest rates or exchange rates.

Mr. Lambert (Edmonton West): I realize that the minister is on the eve of his budget. On the other hand, two weeks ago there was a great deal of approval by the minister for this move which was meant to curtail inflationary pressures, and we hear now that the move is afoot again. I should like to know whether he feels that the move is successful in containing inflation?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the only frank answer I could give the hon. gentleman would be speculative, and I would not like to speculate.

* * *

ENERGY

SUGGESTED REDUCTION IN FEDERAL SALES TAX ON OIL AND OIL PRODUCTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. As the federal sales tax on oil and oil products increased by more than 60 per cent when the federal government raised the price of oil from $4 to $6.50 a barrel, does the minister not agree that he should have urged his own government to reduce the sales tax on oil and oil products instead of suggesting that the government of Ontario—

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Hees: —reduce its sales tax which it has maintained at the same figure as it was before the federal oil price was raised?

Some hon. Members: Order!

Mr. Speaker: Order, please. I am sure the hon. member will appreciate that a question asked in those terms is debate. Perhaps the hon. gentleman would like to rephrase the question or ask a supplementary; otherwise I will recognize the hon. member for Dauphin.

Mr. Hees: Mr. Speaker, I would like to ask the minister if he will take the first opportunity on motions to explain to the House what justification he has for suggesting on Saturday that the government of Ontario should cut its sales tax which has remained stationary since well before the latest oil price increase, whereas the federal government sales tax on oil has increased by more than 60 per cent since the government raised the oil price? Will he make a statement on motions in the near future?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should remind the hon. gentleman that the Ontario tax is 19 cents while that of the federal government is two to three cents. I would also remind him that on Saturday I pointed out that if the Tories are serious about wage and price controls, the provincial government—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please.

Mr. Hees: Mr. Speaker, I would simply like to ask the minister whether he did not learn from the last election that you cannot fool many of the people much of the time.

An hon. Member: We sure fooled you.

Mr. Macdonald (Rosedale): That is why you are in the opposition, George.

Mr. Hees: You are going to wind up as nothing after the next one.

Mr. Trudeau: You need another five days off.

An hon. Member: How was your vacation, Pierre?

Some hon. Members: Oh, oh!

* * *

INCOME TAX

EFFECT OF PROVISION OF FAST WRITE-OFFS AND TAX REDUCTIONS TO MANUFACTURERS ON CREATION OF NEW JOBS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. As the Economic Review indicates that most of the major sectors of the economy advanced in the creation of new jobs as much as manufacturing, and in some cases much more, is the minister still of the opinion that the fast write-off and corporate tax reductions to manufacturers were the major reason for the performance of that sector as far as the creation of new jobs is concerned?

● (1430)

Mr. Speaker: Order, please. The Chair will, of course, allow the minister to reply, but a question in those terms invites the minister to express an opinion. I do not want to be unfair to the hon. member for Dauphin. If the minister can reply briefly he will be recognized for that purpose.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will have to read that question in *Hansard* because I really could not hear it through the fog emitted by the hon. member for Prince Edward-Hastings.

Mr. Speaker: Is the hon. member rising for a supplementary?

Mr. Ritchie: Yes, Mr. Speaker. Has the minister any further plans to research the fast write-offs and tax reductions for manufacturers in view of the discrimination against other segments of the economy in certain areas?

Mr. Turner (Ottawa-Carleton): At this stage in the session, Mr. Speaker, it might be a little awkward for me to answer that question.

* * *

HOUSING

REQUEST FOR PROGRAM TO PROVIDE RENTAL ACCOMMODATION FOR LOW AND MODERATE INCOME FAMILIES

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In light of the cutback in apartment construction in Canada's major urban centres, does the minister plan to announce at an early date new plans for a large-scale program to provide rental accommodation for low and moderate income families?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, we are supporting through the provisions of the National Housing Act the construction of a large number of family income units and are supporting the implementation very vigourously of the whole non-profit sector of the National Housing Act. We are also supporting provincial action as it exists in this regard.

Mrs. MacInnis (Vancouver Kingsway): In view of the chronic reluctance of the building industry to use the funds allocated for public housing, would the minister now consider taking direct action by having the government move directly into the building field as it did so successfully after the second world war?

Mr. Basford: Mr. Speaker, the federal-provincial partnership operating in most provinces to develop public housing is not having difficulty in finding people to build houses.

Mrs. MacInnis (Vancouver Kingsway): How does it happen that so many people are unable to get rental accommodation in spite of what the minister says?

Mr. Speaker: Order, please. The hon. member for Lisgar.

* * *

FINANCE

ACTION TO ENSURE BANKS MAKE MONEY AVAILABLE TO FARMERS UNDER FARM IMPROVEMENT LOANS ACT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the fact that some banks at least seem to be unwilling at the present time to lend money by way of farm improvement loans, has the minister had discussions with the officials of the banks in Canada with a view to ensuring that under the Farm Improvement Loans Act money will be available for farmers to use this spring?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take that suggestion under consideration, particularly in view of the fact the House has just passed amendments to that act.

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NATIONAL DEFENCE

CURRENT STRENGTH OF ARMED FORCES—NUMERICAL FLOOR

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. I have given him notice. Will the minister inform the House what the current strength of the armed forces is? Will he also advise the House whether there is a numerical floor beneath which he does not intend to let the strength of the forces sink and, if so, what is it?

Mr. Speaker: Order, please. With respect, I suggest to both the hon. member and the minister, in spite of the consultation that may have taken place before, that this question asks for statistical information and should normally be placed on the order paper. I believe that the hon. member for Athabasca has a supplementary to a previous question. He will be recognized for that purpose and then there will be another supplementary.

[Mrs. MacInnis (Vancouver Kingsway).]

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CENTRAL MORTGAGE AND HOUSING CORPORATION

LAWYERS SELECTED TO PROCESS MORTGAGES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary is directed to the Minister of State for Urban Affairs. Can the minister say why the government follows the practice of appointing only certain lawyers for the processing of CMHC mortgages rather than using any qualified lawyer who is licensed to practice? Further, how and by whom are these lists arrived at?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the appointment of lawyers by the government and Crown agencies has been explained many times in the House—

Some hon. Members: Oh, oh!

Mr. Basford: —by a series of Ministers of Justice, and that same procedure is being followed today.

Mr. Speaker: I have some doubt that the hon. member's question was supplementary to a previous question. I would hope the Chair would be allowed to proceed as quickly as possible without too many supplementaries, especially those which are perhaps related but not genuine supplementaries. I will recognize the hon. member for Athabasca and then the hon. member for Saskatoon-Biggar.

Mr. Yewchuk: Mr. Speaker, my supplementary is for the Prime Minister. Can the Prime Minister explain to the House whether it is the policy of the government to give CMHC work only to lawyers who are members of the Liberal Party?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, but it often happens that the best lawyers are Liberals.

Mr. Speaker: Order, please. This exchange of questions and answers may be interesting to members but I wonder it is getting us anywhere. I recognize the hon. member for Athabasca for a last supplementary.

Mr. Yewchuk: I rise on a point of order, Mr. Speaker. I think this form of open and blatant patronage is scandalous and should be stopped.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. May we have order, please. That is debate and not a point of order. The hon. member for Saskatoon-Biggar has been recognized.

AGRICULTURE

REQUEST FOR INVESTIGATION OF DIFFICULTY IN OBTAINING FARM MACHINERY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is supplementary to that asked by the hon. member for Lisgar. I would direct it to the Minister of Agriculture. While the reluctance of the banks to lend money in the form of farm improvement loans is being investigated, will the minister also investigate the circumstances now existing in many farm areas where it is almost impossible to obtain farm machinery and where the prices of both machinery and repairs are rapidly escalating, almost moving out of sight?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not accept the premise of the last part of the question. I was just referred to a document about the price of farm machinery and the price, unless the hon. member has other evidence, is not what he has presented to me. I will investigate the other suggestion. We are investigating it now. If there is anything we can find we will make further representations to the banks to find out if there is any truth in the suggestion that they are refusing to lend money to the producers of this country to produce food.

* * *

INCOME TAX

INQUIRY AS TO RECOGNITION OF PROPOSED ONTARIO LAND SPECULATION TAX AS BUSINESS COST IN COMPUTATION OF FEDERAL TAXES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to direct a question to the Minister of Finance. With reference to the projected Ontario land speculation tax, can the Minister of Finance confirm that it is the continuing policy of the government to recognize such provincial taxes as a cost of doing business in the computation of federal taxes?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are still examining that piece of legislation to see whether it will achieve the purposes for which it was introduced.

Mr. Lawrence: Can the minister tell us when his consideration of this bill, which has been public knowledge now for at least a week and is going through the second reading stage in the provincial legislature, will be completed and he will be in a position to tell the people of Ontario?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I suppose it is hypothetical until the bill is passed.

AIR TRANSPORT

ALLEGED IMPROPER PACKING OR LABELLING OF DANGEROUS AIR CARGO—MEASURES TO PROTECT TRAVELLING PUBLIC

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. In light of the fact that dangerous air cargo is often improperly packed or wrongly labelled at the origination point, can the minister inform the House whether he will undertake action to blacklist effectively the transportation of air cargo derived from originators who in the past have been proven faulty in their preparations for transport in order to protect the air travelling public from any future breakdown in safety regulations of this kind?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, everybody will understand that I will have to verify many of the facts alleged by the hon. member and then I shall be glad to answer him.

● (1440)

Mr. McKenzie: Because of the fact that the transportation of dangerous, improperly packed or labelled cargo has been allowed as a result of the lack of supervision and improper training of the personnel responsible, will the minister immediately undertake to formulate measures that will upgrade these procedures?

Mr. Marchand (Langelier): Mr. Speaker, before I take measures I think I will have to doublecheck the facts.

* * *

[*Translation*]

GRAIN

FEED GRAINS—SUGGESTED ACTION TO ENSURE PRICE PARITY BETWEEN EASTERN AND WESTERN CANADA

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the minister responsible for the Canadian Wheat Board.

As the measures taken since September about feed grains and price parity between east and west have not had the expected results, will the minister announce soon what measures he intends to take during the coming months to reach this goal?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I cannot accept the premise of the hon. member's preliminary because the present policy has produced parity in prices of feed grains across the country, although those prices are significantly higher than people might have anticipated a year ago. However, it is our anticipation to announce the final form of the feed grains program for next year and for the future in the next few weeks.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

I do not accept either the arguments on which is based the answer I have just been given. In view of the fact that the representations I receive every day from feed buyers

prove that prices have continued to rise and the margin to widen, I should like to put to the minister a very direct question hoping to get a very frank answer. Will he soon advise the House of the steps he intends to implement to give eastern producers equal chances with western producers?

[*English*]

Mr. Lang: Mr. Speaker, that is what I said, that within the next few weeks we would expect to indicate the feed grains policy for the future. But I would again say to the hon. member that the basic price of grain available to producers in the prairie region is itself the monitored price on which grain is offered into the eastern region, and there is therefore the assurance of equity in grain prices with, of course, cost differences and transportation between them. However, I do say to the hon. member that prices are a lot higher than anticipated a year ago by some people, but that really reflects a lot of circumstances, including world pricing conditions.

* * *

FINANCE

INTEREST RATE PAID BY COMMERCIAL LENDERS FOR SHORT-TERM MONEY

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is the minister aware that commercial lenders, by one method or another, are presently paying up to 12 per cent for some short-term money, and is it the opinion of the minister that that short-term rate is a fair market rate for these commercial lenders to pay?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would have to analyse the particular deal involved, the particular circumstances under which it was made, in order to give an opinion of that sort.

Mr. Blenkarn: Is the fact that lenders must pay up to 12 per cent on short-term money—these are the commercial banks of the country—an indication that we have a new tight money policy?

Mr. Turner (Ottawa-Carleton): No, sir, and I am not sure that the hon. gentleman is right in the totality of his premise.

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PROVINCIAL AFFAIRS

APPOINTMENT OF RALPH STEINHAUER AS NEW LIEUTENANT GOVERNOR OF ALBERTA

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Prime Minister which I believe is of fairly general interest.

Mr. Hees: Is this one you sent him?

Mr. Marchand (Kamloops-Cariboo): I gave him notice of it. Can the Prime Minister advise the House whether he has yet appointed the new Lieutenant Governor of the province of Alberta?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I am pleased to say that was done at a cabinet meeting this morning and that the appointee will be a native Indian. This will be the first time in Canada that an Indian has occupied that function. I think this completes the record since we now have native Canadians in the judiciary, in the legislatures, and from now on we will have some in the executive. I hope there will be an increasing number. Indeed, perhaps the next prime minister could be either a woman or an Indian.

Some hon. Members: Hear, hear!

Mr. Hees: You should have seen John Turner's face on that one. It turned absolutely black.

Some hon. Members: His name?

Mr. Trudeau: His name is Mr. Ralph Steinhauer of Alberta.

Some hon. Members: Hear, hear!

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TRANSPORT

REQUEST FOR TABLING OF CN-CP STUDY ON FEASIBILITY OF AN ARCTIC RAILWAY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Transport. It has reference to the one I asked recently regarding the feasibility study carried out by CN-CP on an Arctic railway. Now that his department has had the CN-CP study for some weeks, and further to the commitment made on March 27 by the Minister of Energy, Mines and Resources, would the minister say when this study will be made public?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will have to check to see exactly when we got the report or, if we do not have it, when we think we will have it. Maybe I will be able to inform the hon. member exactly tomorrow.

Miss MacDonald (Kingston and the Islands): Would the minister also be prepared at that time to say when it will be made public?

Mr. Marchand (Langelier): I will be prepared to say that if I know it.

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ENERGY

SUGGESTED LOWERING OF COMPENSATION TO OIL COMPANIES ON IMPORTS IN LIGHT OF PROFITS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the exceedingly high profits

being made by the oil companies in Canada this year, is the minister contemplating lowering the compensation rate paid to oil companies for eastern oil imported from offshore? Is he considering asking them to absorb some of the price increase on that oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I responded to that question in committee last week.

Mr. Nystrom: In view of the fact the minister's response was in the negative, and in view of the fact Imperial Oil has deferred taxes of over $150 million, does he intend to recommend to the Minister of Finance that we now collect those deferred taxes?

Mr. Macdonald (Rosedale): At such a sensitive moment I would hate to suggest anything to the hon. gentleman, Mr. Speaker.

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EXTERNAL AFFAIRS

ABSENCE OF CANADIAN COAT OF ARMS FROM DESIGNS FOR NEW PASSPORT COVERS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It refers to one I asked previously. In view of the fact more than half of the proposed designs for new passport covers now on display in his new office building bear no evidence whatsoever of the Canadian coat of arms, may I ask the minister how he could say in reply to a question of mine last week, as recorded on page 1672 of *Hansard*, that he had not heard of any such suggestion?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, when I gave that answer I had not heard of these suggestions. I had not examined the covers that were on display. May I add that the government did not ask for any of these mock-ups to exclude the coat of arms or any reference to the Queen, and certainly I would never approve a passport that did not include the coat of arms and a reference to the Queen.

Mr. Munro (Esquimalt-Saanich): I thank the minister for that reply, Mr. Speaker, but I am a little confused about the need for a new design. Can the minister tell us why the present form needs to be changed? Is it because in its present form the Canadian passport can be easily counterfeited and, if so, will he not concede that the removal of the coat of arms, which in itself is an intricate engraving, would make counterfeiting easier?

Mr. Sharp: Mr. Speaker, I have no argument with the hon. gentleman on this point. I do not intend to remove the coat of arms from any Canadian passport cover that I would approve. I agree with him that that is a minor consideration, however. The reason for asking for new designs really had to do with the cover rather than with the contents, and I think we could improve the cover.

● (1450)

AIR TRANSPORT

CARRYING OF POTENTIALLY DANGEROUS CARGO—REQUEST FOR ASSURANCE PILOTS AND GROUND CREW WILL BE INFORMED OF CONTENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief supplementary to the question asked by my colleague, the hon. member for Winnipeg South Centre. While the Minister of Transport is checking into the various matters raised by my colleague, will he give the House the assurance that in future, when potentially dangerous cargo is to be transported, both the pilots and the ground personnel will be informed of the contents so they can effectively deal with a crisis situation if one should arise?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think there is a committee studying this very important matter and I think we will be much more strict in the future than we were in the past. However, I am not in a position to state exactly what the future regulations will be.

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THE CANADIAN ECONOMY

RATE OF INFLATION IN CANADA INDICATED BY ECONOMIC REVIEW VIS-À-VIS STATEMENTS BY PRIME MINISTER AND MINISTER OF FINANCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. He has said that the most reliable measure of inflation is that used by the Economic Review, the gross national expenditure deflator. Inasmuch as the review shows that for the second half of 1973 compared with the first half there was 9.2 per cent increase in Canada against 7 per cent in the United States and 6 per cent in the United Kingdom, would the minister explain briefly to the House why he has gone around the country with the Prime Minister saying that the Canadian performance is significantly better than that of the United States and even the United Kingdom when these figures in his own review indicate that this constituted a very substantial misrepresentation of the facts?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is no misrepresentation whatsoever.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): If the hon. gentleman looks at the deflator as it is applied to recent months, he will see that the rate of increase in the deflator in the United States and Europe has been higher than in any year in Canada. If he looks at the Economic Review he will also find some interesting statistics as to how the deflator is broken down into its foreign and domestic components, showing conclusively that the prime thrust of inflation in this country is foreign induced.

Mr. Stanfield: Will the minister please answer the question I asked? In view of the representations he and the Prime Minister were making all through the second half of

1973, will he answer the question I asked and give the House an explanation rather than try to change the ground and talk about something different from what he was talking about all last year?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is being selective in his citations in the sense that he is comparing the second half of 1973 with the first half of 1973. If he compares the second half of 1973 with the same quarter or the same half of 1972, he will see that what the Prime Minister and I have been saying is accurate.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. The figures for 1973 over 1972 show Canada at 7.2 per cent, the United States 5.25 per cent, and the United Kingdom 5.75 per cent.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have not got the figures with me but I will be addressing myself to the up to date figures on Monday night.

Some hon. Members: Oh, oh!

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CONSUMER AFFAIRS

EFFECT OF INCREASES IN COST OF NEWSPRINT ON WEEKLY NEWSPAPERS—REQUEST FOR INVESTIGATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Has he received complaints from the publishers of weekly newspapers that the increases in the cost of newsprint which have been implemented by all producers of paper are of a nature that makes it virtually impossible for them to continue publication? If he has received such complaints, has he looked into the combines situation?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, such complaints have not been drawn to my attention recently, but I will be happy to have them looked into from the combines point of view.

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INCOME TAX

EXTENSION OF DEADLINE FOR FILING RETURNS BECAUSE OF RECENT POSTAL STRIKE

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the Minister of National Revenue. In view of the settlement of the postal strike, has the minister changed his attitude to give ease to those of us who may be late in filing our tax returns?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I think most people have no difficulty in complying with the deadline of midnight tonight, but it does appear that some Canadians would have difficulty meeting the deadline. Therefore I have decided to give some period of grace. Income tax returns of individuals that are postmarked not later than midnight, May 21, should be accepted as mailed on time.

Mr. Hees: Why don't you make it July 8?

Mr. Speaker: The hon. member for St. John's West. Order, please. The hon. member for St. John's West has the floor and we are running short of time.

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HARBOURS

REQUEST THAT AMOUNT ALLOCATED FOR EXPENDITURE ON SMALL CRAFT HARBOURS BE INCREASED

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is addressed to the Minister of Fisheries. In view of the fact the proposed expenditure during the present fiscal year in the area of small craft harbours is $18 million or less than the amount requested by his officials—pretty well half—and $7 million less than the amount requested by the minister, and in view of the motion that was presented to the Standing Committee on Fisheries and Forestry this morning by his parliamentary secretary, would the minister agree to discuss the matter with his colleagues and recommend that the amount allocated this year for the provision of small craft harbours be increased?

Hon. Jack Davis (Minister of Fisheries): Yes, Mr. Speaker.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

LAWYERS SELECTED TO PROCESS MORTGAGES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the Minister of State for Urban Affairs now that he is back in the House. It is related to the very important matter raised by the hon. member for Athabasca. In a situation where only two lawyers are recommended to a constituent by an official of CMHC and he has had an unfortunate experience with one lawyer but not with the other—they are both good lawyers despite what the right hon. gentleman may say—and both are not qualified as far as he is concerned, is this constituent, as a Canadian, to be blacklisted from doing business with CMHC because of this decision by the government to use only Grit lawyers?

Hon. Ron Basford (Minister of State for Urban Affairs): No, he can make his wishes known to the corporation.

GOVERNMENT ANNUITIES ACT

REQUEST FOR AMENDMENT TO OFFSET EFFECT OF INFLATION ON PAYMENTS TO ANNUITANTS OR PERMISSION TO TRANSFER TO OTHER PLANS

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration who is responsible for the administration of the Government Annuities Act. On behalf of thousands of Canadians who bought government annuities in good faith for their retirement hoping that they would be a good investment but who now find that because of inflation it is one of the poorest investments they could have made, I should like to ask the minister whether he is giving consideration to amending the act so that the government will no longer be able to use that invested money at the ridiculously low rate of 4 per cent? If the government will not agree to do that, will they give permission to the holders of government annuities to transfer them to some other registered retirement savings plan that will give them a good return on their investment?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will certainly take note of the hon. member's representation and discuss it with my colleague, the Minister of Finance.

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CONSUMER AFFAIRS

BEEF PRICES—INQUIRY AS TO INTERIM REPORT BY FOOD PRICES REVIEW BOARD

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the repeated prophetic statements on the part of the minister over the past weeks that an interim report would be issued by the Food Prices Review Board on the subject of beef prices, can the minister tell the House when the subject of this report will emerge from the realm of fantasy into the realm of reality?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker. I answered that last Friday.

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SPORTS

PROPOSED SALE OF MONTREAL ALOUETTES FOOTBALL CLUB—POSSIBILITY OF SUBSIDY OR PURCHASE BY GOVERNMENT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the fact that the franchise value of the Montreal Alouettes has been so adversely affected by Bill C-22, particularly, according to the owners of that team, because of his policy, is it the minister's intention, in his efforts to keep the Canadian Football League intact, to consider subsidizing from federal funds the operations of that or any other CFL club or, indeed, to purchase the Montreal club outright?

● (1500)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, with regard to the first part of the question, surely the hon. member cannot be serious about his assertion. As for the second part, the answer is no.

[*English*]

Mr. Speaker: I will recognize the hon. member for a supplementary and then the hon. member for Dartmouth-Halifax East.

Mr. Jelinek: Mr. Speaker, I simply ask the question out of fear. Since the introduction of the football bill, nothing the minister can do would surprise me. As the Montreal Alouettes are enduring operation losses of approximately $500,000 per year and as that team and other CFL teams may lose players to the World Football League, is the minister now prepared to see the Montreal Alouettes cease to exist or, if the occasion arises, purchased by foreign interests?

[*Translation*]

Mr. Lalonde: In my opinion it might be better for the hon. member to wait for developments. He may be in for surprises.

* * *

[*English*]

HARBOURS

HALIFAX-DARTMOUTH—LOCATION OF CONTAINER FACILITIES—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. It has to do with the expansion of container facilities in the port of Halifax and Dartmouth. Has the minister received communications and telegrams from interested parties in the two communities with respect to the proposed location of such facilities? More specifically, has he replied to such communications and can he give some assurance that no final decision has been made with respect to the development of the Fairview site, which is in the middle of a settled private home area, as opposed to the development of Navy Island Cove which is far more suitable?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, in order not to give a vague answer I will have to check again and give a more precise answer tomorrow. I should like to find out exactly where we stand on this matter.

* * *

FINANCE

POSITION OF GOVERNMENT ON INCREASE OR DECREASE IN RATE OF INFLATION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Given the fact the Prime Minister said recently that "we can say with great confidence that the rate of inflation will probably decline

later this year" and yet the whole thrust of the Economic Review, particularly with reference to commodity prices and oil, is that inflation will increase, can the minister tell the House which is the official position of the government?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am under the impression the hon. gentleman quoted the Prime Minister out of context.

Mr. Bell: He said inflation was licked.

Mr. Baldwin: Now we see the second coming.

Mr. Turner (Ottawa-Carleton): I said to the House that the increases in food prices, world commodity prices and now in petroleum prices would have to work their way through the Canadian economy before any relief from inflation is felt. Certainly, it is within the realm of possibility that commodity prices might break in the latter part of the year.

Mr. Speaker: The Chair will recognize the hon. member for a supplementary and then call orders of the day.

Mr. Gillies: Mr. Speaker, I assure the Minister of Finance that I am not quoting the Prime Minister out of context. I am just repeating his speech.

Mr. Trudeau: The hon. member was quoting me out of context.

Some hon. Members: Oh, oh!

Mr. Gillies: Mr. Speaker, I wish to read from page 11 of the speech of the Prime Minister.

Mr. Speaker: Order, please. I am sure hon. members would like to hear the hon. member read that page of the right hon. gentleman's speech, but I wonder whether that would be in order. If he has a supplementary he will be recognized for that purpose before we call orders of the day.

Mr. Gillies: Mr. Speaker, I do not know whether I have a question of privilege, but the fact is that the statement was not taken out of context. It is here, in front of me. The important issue is this: in making and formulating economic policy, is the government working on the premise that inflation is declining or increasing because the Prime Minister said it is declining and the Economic Review says it is going up? Which position is the government taking on this question?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there is no difficulty in reconciling those statements. The Economic Review states, as I stated in the House, that food prices, commodity prices and petroleum prices have to work their way through the economy. After they do so there is the prospect of a moderation in prices. That is exactly what that statement says.

Mr. Speaker: Order, please. It seems to me that we are engaging in a budget debate during the question period. The hon. member indicates he has a supplementary. Perhaps hon. members will allow the Chair to recognize the hon. member for Don Valley for that purpose. However, it seems to me we are hearing debate between the hon. member and the minister and that has nothing to do with the question period.

Mr. Gillies: Mr. Speaker, thank you for your indulgence. I think this is a most important question. Again I ask the Minister of Finance, in making economic policy in this country for this year is the government assuming that the rate of inflation is going down or going up. It is a simple question and I ask for a simple answer, yes or no. What is the assumption?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it depends very much on what the hon. gentleman means by the rate of inflation and in which part of the year.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I am saying to the House that the country will have to absorb in an economic way the rises in basic commodity prices, both agricultural and non-agricultural, and in petroleum. When they work their way through the economy it will mean that toward the end of the year we will see some moderation in that rate.

Mr. Hees: You mean, the rate is going up and it is going down.

Mr. Speaker: Order, please. I assume that problem will not be resolved at this time so the Chair will call orders of the day.

GOVERNMENT ORDERS

[*English*]

RAILWAY RELOCATION AND CROSSING ACT

PROVISION FOR PLANNING ACQUISITION OF LAND, GRANTS, GRADE CROSSING ASSISTANCE

The House resumed, from Monday, April 29, consideration in committee of Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings—Mr. Basford—Mr. McCleave in the chair.

The Chairman: When the committee rose last evening, clause 3 of the bill was under consideration, together with the amendment proposed by the hon. member for Lotbiniere. The hon. member for Crowfoot had the floor.

On clause 3—*Application to Commission.*

Mr. Horner (Crowfoot): Mr. Chairman, the significant part of Clause 3 has to do with the accepted plan of a transport system within a study area. It is well known that the former president of the CNR, Mr. MacMillan, said that he could move people between Montreal and Toronto much more quickly by train if the track were straightened and the level crossings on the route removed. This bill

deals with all of Canada. I remember members of the National Harbours Board appearing before the transport committee in 1968 or 1969. They had a plan or map drawn for the relocation of tracks around and into the port of Vancouver. I think the minister piloting this legislation in the House was a member of that committee. He stoutly defended the wisdom of that plan. I wonder about the wisdom of that plan and how it fits into the present system.

● (1510)

It is a well known fact that the trackage into and around the port of Vancouver leaves something to be desired. Money appropriated under this bill is for the removal of trackage, if necessary, or the relocation of trackage or the dividing of highways and trackage where they meet. It is also well known that only seven cars can be put into the elevators in Vancouver. The freight trains must, therefore, be broken apart, which involves a lot of shunting with an engine and six cars repeatedly moving across or through part of the Vancouver area.

It is also a well known fact that the CNR uses the Burlington Northern yards to store and group their boxcars. These yards are in the United States. The CNR uses them to group their cars before moving them to the harbour. Some time ago I made a speech in this House on transportation. I stated that a harbour must have two facilities. It must be easily accessible to large ocean vessels and easily accessible from inland.

The Minister of Transport called a transportation conference here in Ottawa on April 10. The CNR and CPR submitted detailed maps. There were lengthy talks about the difficulties they could see in the trackage for the movement of grain and equipment. It was interesting to note that the average CPR car cycle from the prairies was 18 days. Once loaded and booked on to the CPR train in Calgary, it took 4.4 days for that car to move from Calgary to Vancouver, an unusually long time for the average boxcar loaded with grain, potash or whatever. Mr. Martinelli of the CPR appeared before that transportation conference. He stated that the reason for the 4.4 days for the movement of grain from Calgary to Vancouver was the continual build-up of loaded boxcars in Vancouver which blocked the track. He said the greater the blockage of track the more difficult it was to move in cars.

Some members have suggested that the bill before us is designed to assist in the improvement of trackage between Montreal and Toronto. I do not think that is the only area in which it could be used. I suggest it could be used in Vancouver. I hope the hon. member who represents a part of that city will look at that car cycle and the problems outlined by the CPR at that transportation conference on April 10 of this year. The reason for the 4.4 days required to move cars from Calgary to Vancouver is strictly because of the backlog of cars on the tracks around the port of Vancouver. It takes another 4.4 days to unload the cars in Vancouver. To show the ease with which the cars move away from Vancouver, it takes an average of 1.7 days to move a car from Vancouver to Calgary. There is no backlog in the movement away from, just the movement into Vancouver.

We hear great explanations about what is the matter with the grain handling system on the prairies, how in many cases trackage has to be abandoned and how there must be primary elevators and central delivery points in order to speed up the movement of grain. If one looks at the CPR car cycle chart, it can readily be seen that it takes an average of 2.9 days to load a car and on two out of seven of those days the men do not work. The CPR also complained about that. They said they could reduce that 2.9 days if the elevator operators would work seven days a week rather than taking off Saturday and Sunday. Even with taking off Saturday and Sunday, it only took 2.9 days for a car to be loaded and moving again. It took 1.5 days for the car to get to Calgary where it sat for 1.7 days. It took a total of 1.8 days to get in and out of the port of Vancouver. I suggest that quite a bit of the congestion in and around the port of Vancouver could be eliminated if additional trackage were built and some of the present trackage in and around that harbour removed.

We all know about the tunnel. We have been told that CPR uses the CNR tunnel to get close to Burrard Inlet. Is additional track going to be built around Port Moody over what might be called the Indian Arm Inlet? If this were done, it might facilitate the movement—

The Chairman: Order, please. I regret to interrupt the hon. member, but the time allotted to him under the Standing Order has expired.

Some hon. Members: Continue.

The Chairman: If there is unanimous consent, the hon. member might be recognized again.

Some hon. Members: Agreed.

Mr. Horner (Crowfoot): I can assure the minister that as soon as he answers some of the questions I put to him last evening and today, this legislation will be readily passed. However, one should point out the significance of the port of Vancouver and the need for track relocation to facilitate movements into that harbour. As I pointed out, the backlog of cars on the tracks in Vancouver is causing a delay in the movement of grain into that harbour. The slowness of the movement of cars over that track to the elevators in the harbour causes a delay in getting the cars unloaded.

What about the tonnage handled at the port of Vancouver? How important is it to Canada? I have a press release from the National Harbours Board dated March 17, 1972. It is a tabulation for the year 1971. I think perhaps the same figures hold true today, with perhaps a little larger tonnage. The total tonnage handled by all major ports in Canada was 93 million tons. Vancouver handled better than 35 million tons, well over 30 per cent of the total. The next largest port was Montreal, which handled 23 million tons. It is reported over the radio almost every day of the week that at least 18 ships are waiting to be loaded. The next day the ships move to Seattle to be loaded because they cannot get the grain cars, boxcars or containerization. It is a well known fact that the port of Seattle has 11 container handling devices. Vancouver has one and is hastily building a second. I have added the words "hastily building a second".

● (1520)

The minister should be able to tell us what he has in mind, what he regards as being an acceptable plan. Can just any plan qualify for 50 per cent of the cost paid by the government during the study period? Are there any criteria set out? If there is no relocation whatsoever, is 50 per cent of the cost still paid for by the federal government? Can any city in Canada, regardless of its size, no matter how small the railroad, qualify for assistance? Should the British Columbia Railway wish to relocate within a city, would it qualify for assistance in the same way as the CN in the middle of Toronto? As I said last evening, the CNR owns 190 acres in downtown Toronto. Take the tracks off those acres and one has the most valuable piece of real estate in Canada. I am really not sympathetic to the idea of the federal government paying 50 per cent of the cost of getting the track off such valuable property. Mr. MacMillan, when he appeared before the committee, could not and would not try to estimate the value of that 190 acres in downtown Toronto. He said it couldn't be valued accurately at today's prices.

There are certain aspects of this bill which may involve extensive developments throughout the country by way of computerization and rapid transit systems. In these circumstances, it is hard to imagine that the government would not have some kind of plan. The minister told us nothing in this connection. For example, will there be a monorail system in Edmonton and a similar system in Toronto or should we expect a hodge-podge of transit systems to develop across Canada? Some might ask: what difference does it make? Well, it makes a very big difference. It is interesting to note that the mobile lounges being built for the Montreal airport will probably be identical to those used in Toronto. They are experimenting with two in Toronto at the present time. Preferably, a Canadian contractor would do the building, because our aim should be quantity as well as size.

I propose to read, now, from the Annual Review of the Economic Council of Canada for 1969. Here is what the Council had to say about the shape of our major cities in 1975 and the need for some kind of plan. I am not a great planner, Mr. Speaker, but I believe that if the government intends to pay out taxpayers' money it should lay down certain criteria in respect of rapid transit systems. If the program adopted by each of our cities had a basic similarity there would be a major saving in purchasing, since we would then be purchasing in quantity, in the first place, as well as greater ease of maintenance. Here is what the Economic Council forecasts:

> By 1980, eight of every ten Canadians—some 20 million people—may be living in urban areas, with almost two-thirds of the population in about 29 major cities. In the past, our urban growth has generally proceeded in a haphazard, unplanned manner. In the future, we need greater attention focused on the adaptation of cities to people and not the other way around. Such an emphasis can be translated into demands for collective services and social capital of many kinds, for transportation, health, education, public utilities, recreational facilities, protective services, waste disposal and pollution abatement—demands that tend to increase more rapidly than income.

In that chapter dealing with transportation, the Council holds there must be some kind of initial concept. In this bill, the minister has held out a carrot to every major city. As I said last evening, one would almost think an election was coming on, and that the minister wanted to visit every city personally and say to them: Build your own transit systems if you like; when the legislation is passed we will give you 50 per cent of the cost. He would not say how these systems were to be maintained or what cities would qualify, whether they would be cities with populations of 250,000 or 500,000 or a million.

The minister might be slightly annoyed because I am taking a good deal of time over this clause. I do so because I think it is important he should realize the need to give the committee some answers to the questions I have raised. I could resume my seat now, and speak again on clause 4, making virtually the same speech as the one I have just made. If the minister wishes me to repeat myself, I shall do so. But he must answer some of these questions if he expects this measure to proceed through the House as no doubt he would wish.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Chairman, yesterday I had the honour to move an amendment to clause 3 so as to enable municipalities, once the province approves the program, to co-operate directly with the federal government, if necessary, and this without any prejudice to the provinces' rights.

With the unanimous consent of the House and after consultation with the Minister of State for Urban Affairs (Mr. Basford) as well as our NDP colleagues, I would like to withdraw my amendment and move another, which would seem more agreeable to the House, in order to improve this bill. I therefore move:

> That clause 3(1) of Bill C-27 be amended at lines 11 and 12 by deleting the words "acting on behalf of the province".

And in English—

[*English*]

> That clause 3(1) be amended by deleting the words "acting on behalf of the province".

The Chairman: The committee has heard the suggestion of the hon. member for Lotbinière which amounts to the withdrawal of the amendment offered last evening and substitution therefor of a new amendment. First, we shall proceed with the withdrawal of the amendment. This would require unanimous consent. Is it agreed that the amendment as offered by the hon. member last evening be withdrawn?

Some hon. Members: Agreed.

Amendment (Mr. Fortin) withdrawn.

Mr. Fortin moved:

> That clause 3(1) be amended at lines 11 by deleting the words "acting on behalf of the province".

Mr. Peters: I do not want to make a great issue of this, but the new amendment does amount to an amendment of substance, and I believe it is a retrograde step as compared with the amendment which has just been withdrawn. It only means that a municipality can act on behalf of a province. This could happen at any time if the province allowed it—

Mr. Fortin: It is entirely the opposite.

Mr. Peters: I do not see that it is. The other amendment was complicated, but I believe it accomplished exactly what it was intended to accomplish. A city or a community could bring forward a plan, and the province might well say it is a wonderful plan—we have seen this happen in northern Ontario on a number of occasions. But these expressions of approval do not prevent a province from dragging its feet, which means that the project never gets ahead as well as it might have done.

● (1530)

Mr. Horner (Crowfoot): Mr. Chairman, I rise on a point of order. While I am in sympathy with the amendment proposed by the hon. member, I feel I must caution you that it appears to be out of order and unconstitutional. I do not have a copy of the amendment before me, but I noted that the sentence in part would then read:

—for that transportation study area, the province or a municipality may, subject to sub-section (5)—

Municipalities are the children of provinces, and I would caution you to study that amendment very closely as I seriously think it is out of order.

The Chairman: Perhaps I should deal with the point of order raised by the hon. member for Crowfoot. In a way it does resemble the point I had doubt about last evening when the original amendment was suggested. I have given some careful consideration to that in the hours since then, and on balance I thought that both that amendment and the one before the committee now would be in order. If there are further points to be made about it I would be glad to entertain them, but the hon. member for Moncton has been so patient, perhaps he could be allowed to have his say. If a point of order really does arise, then we will get to it and dispose of it.

Mr. Thomas (Moncton): Mr. Chairman, I thought I should rise and speak on this bill because, even though I am fully in accord with the principle of this legislation and do not want to see it unduly delayed, there are certain features which are not quite palatable. I should like to see some changes made, and Clause 3 is the clause I really do not like. Before I get into that in detail, I should say to the committee that I welcome this legislation, which is so long overdue. It is something that we on this side of the House have been pressing on the government for at least six or seven years. The fact that it is overdue, I suppose, makes it no less welcome, but this does make one wonder about the priorities of this government, and why it would shilly-shally and delay for so long without coming to grips with these problems.

I am pleased that the government has finally realized that there is a correlation between urban development, growth and transportation. This is something we in the Maritimes have recognized for a good many years, probably because our growth, not only urban but industrial, is so dependent upon transportation, and because transportation means so much to us. It has always been very puzzling to us to note the utter disregard, if you will, by the government of the fact that growth and transportation are so closely related. In addition, the government does not seem to want to adopt any constructive measures to tie one in with the other.

The city of Moncton, which I represent, has had this transportation problem ever since the railway came to Moncton. I do not want to leave the impression that we do not appreciate the railway, but because the railway was responsible for the growth of the city, and because the growth of the railway was haphazard and without planning, we have found that as the railway continued to grow and expand it did not do too much for the urbanization or industrialization of the city as a whole. So we have over the years tried to impress upon governments the fact that urban growth and transportation are closely related, and you cannot have one unless you tie it in with the other.

In the city of Moncton, for example, depending on whether you count every crossing or just crossings over major arteries in the city, we have anywhere from 12 to 19 level crossings in the centre of the city. It is not difficult to realize what this does to the whole growth and development pattern in the city. We have been trying for years to get assistance from the federal government to overcome this difficulty, but we have always been told that the only funds available are those earmarked for grade separations and grade crossings. As the committee knows, the grade crossing fund is designed primarily for the elimination of dangerous crossings, and while some of those crossings in the city of Moncton could probably be classed as dangerous, there are not that many level crossing accidents so they really do not qualify under the grade separation fund.

I recall raising the first question back in 1969 with the then Minister of Transport as to what the government had in mind, and whether there were any plans for legislation to assist cities in the relocation of crossings to aid urban growth. At that time, the answer was that plans were being drafted and something was underway. Again in December 1970, the then Minister of Transport, Mr. Jamieson, in reply to a question in the House, said that the government had started a pilot project in Winnipeg and he hoped there would be legislation within the next few months. Those few months have since stretched out into almost four years.

I did have some hope around the middle of October 1972 when the Minister of Urban Affairs and the Minister of Transport made an announcement in glowing terms that there would be immediate legislation, if they were returned, to assist the cities in the relocation of tracks. We all know now that was just what it appeared to be at the time, nothing but an election promise in the hope of gaining votes, because nothing was done, in spite of many questions in the House. Then again, the throne speech of that year contained a reference to this legislation, but nothing happened until there appeared again in the throne speech of this session a further reference to this legislation.

I do not want to be too critical of the government over the fact that it has been so slow, as I do not want to deter or discourage it from now going ahead with this legislation. I would like to see the legislation go through, but one of the things that disturbs me more than anything is Clause 3. This is the first clause which lets us see just how much power, responsibility and authority is being delegated to the CTC. If you look through Clause 3 and the following clauses, you find that the Canadian Transport

Commission is the body that receives applications and determines, in the first instance, whether an application should be considered. It then checks with the Minister of Urban Affairs and the Minister of Transport to see whether funds are available, and so on.

In addition to that, the CTC, as I read the act, is the sole judge of which applications should be approved. In other words, it is the sole judge in respect of the allocation of funds. I have been critical of the CTC in the past, and I think the criticism which has been raised in respect of this bill by some of my colleagues is well founded. This criticism relates to the danger of giving this authority to the CTC.

In the case of my own city of Moncton, there is a study underway now jointly financed by the federal government and the government of the province of New Brunswick. This Damas & Smith outfit, whose name seems to appear in regard to all these studies, is one of the consultants involved. There is a consultant for the province as well as for the railway. I think there are about four different concerns involved. That study has been underway for some two or three months, and I think it is expected that the report will perhaps be finalized by the end of the summer or early fall. In any event, the consultants are presently studying four different proposals for the relocation of tracks.

● (1540)

The city of Moncton has filed an application for track relocation. I questioned the minister about this and he assured me that the application from the city had been received. What disturbs me now is how much more delay will be experienced even after this proposal has been finally agreed upon by both the provincial and municipal governments. I would be much more confident and happy if this were being handled in the normal manner through the minister's department, because the speed with which applications are processed by the CTC in my experience is similar to that which has been suggested by my colleague, the hon. member for Central Nova, and others in this debate. I have not been too happy about the speed with which the CTC proceeds in respect of any application, although we do know that it proceeds quite quickly in respect of abandonment applications. Anything a little more complicated, such as freight rates and appeals under section 16 of the act and so on, seem to require a little more deliberation by the CTC.

It has been my experience in committees of this House that there is absolutely no way to get through to members of the CTC. This commission cannot be hurried up. I am surprised it has been given all these powers because it will have the power to decide where the allocations are to go. We have been told over and over again by the president of the CTC that the functions of this commission are merely regulatory. We are told that this House makes the decisions and that the commission carries them out according to our wishes. It seems to me that we are departing a long way from a regulatory body when we give this body the power to actually decide what areas will receive funds under this bill. If the CTC were responsible to the House and if we had any control over it I would not be too concerned. However, in my experience the CTC has become a body which is independent of the House. If we try to obtain any decisions from the CTC, we are told that all it does is carry out the rules and regulations. One just cannot get through to the commission.

[Mr. Thomas (Moncton).]

I notice in reading the report of the debate that the minister of State for Urban Affairs, in respect of some of the queries raised by different members about the fact that the CTC is being given so much power, had this to say as recorded at page 1836 of *Hansard:*

> I might also say that the CTC is authorized to make rules and set priorities in connection with relocation plans.

Well, the power to set priorities is far from being a regulatory power. That is what I would call a matter of policy. But here is the shocker. A question was asked by a member who was afraid that only urban areas would receive the funds and that rural areas would not. The minister went on to say:

> I can only express my hope that the CTC, having been given a certain degree of independence by the government, will deal not only with major centres—

And so on. Then, he continued:

> In terms of ministerial assurance, I can say to the hon. member that I think the allocation of government of Canada funds should be made on a somewhat fair and equitable basis.

Certainly, it should be made on a fair and equitable basis. I do not see the need for the minister to confirm that unless he is not too sure of the power he has over the CTC and is not too sure how the CTC will handle the allocation of funds. I think every member of this House should be a little disturbed about handing over this wide ranging power after the astonishing statement made by the Minister of Transport to the House earlier in the month to the effect that he had no control over anyone. He said he did not have any policy and that there were those who do did not pay any attention to him. I asked him several times what the CTC did, and he said he would discuss that with the president. Surely, in light of the statement made by the minister, that there is no transportation policy and that he has no control over whatever policy there is, this is not the time to be handing out such wide ranging power to the CTC.

Still referring to this problem, a little further on at page 1840, when the minister was answering the suggestion that the CTC was not doing its job properly, he said:

> I believe we are entitled to expect it to deal with applications made under Part I in an effective and an efficient manner, and I think the Minister of Transport can be relied upon to ensure that this will be done.

Well, the Minister of Transport told us not once but many times that he has no control over the CTC. Yet, we are now giving the CTC all this power and the difficulty we have is that if it does not properly use this power the Minister of Transport will slap the wrists of the members of the commission. It is amazing that in respect of legislation of this type, which involves the disposition of hundreds of millions of dollars, the government is prepared in effect to take the control of these funds from parliament and turn them over to a so-called regulatory body.

Another thing that is a little disturbing to me in respect of this legislation is the change in policy from what I understand has been accepted practice. In the allocation of railway lines, the railway to date always has been prepared to participate. I know that with regard to the origi-

nal plans for the city of Moncton the railway indicated publicly it was prepared to pay part of the cost because it felt relocation of the tracks would improve service and would be desirable from a railroading point of view. Now under this legislation, however, there apparently is no provision at all for railway participation and this is strictly a federal-provincial deal.

When the fact that the railways are not participating was brought up by some of the previous speakers, the minister said that there is no way to force them to participate. Then, he added he certainly thinks they would. Perhaps my whole concept of governmental control of railways and the CNR is all wrong, but I am amazed at the statement that the government cannot force the CN to participate. This is beyond my comprehension. It seems to me that the railways are deriving a benefit. I am not speaking of a monetary benefit. If the railways, through relocation, are able to speed up traffic and do a better job of railroading, not only should they be made to participate but really from my experience I believe they are willing to participate. So, I should like the minister to explain this statement because I cannot see why one partner to the enterprise should be allowed to get off scot-free. I cannot understand why they should not be told to pay a share of the costs. These are my main criticisms of the bill.

● (1550)

Certainly, so far as clause 3 is concerned I think the principle of the legislation is good. It has been long awaited. I know my community wants it. I hope they can come up soon with a proposal that will be acceptable to the municipalities involved. There are half a dozen small municipalities in the area that are involved. I certainly hope that once an application gets to the CTC, if it is going to be made the sole arbitrator, it will be processed with a great deal more dispatch than the government has shown in introducing this legislation.

[*Translation*]

Mr. Rondeau: Mr. Chairman, I am glad to participate in this debate on Bill C-27 which I think is extremely important for several hon. members, and particularly my riding.

When the Minister of Transport (Mr. Marchand) tabled this bill he had certainly been receiving many complaints for several years about the relocation of railroad tracks.

In my riding there were several fatalities caused by tracks completely outdated and inadequate to meet the needs of our municipalities.

Mr. Chairman, I do not intend to spend too much time on the value of this bill or the necessity for railways to modernize and adapt to current times.

I was pleased to note that the minister accepted the amendment introduced by my colleague the hon. member for Lotbinière (Mr. Fortin) the purpose of which was to give autonomy and more latitude to municipalities which want to relocate railway tracks.

We admit that the province together with the municipalities must have a word to say in the relocation of railway lines but only when the province accepted an overall track relocation plan with the municipalities concerned. The purpose of the amendment of my colleague for Lotbinière which the minister accepted is to stop a province from vetoing a project approved by a municipality.

If a province accepted a relocation plan a municipality should not be afterwards paralysed by being forced to act on behalf of the province. That is what was contained in the bill and that is what we disliked. That is why my colleague for Lotbinière introduced his amendment to allow a municipality to receive grants. Once the plan has been accepted by the province it will no longer be possible for it to paralyse a municipality by stopping it from acting on its behalf.

The bill, as presented by the hon. minister, could allow a province to stop a municipality from acting on its behalf when the general plan had already been approved by all municipalities and the province.

By removing from the bill these six words, which were not only useless but were also completely to the disadvantage of municipalities, it is now possible to prevent that an essential project, desired by all rate payers of a municipality and contained in a general plan accepted by all neighbouring municipalities and by the province itself, be paralysed for several years. Before the amendment of my colleague for Lotbinière, the bill allowed the province to prevent a municipality from realising this plan by not authorizing it to act on its behalf.

Since we are and always have been in favour of decentralization and autonomy, we say that when all the municipalities and the province in particular have accepted a railroad relocation plan, it is up to the municipality concerned to implement as soon as possible a plan that everyone has already approved.

Mr. Chairman, unfortunately for too long we have accepted joint provincial and federal plans where the bureaucracy and the policy of some provinces has paralysed the initiative of our municipalities, which urgently need this type of development. However, since the province intervenes between the municipalities and the federal government, we are now witnessing in the province of Quebec a waste of the funds placed at the disposal of municipalities, which cannot be used because the province stops the implementation of these projects. The province of Quebec has not yet signed the agreements, which means that in the other provinces, at the present time, the federal government invests and grants millions of dollars for reaching community objectives, while in the province of Quebec, because it refuses to sign agreements with the federal government, the municipalities are paralysed in the face of immediate and urgent needs.

Mr. Chairman, we do not want a repetition of this in the railway field. And this is why my hon. colleague from Lotbinière (Mr. Fortin) insisted, as we all did, on amending the bill so that when the master railway relocation plan is adopted by one province and the municipalities, one province will not be able to paralyse railway development by preventing one municipality from acting on its own.

Mr. Chairman, thanks to this amendment, the municipalities will be able to act in their own name and claim the credits granted for railway developments and go ahead without waiting for the slowness of provincial

bureaucracy, as we have seen too often, unfortunately, in Quebec for some years.

[*English*]

Amendment (Mr. Fortin) agreed to: Yeas, 21; nays, 8.

Clause agreed to.

● (1600)

On Clause 4—*Financial Plan to Accompany Application.*

Mr. Horner (Crowfoot): Mr. Chairman, there seems to be some desire to carry the whole bill. I wonder why the government did not put all the provisions in clause 3.

Clause 4 concerns the financial plan which is to accompany the application, and I should like some clarification on this. We all know how costs are rising these days, so one would assume that the plan would merely be an estimate and not in any way final. Would the minister agree with that? Surely, many projects have been undertaken by municipalities across Canada from time to time where study groups have considered the relocation of a roadbed or the building of overpasses or underpasses separating the railroads and the highways, and generally all that can be submitted with the application is an estimate of the cost. Before the bill passes, I should like to hear the minister say that all he is asking for is a financial estimate along with the application, and not necessarily a financial plan to which the government would be bound. It is a simple question and I hope the minister can answer it so we can proceed to clause 5.

Mr. Basford: Mr. Chairman, obviously any relocation or rerouting proposals could, as the hon. member for Crowfoot points out, occasion expenditures in rail or transportation facilities and consequential changes resulting from that in street or highway linkages, if the area is turned into a public area for public transit terminals, and so on. It is the intention of clause 4 that the financial plan should show all those expenditures and how the relocation or rerouting is to be financed.

Basically the financial plan would document what the costs and benefits of the transportation plan are and how they would be shared among the various participants, what the sources and applications of the funds required by the transportation would be, and what the schedule of payments of the transportation funds would be, as well as any other information that might be required by the CTC.

The hon. member has raised the question of the federal contribution. Under this legislation the federal government may make a contribution of up to 50 per cent to the cost of railroad relocation and rerouting. He was concerned that out of this the railroads could net great benefits. The purpose of the rather intricate method of putting forward a transportation plan, the power given to the CTC to appoint appraisers and evaluators and the whole method of valuation set out in the act and provided in the schedule to the act, are designed principally to assure that the principle of this bill is carried forward, namely that the railroads will not lose nor benefit by reason of the relocation order or by reason of the infusion of public funds. That is the principle of the bill and that is why these financial requirements are provided.

[Mr. Rondeau.]

Mr. Horner (Crowfoot): Mr. Chairman, I listened very closely to the minister's answer. Usually, he answers directly the question put to him but on this occasion he did not appear to understand the question and therefore, I suppose, could not answer it.

The question was: if the application by a municipality through a province is accompanied by a financial plan, in view of the escalating costs we have today, would the federal government hold the municipality or province to that financial plan or would it be considered an estimate and so have adjustments made to it after the application has been approved. It is a rather simple question and I see no reason why the minister should attempt to hedge. He can say yes, the financial plan will be adhered to or no, there can be adjustments and we will take it only as an estimate. That is all I am asking for. It is a simple question.

Mr. Basford: Mr. Speaker, the answer is yes.

Mr. Horner (Crowfoot): Yes, what? Yes, we will take it as an estimate or yes, we will hold them to it?

Mr. Basford: Mr. Chairman, obviously some aspects of the financial plan will involve estimates because they will be estimates of future expenditures. However, any good financial plan will undoubtedly have contingencies and allowances for escalations in costs. The hon. member will note that one of the jobs of the CTC is to assure that all assistance provided for in the financial plan is in fact planned for, is in fact provided for, one way or another. This will be one of the jobs of the CTC. If there are estimates that are subject to escalation they have in their orders provided for them.

Mr. Foster: Mr. Chairman, a question in regard to clause 4 where, as outlined, the federal government will be responsible for 50 per cent of the cost. I am interested to know whether other government departments will assume some responsibility. For instance, in my own constituency there is a plan to relocate the rail lines going into Sault Ste. Marie and immediately adjacent to the city boundary. The rail relocation would have to pass through the Garden River Indian Reserve and, closer to the city boundary, the Rankin Location of the Batchewana Indian Reserve. I am wondering, where a relocation passes through an Indian reserve but where there is not an actual municipality to assume some of the responsibility, whether federal funding in such a situation would go above 50 per cent? Granted the main advantage of this relocation would accrue to the city of Sault Ste. Marie and not to either Indian reserve, although there is the possibility of sidings and an industrial park there. I am interested to know if the federal government would assume any portion which would normally be assumed by municipalities where a relocation passes through an Indian reserve?

Mr. Basford: Mr. Chairman, without specific reference to the case raised by the hon. member, the details of which I am not familiar with, and in reply to the question of whether there are funds available from other departments and programs, the answer is yes. What is provided here is a federal contribution of 50 per cent toward the net cost to the railroad of relocation. That does not cover nor provide for, because they are provided for under different statutes,

any moneys available under the Department of Regional Economic Expansion for infrastructure, moneys for housing under the Housing Act or Central Mortgage and Housing, or moneys available under any appropriate program. For example, if land freed by relocation were to be used for housing, the programs under the National Housing Act would apply in that area. If it were to be used for the erection of a federal public building, the funds of the federal Department of Public Works would be spent.

● (1610)

Mr. Harney: Mr. Chairman, I am concerned about definitions. I notice that the act does not define railway. It is important for the purposes of this bill that we understand clearly what a railway is. In my search for enlightment I consulted the Revised Statutes of Canada (1970) and therein found an act respecting railways. The definition section reads in part:

... "railway" means any railway that the company has authority to construct or operate, and includes all branches, extensions, sidings, stations, depots, wharfs, rolling stock equipment, stores, property real or personal and works connected therewith, and also any railway bridge, tunnel or other structure that the company is authorized to construct and, except where the context is inapplicable, includes street railway and tramway; ...

Often, when we deal with railway companies, we are dealing with lists of articles and entities which go beyond the definition in the act respecting railways.

I raised this point for another reason. We speak of railway companies. Clause 5(1) of the bill mentions "railway company" twice. Is there a difference between the railway and the railway company for purposes of this bill? Do either or both of those terms include, for purposes of this bill, subsidiaries or affiliates of railway companies, whether wholly or partly owned by the companies. Obviously, in many cases of relocation, the benefits will not accrue to the railways as such but could affect the well being of companies owned by railways. I wonder if the minister would respond to my preliminary questions?

Mr. Basford: Mr. Chairman, I suppose we are transgressing against the rules by going back, but "railway" as mentioned in this bill has the same meaning as it has in the Railway Act. The Railway Act has been in existence for a good many years and definitions and explanations with regard to that act have been enforced by the CTC, in dealings related to the Railway Act, without any difficulty. The hon. member asked, does the bill define railway company. It does not. A railway company is defined in the Railway Act, which I do not have in front of me.

The hon. member referred to something he raised the other night. He spoke about the lands of the railways and the subsidiaries of the railways. For the purposes of this bill, railway lands are those lands owned by the railway company which are used for activities directly associated with the operation of the rail transport services of the railway company, such as railway rights of way, marshalling yards, terminal facilities and lands used for maintenance and repair depots for the servicing of equipment.

The hon. member asked about the subsidiaries of the railways or affiliates of the railways. The lands of such companies would be railway lands, clearly under the jurisdiction of this bill and clearly within the jurisdiction of the CTC when it acts for the purpose of enforcing a transportation plan. If the lands are owned by non-railway subsidiaries, and I am not supposed to give a legal opinion, those lands would not be deemed to be railway lands, but would be subject to ordinary municipal ordinances, bylaws and regulations. So, the railways could not escape coverage. If they attempt to shift land back and forth between themselves, the railways, and non-railway subsidiaries, they would be covered either under this bill or under municipal laws. That is to say, railway operations with respect to railway lands would be covered by this statute and by the Railway Act, or in the case of non-railway lands, by the ordinances of the appropriate municipalities.

Mr. Harney: For the minister's information there is no definition of railway company in the act respecting railways. The act defines a railway but not a railway company, unless such definition has not been included in alphabetical order, according to normal usage. On the other hand, the bill before us talks about railways and about railway companies.

Mr. Chairman, you, I and the minister know that at some time in the future when the courts are asked to interpret parts of this bill, the minister's words as to what certain words in this bill mean will not be considered. I am not a lawyer, but I know that in court you cannot quote from House of Commons Debates and say, "That is what those fellows intended when they passed the bill." The judge will look at the language of the act, in English or in French, and interpret its meaning. That is why he has so much power.

There need be no difficulty with regard to definitions. Yet I am considerably worried about how this bill will apply if, for instance, there should ever be an argument about railway property which is not held as property for purposes of railway operation but which is held, directly or indirectly through an affiliate or subsidiary, for the sake of owning it and making a profit on real estate.

I am not worried about the definition in clause 4(a) which says:

(a) how the costs and benefits of the transportation plan included in the accepted plan are to be shared by the province, the municipalities concerned, the railways affected by the accepted plan and any other interests that may be affected thereby;

The subclause speaks of any other interests that may be affected. That is universal language, and that part is fine. On the other hand, clause 5 leaves room for confusion. It talks about railway companies, but the sort of universal definition found in clause 4 is not found in clause 5.

I know that we are slightly in disorder, if not out of order, in talking about definitions. On the other hand, we have been in disorder all afternoon, and I suggest that we are just reverting back to an earlier part of the bill. Hitherto, speakers have been wandering all over the place in their remarks. Perhaps the minister will say that, if the committee agrees, we shall go back to the definition part of the bill and amend the definition, so that once this bill is passed we shall know what is meant by a railway and by a railway company.

Relocation of Railway Lines

● (1620)

Mr. Basford: Mr. Chairman, with all due respect to the hon. member, I really do not see any difficulty at all. "Railway" is defined in this bill by reference to the Railway Act. I must admit that I am not sure whether the word "company" is defined in the Interpretation Act. Even if it is not, no CTC or no judge will have any difficulty defining the word "company" in giving to it the meaning ordinarily attributed to it, which is the common standard on interpretation. With all due respect, those meanings and the meaning of railway company in clause 5(1) will create no difficulty and there is no need to go back to clause 1 to put in a definition. A "company" is a legal institution and recognized word which has not created any difficulty in interpretation whatsoever.

Mr. Harney: Mr. Chairman, I will be very brief. I am not upset that I have not aroused too much concern in the minister, but I may be upset that I have not aroused much concern among other members. Maybe the point I am raising is too legalistic. I wish it were possible to wager across the House. I hope I meet the minister some 20 years from now. If he can tell me there has been no trouble with this definition or lack of definition, I will applaud him. Perhaps the only authority we can refer this matter to is Pierre Berton. He knows much more about the operations of railways and railway companies than many of us around here. Perhaps I can raise the matter again under clause 5. By that time, other members may have the same worry.

Mr. Wise: Mr. Chairman, it is certainly not my intention to delay progress of this bill. At the same time, I do not think it is necessary to remind the minister of my interest in Bill C-27. I have expressed interest on behalf of the city of St. Thomas and the constituency I have the pleasure of representing in the House of Commons. Perhaps it is appropriate for me to say that that city of 25,000 people carried out a railroad relocation study in 1971. It is probably the most comprehensive study that has ever been completed, certainly by any city of comparable size in Canada.

I am concerned about a couple of matters. I will keep my remarks to the bare minimum. The officials of the city of St. Thomas paid some $100,000 for the study. It was underwritten 75 per cent or $75,000 by the province of Ontario and the taxpayers of that city paid the remaining $25,000. The results of that study indicated that in 1971 the railroad relocation project would cost over $18 million. As the hon. member for Crowfoot indicated a couple of times today, with increased costs and the increase in the rate of inflation, $18 million in 1971 could well be turned into $25 million or $30 million by the time the project is carried out. I therefore think it is obvious that 50 per cent of the cost is too low.

Because of the long delay we have experienced in having this bill brought before the House, I think it is a case of being satisfied with half a loaf rather than nothing at all. Will the minister or his department consider any payment toward the study that has already been carried out by the city of St. Thomas or any reimbursement on studies that have been carried out by other cities across the country prior to the passage of this bill?

[Mr. Harney.]

I have a second question for the minister. From reading the act, I realize that the federal government has a fund. I think it is called the railroad crossing fund. I believe there is between $15 million and $18 million in the fund. Over the past few years, this amount has been decreasing. Are the funds to pay for railroad relocations in Canadian cities to be taken from that railroad crossing fund by simply increasing it or is a new fund being set up to pay for these costs?

My third question may have been asked earlier. Is it necessary to receive provincial approval prior to a municipality making application to the federal government for funds?

Mr. Basford: Mr. Chairman, I appreciate the hon. member's interest in this legislation. I know he has been asking questions about it for some time. I appreciate his interest in the fact that the city of St. Thomas has done a great deal of studying and work on this project, which I hope will come to quick fruition under this legislation when it is passed.

In answer to the first question as to whether funds will be available retroactively to pay for studies already completed, as much as I would like to say yes, I think I should say no. In fact, I must say no because cities have been making studies and plans for many, many years. If we applied this provision retroactively, we would exhaust whatever funds we have on retroactive studies. However, such plans would be eligible for 50 per cent of the cost of whatever studies might be necessary to put their work into shape for presentation under this new legislation.

In answer to the second question as to what funds will be available for relocation of grade crossings, there are budgetary projections which will be voted for each year by parliament. I am giving what are projections only. They are subject to being submitted and voted by parliament year by year. Over a five-year period, the funds for relocation would start out in one year, which is either late this year or next year, at $10 million and rise to $25 million for grade crossings and grade separations under Parts II and III going from $25 million to $30 million over the five year period. I emphasize those are solely projections which will have to be voted year by year and which will undoubtedly be varied, depending upon our experience in the application of this legislation when it is passed.

Mr. Wise: Mr. Chairman, I think the minister misunderstood my second question with regard to funds. Are the funds to come from the existing railroad grade crossing fund, or are we to set up a new fund for relocation?

Mr. Basford: The answer is no, Mr. Chairman. The funds for Part I, which is the railroad relocation and re-routing proposals, will not be coming from the railroad grade crossing fund which is Part III. They will be coming from funds provided for in the estimates of the Ministry of Transport voted annually by parliament. The expenditures I mentioned include expenditures from funds available under Part II of the act and for relocation schemes under Part I.

● (1630)

Mr. Thomas (Moncton): Mr. Chairman, I wish to take this opportunity to ask the minister a question on clause 4. The clause concerns the conditions which are laid down and which must be met before an application can be considered. I am wondering about the status of studies already under way, for example, the study being conducted at Moncton and financed by the federal government and the province. Have those responsible for this study been advised of the conditions in clause 4? Is there any danger of this plan being submitted, and of the CTC saying: You have failed to meet the conditions of the act.

Mr. Basford: I am trying to avoid becoming involved in the specifics of individual applications because, obviously, I am not familiar with all of them. However, I recognize that work has been going on at Moncton for some time. Those concerned are, of course, aware of the legislation which is before the House. I hope that all the studies under way will be made to comply with the conditions of this legislation in anticipation of its passage.

Clause agreed to.

On clause 5—*Submission to Commission of Transport Plan.*

Mr. Harney: Mr. Chairman, during my speech on second reading I told the House I was interested in proposing an amendment to clause 5(2) and that its purpose would be to ensure that the Commission would be obliged to hold a hearing before making an order under clause 6. As it stands, the bill simply says the Commission may make such an order.

The reasoning I put forward was that the whole question of the relocation of rail lines, the new use of properties which would be liberated by relocation, and, indeed, the whole direction and shape our cities might take as a result of major relocation was an extremely delicate one. I argued that in most cases it would take a good deal of time for interested parties—and in that term I certainly include the general public, the citizens of the urban areas affected—to find out what was going on, to determine what the implications of relocation were.

We know from experience that any change in the shape of a city is bound to affect many people, and thus it is extremely important to give citizens a chance to have a say. It is all very well for the minister to tell us that in the formulation of the original plan the public has an opportunity to make an input. I have no doubt the railways will be making an input and I have no doubt the municipalities will be making an input. However, I am afraid the nature of this input will be understood only by specialists. In the City of Toronto we have had experience of planning by specialists. All the specialists agreed, for example, that the Spadina Expressway had to be built. Only recently, there was no doubt in the minds of all the specialists, whether municipal or provincial, that the Scarborough Expressway had to be built. For years these views were unchallenged until citizens began to wake up to the implication of the construction of these expressways. After a long time, and after making many appeals, the people were finally allowed to express their feelings as to whether these auto routes were in fact as necessary as the specialists believed.

I do not see what harm could possibly be done by making it mandatory for the Commission to hold a hearing. If we decide to leave the clause as it is, citizens will have an opportunity to express their opinions only if they are allowed to do so by the Commission; the Commission itself would be in the position of deciding whether the public interest would be served by a hearing. I say: let the public itself decide whether its interests will be well served or not.

I know the minister may object to my proposal on the ground that it might give rise to a multiplicity of hearings. But, as I suggested in my comments on second reading, I do not think the number of relocation projects undertaken is likely to be large. I say this on the basis of the amount of money which the minister suggests should be spent over the next five years, and in the light of the sums likely to be needed by Winnipeg and Toronto. What will be left for St. Thomas or Wetaskiwin? I have the feeling there will be very few relocation programs carried out, so we ought not to be taken in by assertions that my amendment, if adopted, would lead to a tremendous number of hearings.

I maintain we would be honouring the needs of urban communities if we were to agree now to make the holding of public hearings mandatory, not simply a matter for the judgment of the Commission. Whether we like to think so or not, to a lot of the people in our communities the Transport Commission is an awfully distant institution. I should like to see the clause redrafted in such a way that there would be no going to the Commission, cap in hand, for leave to make representations at an inquiry, but there should be an automatic hearing. The administration need not be difficult. Already, in many of our cities, when rezoning is contemplated a public meeting has to be held. Advertisements are inserted in the newspapers announcing the purpose and date of such a meeting, and if there is no interest, if no one attends, there is, in effect, no hearing, and that is the end of the matter. But an opportunity for the public to protect its interests is always provided.

In his remarks the other day, the hon. member for Calgary North expressed great interest in supporting the amendment I suggested. I know, from discussions I have had with a member of the Social Credit party that there is interest on their part as well. I trust and hope that members of the Conservative party will continue to have this interest and that members of the Social Credit party will continue their interest. Whether the minister agrees with it is another matter, but I know he is certainly interested in it. With that appeal I should like to put forward an amendment which will read very simply this way. I would move, seconded by the hon. member—

● (1640)

An hon. Member: You don't need a seconder.

Mr. Harney: Not even if I want one? I don't need a seconder, but it is nice to have one. I am informed I don't need a seconder, therefore I will not be seconded by the hon. member for Timiskaming, but simply move the following amendment on my own:

That sub-clause (2) of clause 5 of Bill C-27 be amended on page 6 at line 17 by changing the word "may" to the "shall" and by inserting a period after the word "thereon", and also by deleting lines 18 and 19.

The Assistant Deputy Chairman: The hon. member has proposed an amendment to Clause 5. Shall the amendment carry?

Mr. Baker: Mr. Chairman, I am very pleased to hear a representative of the New Democratic Party say in the House that "may" and "shall" have different meanings, because it seems to me at an earlier time the leader of that party argued that "may" and "shall" might have the same meaning under certain circumstances. I suppose it depends—

Mr. Knowles (Winnipeg North Centre): On the context.

Mr. Baker: —on the context and also upon whose ox is being gored as well. Nonetheless, I want to say that we support the proposition advanced by the hon. member for Scarborough West in respect of this matter, for one very important reason. Whatever is done in respect of relocations of railway lines can have a very profound effect on the community, and can amount to a very significant intrusion into the way of life or lifestyle and, indeed, the composition of a particular community.

Mr. Horner (Crowfoot): And the value of property.

Mr. Baker: And the value of the property as well as all the other factors that may have influenced the inhabitants of that particular area to chose that area in which to live. It is important that there be the ability on the part of the general public to express themselves publicly and formally in respect of the position the commission might take on a particular application.

This does not mean putting the CTC or any commission in the position of counting heads in terms of which way they choose to decide. Certainly, at present there is no opportunity at all for public viewpoints to be expressed, and they could vary and be as many as there are individuals. There is no danger that this viewpoint could be ignored with a reliance on such a trite phrase that, if it is in the interest of some invisible commission it is desirable in the public interest, then perhaps hearings will be held.

The hon. member for Scarborough West mentioned the Spadina matter and I could mention another one in the Ottawa area regarding the location of Highway 416 in respect of which I do not think there has been that type of public participation in the steps leading to the decision making. I do not know what will be the final decision as to the location of Highway 416, but I think if there were, a section in the statutes regarding a construction of this kind, which is an intrusion into the lifestyle of the area I represent, I am sure no one would be able to stand up in this place or anywhere else and fault the kind of public participation in the decision making process that would occur.

I support completely, as I think my colleagues do, the amendment advanced by the hon. member for Scarborough West. It is very interesting when you consider other statutes. The Ontario Municipal Board Act of the province of Ontario has a provision which does in fact leave a discretion with the board to decide whether there is to be a hearing. I forget whether it is in the public interest or otherwise, but there is this element of discretion in that statute.

However, the Ontario Municipal Board, and the Ontario government in land use and planning matters, have decided it is so important that there be public input with the board, as a matter of practice and procedure, if one of a possible thousand or 2,000 objectors file a written objection in answer to a notice that has been filed, that is sufficient to call a hearing. It has been my experience that quite often when there has only been one objector to a certain action a municipality proposes, the members of the board will come from Toronto to Ottawa, to Cornwall or to anywhere the hearing is to be held and convene a hearing. When they explain to the objector the purport of the by-law to be considered, the objection if often withdrawn. I suppose that is something that could be done by telephone or by mail, but there is such an adherence to the principle of the right to a hearing when something affects proprietary rights, or even seems to, it has become the practice of the province of Ontario and that board to do no less than that. I believe it ought to be the practice of any agency of the Crown in the right of Canada, and I certainly would hope the government would not see fit to argue with this, but would agree to this amendment.

If the argument advanced by the government is that there may be a lot of hearings and delays, then I think the question as to whether there are to be delays should not be laid on the public, on the property owner or on the person who sees fit to object. I think it ought to be laid where it belongs, namely, on the shoulders of the government or a commission which is responsible to the government. The minister could get on the telephone to the chairman of the CTC or of any other government board but particularly the CTC because of the intimate connection its chairman has with the minister as a former colleague, and urge as a matter of convenience and necessity that this matter be speeded up and that a hearing be held.

● (1650)

In conclusion may I say I do not believe that policy, expediency, or any other reason should allow the government to say it is not prepared to agree with the amendment proposed by the hon. member for Scarborough West. If his motion did require a seconder and he wanted one, in the circumstances I would be prepared to second it because I think it has great merit. I commend it to the House and hope the government will see fit to adopt it.

Mr. Basford: Mr. Chairman, may I just indicate that I think the present wording of the bill, not only this subclause but clause 8, which requires that all provincial laws be passed, ensures that the public interest and welfare is totally and completely protected under this legislation, but if there is any question on that, which obviously there is on the part of the hon. member for Scarborough West, I am happy on behalf of the government to accept the amendment to make sure that there is no doubt on this point.

The Assistant Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Harney) agreed to.

Mr. Horner (Crowfoot): Mr. Chairman, just before clause 5 carries, I should like to stress once again the purport of the remarks I was making earlier on this whole question of relocation of rail lines. The minister has failed as yet to comment on the question of the Vancouver harbour, and the proposed relocation of some of the rail lines connected with it as well as the financial plans that have been brought forward from time to time. Will these plans have to be reshaped or redrawn by the National Harbours Board? Would a government agency be responsible for this? Would the municipality of the city of Vancouver or the province be the one to do it? The minister has failed to deal with these questions.

I should like to quote from an article by Mr. Mark Wilson of January 9, 1974 concerning these problems. The article is headed "Roundtrip over Burrard Inlet takes 14 days". That seems like an unusually long journey for a boxcar. The article goes on to say:

> We are just not adapted to moving a car from say North Vancouver to Marpole. Besides, 95 per cent of the traffic coming from the North Shore is moving east like the potash, coal and sulphur trains returning empty to Alberta or Saskatchewan.

Then, further we find this:

> CP Rail says the CNR service poses a problem, but it looks for long-term relief to the eventual relocation of North Shore bulk loading facilities at Roberts Bank.

The article goes on to suggest that there should be a great deal of relocation of trackage in that Vancouver area. Is the government aware of the existing change of the plan for the Vancouver area surrounding Burrard Inlet? There is a suggestion made with regard to the location of a new CNR marshalling yard which would do away with the Burlington Northern Railway marshalling yards. Surely the minister, who represents the city of Vancouver, could advise us whether or not there is an over-all plan now either by the National Harbours Board or the city of Vancouver that would follow up this relocation of tracks in and around that harbour.

I cannot see for the life of me why we should be forced to use an American marshalling yard. In fact the CNR uses two marshalling yards, one a great distance out of the city of Vancouver and the other the Burlington Northern. The CPR really uses a small marshalling yard near the Alberta wheat pool operation and one at the end of Moody Bay. I do not know why we cannot have a greater amount of cohesion in respect of traffic. I do not suggest that there should be a terminal railway company operating at the port, but I suggest there should be a greater relocation of trackage to facilitate the movement of boxcars in and out of that terminal which would assist in the movement of grain as well as, of container cars. I am sure the minister and his department could investigate to see what is being done with regard to an over-all plan for that harbour. There was a study in 1969. I am wondering whether it is still around or whether it is necessary to have another study made.

I see it is five o'clock, Mr. Chairman.

The Assistant Deputy Chairman: Order, it being five o'clock it is my duty to leave the Chair in order to permit the House to consider private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Health—Shortage of medical manpower—Government action to alleviate; the hon. member for Yorkton-Melville (Mr. Nystrom)—Grain—Request that feed grains be marketed by Wheat Board; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Air Canada—Alleged layoffs of employees in violation of collective agreement—Government action.

The House will now proceed to the consideration of private members' business.

Mr. Reid: Mr. Speaker, today according to the order paper we are scheduled to consider bills, but as a result of some discussions which have gone on and because the hon. member for Meadow Lake (Mr. Nesdoly) graciously gave up his time two weekends ago we are ready to bring forward, with the consent of the House, private members' notice of motion No. 6 in the name of the hon. member for Meadow Lake.

Mr. Deputy Speaker: Is this agreed to by the House?

Some hon. Members: Agreed.

● (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

AGRICULTURE

SUGGESTED ESTABLISHMENT OF NATIONAL CATTLE MARKETING BOARD

Mr. Elias Nesdoly (Meadow Lake) moved:

> That, in the opinion of this House, the government should consider introducing legislation to provide for a National Cattle Marketing Board which would operate in concert with a cattle marketing board established by any province.

He said: Mr. Speaker, the above notice of motion appeared on the order paper over my name on March 7. In view of the serious situation that we have had with regard to cattle in this country in the last year, and more recently with regard to pork products, it seems to me it is about time that our country rationalized the whole system of handling products which are derived from cattle, hogs and sheep. In other words, perhaps the motion should be extended to include a national meat products marketing board.

I realize that before the government could act on this suggestion the provinces would have to agree to delegate powers to the federal government, or the federal government could pass enabling legislation on which the prov-

inces might then act. Perhaps some members would say that this would be another intrusion into the free enterprise system, another example of socialist planning. Perhaps many cattlemen would not agree with this motion. But I point out that when prices are not stable cattlemen become very concerned. I, myself, am particularly concerned about the small beef producer, the one who raises 50 or 100 head of cattle. He is the one who is usually caught in a pinch when there is price instability. In fact in our so-called free enterprise system everything the producer buys is bought at an administered price. No one can tell me that the ordinary forces of supply and demand are really operating.

Some two or three years ago when farm income was at extremely low levels farmers were not buying any new farm machinery, or very little. They did not have the money. Farm implement agencies were experiencing difficulties. Farm implement manufacturers were having difficulties. But the prices of tractors and other implements required by farmers did not go down in accordance with the reduced demand. The same is true with respect to many other materials required by farmers.

I should mention that an integral part of a successful meat products policy or of a cattle marketing board should be a feed grains policy that would enable farmers to produce at a profit animals that are consumed for meat. At the present time, livestock producers are experiencing a disastrous period of price instability, a large measure of which can be directly attributed to the ill-conceived feed grains policy of the past year which has been very destructive and disorderly for producers of cattle, hogs and sheep. The government has moved from crisis to crisis in a series of somewhat disjointed and unrelated moves. Let me summarize these very briefly.

First the United States imposed price ceilings on finished beef. Then, Canada applied export permit regulations in August of last year. This was followed by the United States consumer boycott on beef, which resulted in a build up of finished cattle in the United States. Then, higher Canadian prices attracted heavier U.S. imports. Of course, this was affected by export controls on Canadian cattle going into the United States and, as a result, Canadian market prices slumped sharply in September.

The import duty on U.S. cattle was re-imposed last fall to protect beef prices to producers in Canada. This import duty did little to stop the flow of beef from the United States and, as a result, a special 3 cents per pound surtax on live cattle and a 6 cents per pound surtax on processed beef was applied last November. I believe that this surtax slowed down imports.

The surtax was phased out in January and February, and imports again flooded in, forcing cattle prices to new low levels, with little or no price relief evident for consumers. The Minister of Agriculture (Mr. Whelan), on March 15, introduced a beef subsidy program of 7 cents per pound for Grade A cattle and market prices to producers promptly dropped by amounts equal to or almost equivalent to the subsidy within a matter of days. The next step came when the subsidy was altered to 5 cents per pound, and extended to lower grades of cattle. The final step came when the minister required certification from U.S. health officials guaranteeing that U.S. imported cattle and beef had not been administered the growth hormone DES.

With imports of U.S. beef almost shut off, market prices are again rising in Canada, at least for beef. In the last several days the minister reduced the subsidy to 3 cents per pound, I suppose having the ultimate aim of eliminating the subsidy completely. The results of the federal government's attempt to stabilize beef prices to both producers and consumers through tariff manipulation have been largely unsuccessful, because control of the market and prices has rested elsewhere. As a consequence, for the last ten months price patterns for livestock have been extremely unstable.

Basically, I have no quarrel with the beef subsidy program. However, I must point out that there should have been a number of safeguards put in place when the beef subsidy program was introduced. First, there should have been a floor price for producers, related to costs of production. Second, direct payments should have been made to the producers. Third, some restrictions, or control methods should have been designed to prevent the packing companies from making effective confiscation of the subsidies. In view of the way that all the programs were handled, I am of the opinion that they represented a measure of desperation rather than a firm commitment to stabilize prices. I have no argument with the banning of the importation of DES cattle from the United States. But what happens when the United States ceases using DES in its cattle? Has the government got a plan to stabilize meat prices both to the consumer and producer at that time?

It should be mentioned also that the economic loss problems encountered by producers of cattle, hogs and sheep over the past year could in large measure be traced back to the introduction of a feed grains policy that legalized an open market and an exploitive system of pricing in that area of Canada where the Canadian Wheat Board retains jurisdiction for orderly marketing. The intent of the policy, introduced on the pretext of creating equity, was to permit exploitation of grain producers by buyers outside the Canadian Wheat Board area on the same basis as had been practised within the Canadian Wheat Board area. However, it seems to me that this policy backfired on the government because world market conditions for grain were too high to permit profitable production of livestock based on open market prices. The federal government abrogated its responsibility for keeping its own house in order by exposing the producers of cattle and hogs to forces which in effect had been imposed upon grain producers in the prairie region and, which it was to be hoped, had gone forever. In my opinion, Mr. Speaker, these forces are returning with the open market introduced for feed grains.

It seems to me that a rational and orderly marketing system for feed grains could establish a true cost-price relationship for the cattle industry, under which a program of price stabilization could function. The four western provinces, British Columbia, Alberta, Saskatchewan and Manitoba have hog marketing boards. In Saskatchewan in particular, with the subsidy or floor price available there, the hog producer has been cushioned from any harmful effects. However, it should be mentioned that in reply to a question yesterday about disastrously low pork

prices, the Minister of Agriculture indicated that Ontario should establish a hog marketing board such as the other provinces have.

I think the minister is being rather contradictory. In a speech a few days ago he said that Saskatchewan's hog support program was ill-advised because it placed Saskatchewan in a favoured position and disrupted hog production and marketing in Canada as a whole. If this is the case why doesn't the minister come up quickly with a cattle marketing board or, better still, with a meat products marketing board which would be responsible for the marketing of all red meats? Subsidy programs for prices can only work properly if they are national in scope so that producers, in fact, in one region are not economically disadvantaged as compared with producers in other regions. The only advantages they would have are the natural advantages. Farmers on the prairies have many natural advantages since they can grow most of their feedstuffs and there are vast areas of grasslands available as well.

● (1710)

In my opinion, a national meat marketing board would have the following main functions: (a) It could act as a regulatory body or agency with the authority to issue import permits and export permits. With this authority it would be capable of restricting large packers from bringing in huge numbers of cattle in order to lower the returns on meat products to producers in this country. After all, the only thing that the packers are concerned with is the profit motive and nothing else, regardless of how they disturb the rest of the economy. (b) I would suggest that a national meat products marketing board could also regulate profit margins; in fact, it could regulate the price of the product right from the producer to the retailer to the consumer, as is done with some milk products in Canada today in the highly regulated dairy industry; (c) if a subsidy is to be given to the producer, this authority or marketing board could make sure that it goes directly to the producer rather than to the scions of middlemen in between.

Mr. Speaker, the Canadian Dairy Commission acts as a body which very closely regulates and supervises the buying and selling of dairy products in Canada. As a result, despite difficulties the dairy farmers may have had, they have still had a greater sense of security than the hog producers and beef producers in the last year. A national hog marketing and cattle marketing board, or a national meat products board would put more order into our red meats industry, and I maintain that it should lead to stabilized and fair prices to both the producer and the consumer.

Mr. Speaker, this would help particularly the hundreds and thousands of farmers from Newfoundland to British Columbia who keep a herd of 50 or 100 head of cattle or who produce 200, 300 or 500 pigs per year. I am thinking of the family farm operation, which is a way of life, by means of which the family, can make a fairly decent living if they get a fair price for their products. I think this is a necessary step toward preserving the family farm and the smaller farm enterprises.

Cattle Marketing Board

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the motion debated this afternoon states that the government should consider passing legislation to establish a national cattle marketing board. Even though I am glad of the opportunity to discuss agriculture in the House, I have some serious doubts as to the validity of this motion.

Mr. Speaker, hon. members will long remember the evening of December 31, 1971, when the House sat to give second and third reading to the bill entitled: "An Act to establish the National Farm Products Marketing Council", better know perhaps as Bill C-176.

One of the amendments considered that evening had been moved by the hon. member for Crowfoot (Mr. Horner). It is recorded on page 10880 of *Hansard* and reads as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (c) of clause 2 at line 17, page 1:

"except cattle and calves and products of beef and veal".

The purpose was to exclude cattle and calves from the part of the bill concerning the control of supplies. The motion was not put that evening since the government moved an amendment to paragraph (c) of clause 2, which read as follows:

"(c) "farm product" for the purpose of Part I, means any natural products of agriculture and any part of any such product and, for the purpose of the other provisions of this act, means

(i) eggs, and poultry, and any part of any such product, and

(ii) any other natural product of agriculture and any part of any such product in respect of which the Governor in Council is satisfied, as a result of declarations by provincial governments following plebiscites, or otherwise, that the majority of the producers thereof in Canada is in favour of the establishment of an agency under section 17 with powers relating to that product;

● (1720)

That is why, Mr. Speaker, there is now a legislation providing for the establishment of a national cattle marketing agency. Rather than wasting the valuable time of the House, I would suggest to the hon. member as well as to the producers who are interested to refer to sections 18 and 23 of the Farm Products Marketing Agencies Act.

However, I should like to point out to the hon. member that a request for the creation of such an agency should come from the cattle breeders themselves, and before such agency is established, the governor in council must be satisfied that a majority of the producers of each of the farm products in Canada is in favour of the establishment of an agency, in accordance with section 17.

Sections 7 and 17 describe the procedure to be followed in order to determine the producers' wishes concerning the establishment of a national agency. Although there is a legislation to that effect, beef producers with whom I am in touch keep suggesting that they doubt an agency is necessary. Should there be a major change in this situation, I would be quite willing to see that this provision of the act is implemented.

Mr. Speaker, I believe that up to now, the government has given every opportunity and all the means required to

the farmers who wish to avail themselves of the marketing act. They have everything they need at their disposal to set up those marketing agencies.

If the Canadian people want the farmers to increase their production, they must see to it that farm incomes are higher. The federal government took important steps in that direction last year. When food prices skyrocketed, the government did not apply price controls.

We are now discussing two types of stabilization programs. One concerns price stabilization, and we can achieve that with programs such as those coming under the Agricultural Stabilization Act. In order to meet present needs, we would update that act by extending it to more products and by raising the support level.

The other type concerns income stabilization which can be achieved through the creation of a common fund. The producers, the federal government and the provinces could deposit money into it, and producers could draw from it whenever the total revenue for a particular product is lower than a given level. Both types of programs could be designed so as to include the production costs factor.

It is the intention of the federal government to take important steps in order to establish our agriculture on a sound long term basis. The minister introduced a new farm credit legislation to enable us to help young farmers get started and to promote farm expansion and the purchase of still better farm equipment.

The minister also wishes to set up price and income stabilization programs so as to encourage farmers to invest for the future, with the guarantee that they will not go bankrupt tomorrow as it happened in the past, when an increased production had created short-term surpluses.

In addition, the minister wants to set up a cattle-insurance program, similar to our crop-insurance program, so that society can share some of the risks taken by the farmers when they increase their cattle production to meet the growing consumer demand, not only in Canada but also abroad.

Finally, the federal government is in the process of implementing a new national feed grains policy that will ensure equal treatment to all farmers, both producers and buyers, wherever they may be in Canada.

But what may be more important than all measures put forward is that the federal government did not intervene in the control of agricultural prices. Some countries have tried it with little success: not one more cow reached the market, not one more bushel of grain was produced and efficiency did not improve by 1 per cent. Those controls have had nothing but negative results wherever they were tried out. In the U.S.A., food price controls led farmers to gas their one-day old chicks rather than lose thousands of dollars in feeding them for the market. Farmers did not ship their cattle to the meat markets, which resulted in problems in the beef industry that are still being felt today. Food price controls have had such disastrous results that they overflowed the American boundaries, upset our markets and the income of our farmers who were getting ready to increase their production in an orderly fashion.

Canadian consumers paid current prices for their food and, in return, the farmers are responding today by maximizing their returns and their production.

[Mr. Corriveau.]

In the next months, the federal government will take positive measures to insure the future of the Canadian farmers and of our farming industry. The Minister of Agriculture intends to bring down a legislation that will guarantee prices and incomes stability for the farmers, in order that they may invest capital in the farming business and increase production without worrying about a temporary excess that might disrupt the market and cause prices to decline. The consumer cannot ask the farmers to invest today to increase production if that will lead them to bankruptcy tomorrow.

The Minister of Agriculture has in mind legislation that will improve federal credit programs for the farmers and specially the young ones who want to take up farming or continue to work on the family farm.

The Minister of Agriculture (Mr. Whelan) has announced more generous compensation for farmers whose diseased cattle are condemned to slaughter under the Epizootic Diseases Act. This second increase in less than a year reflects the changes in the market value of the cattle. The change which will come into force immediately will boost maximum compensation from $300 to $450 for bure-bred animals and from $150 to $200 for the others. The compensation is added to the amount producers receive for the sale of their cattle to the slaughter house. When he made this announcement, the Minister of Agriculture insisted on the importance given by his department to the strict measures aimed at controlling cattle diseases.

Many countries envy Canada the excellent bill of health of its livestock. This is the result of stringent measures applied for quite a number of years as a means of security both for the producer, through the excellent condition of his livestock, and the consumer, through a constant supply of wholesome foodstuffs.

This is one of the reasons why last year Canada could export livestock and beef to over a hundred countries.

Moreover, the minister has announced that, effective April 7, foreign countries exporting to Canada cattle, lamb or sheep, either live or slaughtered, will have to submit a document certifying that these animals and meats have not received the DES treatment.

These documents will somehow guarantee that the imported meat complies with Canadian regulations; it has also been made necessary following the most recent changes governing the use of DES outside Canada. The only exceptions which have been authorized concern the shipments made before April 9, and animals for cattle raising purposes, the hon. Minister of Agriculture added.

During the Conference on Western Economic Opportunities held last summer in Calgary, the minister indicated that Canada was moving from a national policy on feed grains to a nationally co-ordinated policy on the livestock industry. We said the same thing in the Speech from the Throne sometime ago.

Any study of the meat industry in Canada should attach great importance to people as well as public and private organizations instead of relying on statistics.

Here is what the minister considers our objectives should be. Producers should have in mind maximum growth. He is considering a large expansion program for

meat and meat products. That market is expanding in North America, Europe, Japan and everywhere where the national standard of living is above the thresold of poverty. Producers in Canada have the tremendous possibility of increasing that production and meeting that demand. So one of the objectives would be to set up a range of government programs and policies which would allow them to produce more and reach those markets. The minister further thinks that producers should protect themselves against anything that could cut the ground from under their feet. He supposes that the first thing that comes to mind when he says protection is some form of protection against cheap imports. However, that is not exactly what he means but rather that protection against disease is the all important point. He means protection through research against the possibility of the meat industry in another part of the world overtaking us by developing new production and marketing methods. He further means protection against prices and saw-toothed production which would eliminate any chance of extending our market in the long run.

A third objective would be the greatest freedom possible for producers. In other words, a strategy could not be accepted even if it could produce the greatest benefits, the biggest markets and the most efficient production if it were to turn producers into slaves of the economy.

In view of those objectives the next step is to assess the situation as it now exists. We have the healthiest herd in the world thanks to the work of the Animal Health Branch. That gives us access to a greater export market than any other country in the world. That also makes the cattle industry more efficient. Part of that policy includes a government program to import the best breeding cattle through our maximum security quarantine stations.

We have some excellent farmers and, what is more, they are the best farmers in the world. We also have evidence of the superiority of our stock breeders either exporters of pure-bred dairy cattle, beef cattle, pigs and poultry, or exporters of meat.

Our animal industry is competitive, and our exporters can prove that too. With our resources we can expect a major share of the expanding world market. We have land, water, energy, technology, money and business know-how, which all compare favourably with those in most of the other nations.

Mr. Speaker, I think the hon. member's motion is included in Bill C-176, and we are waiting for a request from the farmers to implement it.

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

The hon. member for Madawaska-Victoria.

● (1730)

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I would have gladly yielded to my colleague from Kamloops-Cariboo (Mr. Marchand), but I had already advised the parliamentary secretary who has just spoken that I wanted to make a few comments on the motion now before us and which reads as follows:

That, in the opinion of this House, the government should consider introducing legislation to provide for a National Cattle Marketing Board which would operate in concert with a Cattle Marketing Board established by any province.

Once again, parts of the French version are vague. I think we can say "par la province" or "par toute province", as we say "by any province" in English.

However, the Parliamentary Secretary to the Minister of Agriculture (Mr. Corriveau) covered the subject very well, when he said that the legislation now in the statutes is essentially permissive allowing as it does the setting up of any kind of agency to look after the marketing of agricultural products.

Therefore I would not elaborate on the very pertinent comments by the Parliamentary Secretary to the Minister of Agriculture. This is, however, in my opinion an excellent opportunity for any dedicated member to speak on matters of particular concern to him or to his rural constituents. As I said time and again, Mr. Speaker, I represent an area in Canada, an area in the province of New Brunswick where high scale production of potatoes is conducted. When we debated some years ago the act establishing the National Farm Products Marketing Council, I addressed the House a few times to support government action toward the institution of agencies for marketing agricultural products. It gives me pleasure to mention that on the current board sits a former minister of agriculture for New Brunswick who, during our frequent meetings, keeps me informed of the council's work.

For me, as a member of parliament, it is a way of finding out about the council as such.

A moment ago I was speaking about potatoes and I think that it may be possible to establish parallels with cattle, a subject that particularly worries the sponsor of today's bill. In New Brunswick, potato farming is, for all practical purposes, more or less disorganized.

In the potato industry, the producers are not properly organized. Some belong to the New Brunswick Federation of Agriculture and others to the National Farmers' Union. However, the shippers have much to say about potato marketing. Obviously, they do not cover the whole field.

In principle, I support the motion under study, but I hope that, if one day, the question of the establishment of a potato marketing agency comes up, the hon. member will return the favour and support any measure towards this.

To come back to what the parliamentary secretary said, the proposal made today by the sponsor of the motion is already covered by the law establishing the Canadian Farm Products Marketing Council. Perhaps the Standing Orders of the House might allow, on occasion, hon. members to answer the arguments that we, on this side, bring up to contradict the sponsors of some motions. Maybe this would enable us to reach some compromise whereby it would be possible to pass some motions which are excellent and very useful and intend mainly to improve the standard of living of farmers across the country.

Mr. Speaker, if I may return to my "potatoes", if you will permit me the expression, I regret the absence at the national level of a potato marketing board. I think that the responsibility for the establishment of such an agency—

Mr. Speaker: Order, please. The hon. member indicated, a moment ago, that he would revert to his "potatoes", but I

think that if he followed the rules he would rather revert to his cattle, because I believe that cattle, or more precisely the establishment of a National Cattle Marketing Board, is under consideration. The hon. member has undoubtedly a more enthusiastic concern for potatoes than for cattle, but I would invite him, now that he has spoken of farm matters that concern more particularly his constituency, to give his attention to the motion now under consideration.

Mr. Corbin: Thank you, Mr. Speaker, for this point of order. Sometimes we are carried away in the heat of the debate and we get too easily into digressions. It might be interesting for all the honourable members to know that potatoes are being found to have great qualities and research is currently being conducted for feeding cattle with potatoes in areas that do not produce enough feed grain.

For all practical purposes, Mr. Speaker, I want to follow your advice. I think I have pointed out a few points with respect to the study of this motion and I would like now to resume my seat to allow other colleagues to speak in this important debate.

[*English*]

Mr. Len Marchand (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, your comments to my colleague, the previous speaker, referring to meat and potatoes were very good. Perhaps the only thing left out was the gravy. I like a bit of gravy on my meat and potatoes.

Be that as it may, those of us who were here in the last parliament will remember distinctly the long debate on Bill C-176, to establish a national farm products marketing agency. One of the factors around which the debate centred in a very hot and real way was that in the original bill there was some reference to cattle and cattle products. Those sections of the legislation were bitterly opposed by many people. There was a misunderstanding. Even though there were references to cattle and cattle products in the bill, there was no intention on the part of the government to apply its provisions to cattle. Later it was made very clear that any commodity group which wanted to be part of national farm products marketing legislation would have to take a plebiscite. A majority of the producers of any particular commodity would have to be satisfied before they could avail themselves of that particular legislation which is now the law of the land. It permits any commodity group to become part of the national marketing legislation if that is the desire of those producers. I want to reiterate on behalf of the cattlemen in my part of the country that it is still their view that they do not wish to become part of the Farm Products Marketing Agencies Act. If at some time in the future they want to do so, they will so signify. Right now they are adamantly opposed to becoming part of the arrangements under this act. I was in touch with them only yesterday, and again today, and that is their view. I did not contact the Canadian Cattlemen's Association, but the president of that Association, Mr. Gordon Parkes, is from my constituency, from a town called Cache Creek.

[Mr. Speaker.]

● (1740)

To give an indication of the feeling of Canadian cattlemen toward the famous Bill C-176, I should like to read what was said at the time the bill was going through the last parliament. This was at a meeting of the Standing Committee on Agriculture held in Edmonton on February 4, 1971. Mr. Charlie Gracey, the Secretary-Manager of the Canadian Cattlemen's Association, was the witness at the time, and this is what he had to say:

> Beef producers have no need for Bill C-176 and reject it both on philosophical and economic grounds. We would like to emphasize that our opposition to this bill is not simply negative thinking on the part of the beef producers. We recognize, as do the producers of other commodities, that considerable problems do exist. We differ from many other organizations, however, in that beef producer groups across Canada are actively engaged in solving problems within the present structure.

I should like to refer the hon. member who introduced this motion to sections 18 and 23 of the Farm Products Marketing Agencies Act. These sections clarify beyond doubt the opportunities available to commodity groups to take part in the arrangements made under that legislation. I should like to stress that the pressure for an agency must come in the first place from the cattlemen themselves, and that before an agency can be established the governor in council must be satisfied that the majority of producers are in favour of the establishment of an agency. Sections 17(1) and 17(2) spell out the procedures to be followed.

There are others, Mr. Speaker, who wish to participate in this debate. My hon. friend from Bruce (Mr. Whicher) is champing at the bit—

Mr. Knowles (Winnipeg North Centre): Oh no, he's not!

Mr. Marchand (Kamloops-Cariboo): He is a great cattleman as well. I just want to repeat on behalf of the cattlemen of British Columbia whom I have contacted that they do not want any part of this legislation.

Mr. Ross Whicher (Bruce): Mr. Speaker, I appreciate the remarks made by the last speaker, but he was not completely truthful when he indicated I was looking forward with anticipation to taking part in this debate.

Mr. Knowles (Winnipeg North Centre): You did not want to speak at all.

Mr. Whicher: Frankly, I think everything has already been said as to why this bill should not pass. With great respect to the member of the New Democratic Party who brought it forward— incidentally, he is a valued member of the agriculture committee and I agree with him on most questions of an agricultural nature—I have to say I disagree with the measure he has recommended to us this afternoon.

As a matter of fact, if I had my way I would sit down and let a vote be called. I should like to see how members of the New Democratic Party vote on this bill, because if they voted for it they would lose the respect of 98 per cent of the cattlemen across Canada. I say this because, as the parliamentary secretary has so ably pointed out, the cattlemen simply do not want a marketing board to be established.

Being somewhat political by nature, if I had not virtually been told to say something this afternoon I would sit down and let the vote go ahead, because I imagine this would place the NDP House leader in a very difficult position, a position in which he does not very often find himself. If he does get away with it today, it is through no fault of mine.

Mr. Nesdoly: A point of order, Mr. Speaker. I just want to say that 20 years ago in Saskatchewan a vote was taken on the issue of a cattle marketing board. Forty-seven per cent voted for it and 53 per cent against. It is the 47 per cent, the little guys, I am worried about.

An hon. Member: What point of order is that?

Mr. Whicher: All I can say is that in the past 20 years the cattlemen of Saskatchewan have obviously smartened up a good deal. If the vote were taken today it would not be as close as it was 20 years ago.

Mr. Knowles (Winnipeg North Centre): They have too much money.

Mr. Whicher: The hon. member did not participate in the debates on Bill C-176, though I see members of the official opposition sitting over there who did. They were very active and effect was given to many of the amendments they advocated, resulting in the improvement of the bill, I believe. I hope the present government or any future government will not force any band of farmers, whatever they produce, to join an organization in whose affairs they do not wish to become involved.

It has been shown this afternoon that under the terms of what was Bill C-176 the cattlemen have every opportunity to do what the hon. member suggests they should be forced to do. What he is saying is that legislation should be passed to set up a national cattle marketing board. He does not promise there will be a vote or anything else. He just says that the government, acting in a dictatorial fashion, should set up a board. Well, Mr. Speaker there are rumours floating around the building these days, and I hope that the motion presented by the New Democratic Party gets wide circulation across Canada through members representing rural constituencies, because I think many people would take a dim view of the fact that such a motion has been introduced. It might be regarded as a friendly gesture in the hon. member's constituency, but if it is, it is the only constituency I know in which the cattlemen would like such a board.

I come from an area in which there are large numbers of cattle. I do not want to get into a friendly scrap with my friends from Alberta because possibly there are places in Alberta where there are as many cattle as in the constituency I represent. Be that as it may, we call ourselves the beef capital of Canada. And I do not know any cattlemen, not one, who would appreciate hearing hon. members of the New Democratic Party say to them: "You must be subject to a national cattle marketing board; you have no say about it."

The cattlemen have been given every opportunity to get a board established if they wished. Under the terms of Bill C-176, as I understand it, if the appropriate steps are followed the government has no alternative but to set up an agency in any way they desire. Surely we have not reached the stage in Canada when we are going to force the cabinet or anybody else, labour unions, school teachers or firemen, in Vancouver or wherever they may be, to join something they do not wish to join.

● (1750)

These are the things I most respectfully wanted to point out to my hon. friend, who I presume brought this motion forward with every good intention. I have made many mistakes in my political life and I suggest that my hon. friend has made at least one, and that one has been demonstrated in the presentation of this motion this afternoon.

[*Translation*]

Mr. Florian Côté (Richelieu): Mr. Speaker, when I read the bill introduced by my colleague from Meadow Lake (Mr. Nesdoly), I told myself: surely he did not consult with the members of his party who participated two years ago in the stormy debate on Bill C-176 to prepare that Bill. The principles which he has laid out this afternoon are described in the same bill.

But when I read the speech on the Cattle Marketing Board, I told myself: there is certainly going to be a heated discussion between 5 and 6 Progressive Conservatives and the New Democrats, because the battle, in 1971-72 opposed two philosophies: on the one hand a desire to impose marketing boards too directly, and on the other hand, an attempt to reject my Progressive Conservative friends' position concerning these marketing boards. Between the two stood the government trying to make the marketing boards operative within as mush a diplomatic way as possible. And this was done by presenting the bill in the following manner. First, it was discussed with the people responsible for the local marketing boards in each of the provinces, who then decided in a democratic way, with the people responsible for the marketing boards at the provincial level, what decisions should be referred to the federal Department of Agriculture. Following that decision or that local decision, which was not arbitrary but which came from the grass roots—

[*English*]

Mr. Nesdoly: Mr. Speaker, may I ask the hon. member a question?

[*Translation*]

Mr. Speaker: Order, please. The hon. member wants to ask a question to the hon. member for Richelieu.

[*English*]

The hon. member may ask his question.

Mr. Nesdoly: My question very briefly is this. In view of the hon. member's exposition of the fact that there should be a vote held before a cattle marketing board is established—and I agree—once a marketing board is established and the people have accepted it, as they have the Canadian Wheat Board with its jurisdiction over feed grains, does he not think there ought to be a vote to dismantle this marketing board, it having been accepted by the farmers of this country?

[*Translation*]

Mr. Côté: I think so, Mr. Speaker. My hon. friend is right, and this is what I am trying to explain to him. We should deal with all the other food products. Each provincial board should prepare the marketing of all foodstuffs, not only beef but also vegetables and other food products so that producers can become aware of the marketing of their own products.

This is why I would be disappointed to see this bill implemented arbitrarily, and I can see that my Progressive Conservative friends are in a very embarrassing position; earlier, when my hon. friend made his speech, they dozed. They just did not want to understand. They did not want to listen to the explanations given up to now because these were completely opposed to what they proposed. However, each time we discuss agricultural problems in this House, se are faced with the famous problem of marketing.

Those who questioned the government and harass the ministers are precisely the ones who denied the farmer the right to get marketing boards and to receive the help of the federal government. In fact, we are ready to assist them through Bill C-176 that have been presented precisely for that purpose. I wish I could have told several things to my hon. friend. Even though it is six o'clock I wish I could explain to him that it would put the farmer in a position directly opposite the one suggested by my Progressive Conservative friends. We should even not succeed in establishing it because the Progressive Conservatives would vote against us. It is bound to occur particularly under a minority government. When you wish to do a good deed you have to face a political party that, for the sake of its electoral interest, remain seated like my Progressive Conservative friends did this afternoon and so the governments cannot operate efficiently.

Mr. Speaker, I see it is six o'clock and I resume my seat.

Mr. Speaker: Order please. I regret to interrupt the hon. member, but the hour for private members' business has expired.

[*English*]

It being just about six o'clock, the House will now resume in the Committee of the Whole.

GOVERNMENT ORDERS

[*English*]

RAILWAY RELOCATION AND CROSSING ACT

PROVISION FOR PLANNING, ACQUISITION OF LAND, GRANTS, GRADE CROSSING ASSISTANCE

House again in committee on Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas and to provide financial assistance for work done for the protection, safety and convenience of the public at railway crossings—Mr. Basford—Mr. Turner (London East) in the chair.

[Mr. Nesdoly.]

The Acting Chairman (Mr. Turner (London East)): It being six o'clock, I do now leave the chair. The committee will resume at eight o'clock p.m.

At six o'clock the Committee took recess.

AFTER RECESS

The Committee resumed at 8 p.m.

The Deputy Chairman: Order, please. When the committee rose at five o'clock it was considering clause 5, as amended, of Bill C-27, to facilitate the relocation of railway lines or rerouting of railway traffic in urban areas. Shall clause 5, as amended, carry?

On Clause 5—*Submission to Commission of Transport Plan.*

Mr. Horner (Crowfoot): Mr. Chairman, at five o'clock I was attempting to sum up my anxiety and slight agitation about the minister's reluctance to speak about the area he represents, a portion of Vancouver, and basically about the shortcomings, which are obvious to me as a person from the prairies, in the transportation system feeding the harbour of Vancouver. I have almost begged the minister all this afternoon and last evening to speak and to point out clearly that there is a master plan, that the harbours board and the city of Vancouver have agreed upon and accepted a plan which will fall within the ambit of this piece of legislation.

I questioned the minister in this regard on clauses 3 and 4. We are now on clause 5. I could go on and question him again and again, particularly on clause 10. My basic anxiety lies in the fact that the port of Vancouver is poorly served by the present railway network.

• (2010)

It is poorly served as clearly exemplified at a transportation conference on April 10, when the CPR said it took four days to send a boxcar loaded with grain from Calgary to Vancouver. This was caused by slowness in moving cars into the port, with a build up of cars moving into the terminal elevators at Vancouver. One of the marshalling yards at Vancouver belongs to an American railroad, and the Mann marshalling yard, some distance from the outskirts of Vancouver, is owned by the CNR.

In considering this bill, which suggests that the federal government will have money to relocate trackage, we should be told exactly what marshalling yards can be affected by it, what rail grade crossings come under its ambit, and what road and highway separations will be affected by it.

We have seen the Minister of Transport stand up in this House and say that transportation in Canada is in a mess. He does not have a transportation policy. Now we see the minister of state responsible for urban affairs introducing a piece of legislation that specifies the percentage which the federal government will pay to improve part of the mess, but we still have no over-all concept to tackel the entire problem.

I have pointed out the delays. I have said that there was an all-encompassing plan proposed for Vancouver. I zero in on Vancouver because the minister should be more aware of this plan than he seems to be. Just to give an example, I would like to read again from an article by Mr. Wilson, which was published on January 9 of this year. In it he points out that the British Columbia railroad also serves the port of Vancouver. I have asked the minister what railroads come under this legislation, but he has not even answered that question. He sits over there like a bump on a log, trying to get this legislation passed.

Mr. Wilson points out in his article that the British Columbia railroad claims there have been delays of 14 to 15 days in handing over cars to the CNR in north Vancouver for delivery to consignees in and near the Fraser Delta. For example, the British Columbia railroad moves lumber cars destined for mills on the Fraser River. When its cars can best be interchanged with those of the CNR they are tediously trundled over the Second Narrows Bridge to the CNR yard in Port Mann. All this takes somewhere in the neighbourhood of 14 to 15 days.

One did not have to belong in the House of Commons this past winter to realize that lumber cars were in short supply. Here we have trackage congestion which has caused a great delay in the delivery of lumber cars on the CNR, the CPR, and the British Columbia railroad. Further, grain cars have been in short supply on all three railroads.

I ask the minister whether this legislation will facilitate the relocation of the trackage. Is there a plan already accepted for the city and the harbour of Vancouver? I could quote from the record of committee proceedings in April, 1970, when the then chairman of the harbours board stated there was a major plan in existence for the harbour of Vancouver, Burrard Inlet and the whole complex.

I do not want to take up any more time in this debate, but I do not want the minister to get up and say if this legislation will assist in improving trackage facilities north and south of the Burrard Inlet? Will it facilitate the building of a railroad around Port Moody over the Indian Arm Inlet?

The minister remains silent in his seat, failing to defend his own area, where this harbour handles well over 30 per cent of the total tonnage entering and leaving Canada, according to a National Harbours Board press release dated March, 1972. I will do my best to make the Vancouver harbour authorities aware of the minister's silence. His silence means that this legislation will not alleviate the difficulties that have become apparent to all people who move tonnage in and out of Vancouver. I will make that abundantly clear to the authorities in Vancouver if there is an election in the very near future.

The minister has been asked pertinent questions concerning the area which he represents. He has failed to reply yes to any of the pertinent questions I have asked him; let that go on the record. The people of Vancouver will clearly hear the record. Like a lot of other members of the cabinet, the minister's tongue is tied. They can only do what they are told, and they have not yet been told to defend Vancouver harbour. They have not yet been told to improve the trackage at Vancouver harbour.

I only hope that some day representatives who are sent here from Vancouver will be subjected to sufficient pressure that they will have the intestinal fortitude to defend their area. If the minister would say that he apologizes to me because this legislation will not alleviate the lumber and grain car problems at that port, I would accept his apology. He could say that the next piece of legislation to be introduced would do so. But from his silence I can only conclude that he has no defence. The people of Vancouver should be made aware of this.

Mr. Basford: Mr. Chairman, up until now I have not replied to the hon. member for Crowfoot because I wanted to have his case fully on the record in all its glory and fulsomeness. He has now placed his remarks before the committee on clauses 5 and 6.

Mr. Horner (Crowfoot): And 7, 8, 9 and 10 are yet to come.

Mr. Basford: Mr. Chairman, I am a very modest minister. I am very hesitant to mention Vancouver in relation to this bill because, if I do, the hon. member will probably say that I am using my position as a minister to favour my own city. But as I said on second reading and throughout the various stages, this bill will be of immense value in improving major urban centres across the country such as Halifax, Winnipeg, Calgary, Edmonton, and that jewel on the Pacific, Vancouver.

● (2020)

The hon. member for Crowfoot asks if we have a plan for Vancouver. His complaint is the same as mine. In the city of Vancouver, in terms of the movement of goods and the movement of people, we have had study after study after study. We have had studies by the National Harbours Board, by the city of Vancouver, by the B.C. research council, by the provincial government, by the two national railroads and the provincial one, all of which have made recommendations for the improvement of the movement of goods and people around the city of Vancouver. Until now, however, none has provided the mechanism for this, as we now have under the aegis of this legislation.

This legislation arms the Canadian Transport Commission with the authority to implement a transportation plan for a given urban area. For the first time it will have authority to order a co-ordinated, consistent transportation plan for the movement of goods and people in and through the port of Vancouver. As Minister of State for Urban Affairs, if I do nothing else but succeed in passing this legislation through this House, giving the cities of Canada the benefit of it, I will be very happy and proud of that. I know that the hon. member, in supporting the legislation, will be equally proud.

The hon. member for Crowfoot is concerned with the shipment of prairie products through the Rockies to the port of Vancouver. He says Vancouver has been poorly served by the railroads. In some respects the railroads are badly organized; in some respects the time taken for switching cars from one side of the harbour to the other, from CN to CP and to B.C. Rail, is a long, expensive, complicated and delaying process as he has suggested.

This legislation can provide a means for the city of Vancouver and the National Harbours Board to work out a railroad relocation, rerouting, rationalization plan and to put it to the CTC and the railroads. Hearings can be held and for the first time we can get beyond the stage of plans and studies and projects. We can now get down to the nitty gritty and reorganize railroad traffic through Vancouver to ensure an efficient, effective system for the movement of goods and people in and through the port of Vancouver.

The hon. member mentioned several projects, one of which was the moving of the Burlington Northern Railroad. The hon. member for New Westminster, who has taken a great interest in this legislation, is also interested in that particular aspect. How can the Burlington Northern be moved inland from the shores of White Rock, giving back to the waterfront area of White Rock the use of their beach property? Well, Mr. Chairman, this proposal can be put forward under this legislation.

The hon. member raised the question of the waterfront at Vancouver. The Department of Urban Affairs and the city of Vancouver currently have financed jointly a waterfront study in the city of Vancouver which, among other things, is putting forward proposals for the rationalization of the rail lines on the waterfront. Rather than being one of a series of studies, concrete proposals can now be put forward and implemented under the railroad relocation plan.

There are some projects that the hon. member did not mention. For instance, under this legislation we can rationalize and remove the railways from the area of False Creek, which is the heart of Vancouver. By that method the heart of the city of Vancouver can be rebuilt under an accepted urban and transportation plan.

Under clause 6 of the legislation the Canadian Transport Commission can order the use of railroad rights of way for rapid and public transportation systems. We can therefore use this legislation to provide public and rapid transit from Stanley Park through downtown Vancouver out to Marpole and the International Airport on the one side, and through Burnaby, New Westminster and the Fraser Valley on the other. That would be a tremendous move, a plan of incomparable value to the city of Vancouver and the lower mainland of British Columbia.

I have remained silent because I have not wanted to brag too much about the value of this legislation to the city which I represent; but the hon. member wanted an exposition of how this could bring about an improvement and a rationalization of the transportation system in the port of Vancouver. This legislation for the first time gets us beyond the stages of studies and rhetoric and gives us a concrete mechanism for implementing and improving transportation facilities to move western produce to Vancouver and to move people in the lower mainland.

Mr. Horner (Crowfoot): Mr. Chairman, I should like to ask the minister a couple of questions in order to clarify his remarks, if I may. The minister said that the legislation encompassed a lot of things, but he failed to recall that at the beginning of my remarks I suggested it looked as if there was an election coming. This legislation will encompass almost everything, and so the minister could go through the country waving a magic wand saying "This is possible". I never doubted that he could say that in Vancouver. Indeed, he went through a long list of things that he could say it about in Vancouver. No doubt if there is an election he will go there and wave his magic wand.

Who is going to initiate this action? Is it a new policy of the government that the CTC shall initiate it? Will the CTC have the authority to go to the CNR and tell them that they can no longer use the Burlington Northern marshalling yards, that they are to be forced to move and that appropriate action will now take place?

Is the CTC to be given the power to tell the CPR that they must build a railroad around Port Moody and over the Indian Arm causeway? Is the CTC to have that authority under this legislation? I think the country and the House should know if that is the case, because the Minister of Transport has said repeatedly in this House and in the transport committee that he has no power, that the CTC has all the power. I think that members of this House who are concerned about transportation in this country should know whether we are giving the minister, who is responsible to the people, more power under this legislation, or whether we are giving it to the CTC, which is responsible to no one, as somebody suggests. I do not know to whom they are responsible. I read an article which said that Mr. Benson is not the father of the child of the CTC, that Mr. Pickersgill, a former minister of transport, was. It is said that Mr. Benson is the adoptive father of the child, that as such we believe he will treat the child well. I suggest such belief is not true. I suggest he feels like the adoptive father, and he will gobble up more and more power.

● (2030)

In a democracy, elected members are answerable to the people. To whom will the commission answer? If the bill empowers the CTC to direct the railways to make improvements in Vancouver, for instance, we should be told, so that we know what provisions we are passing. If we agree that the bill should do this, then the clause should pass. On the other hand, have the railways power under the bill to go to the CTC and ask for changes? Suppose the CNR is tired of using the Burlington Northern marshalling yards at Vancouver and wants its own yards built. Can the company go to the CTC and say, "Pay us 50 per cent of the cost of building new marshalling yards in the Vancouver area so that we can serve the port better and load and unload our cars more easily"? Do the railways have such power? Have the cities such power?

The bill refers to a transportation study and to plans which must be accepted. I know that the minister, representing the people of the Vancouver area, may wave his magic wand and say, "We will spend $1 million on this job and $1 million on that." Promises will be made, elections will come and go, and in the end the people will wonder where the money went and why the yards were not built. In the last election we saw cabinet ministers running here, there and everywhere, offering to build a new port in Toronto, a fancy facility here and another there. Some of those facilities still have not been built.

By whom is the transportation study to be initiated? Is it the CTC? Is it government policy to empower the CTC

to make decisions which may affect the National Harbours Board, or will such decisions be made on the basis of political expediency? Will the political party in power direct the CTC to do these things? These things are not clear.

According to the committee proceedings I referred to, $11 million was appropriated for the development of Vancouver harbour in 1969. We were told by an official of the board that $3 million was spent on the development of Roberts Bank. Clearly somebody said that that money must be spent on Roberts Bank. Under the bill we are discussing, who will say where money is to be spent? Will it be the CTC? Will it be the Department of Urban Affairs? Will it be the Department of Public Works? Or will it be the Minister of Transport, who already is sceptical about the role of the CTC? The minister should answer these questions. Who will direct whom with regard to improvements to Vancouver harbour, improvements which he suggested are possible under this bill?

Mr. Thomas (Moncton): Mr. Chairman, in speaking on clause 5, I allude again to remarks I made this afternoon when I said that although I am reasonably satisfied with the purpose of this legislation, I am disturbed at the vast powers given to the CTC. As I said, members on my side do not place too much confidence in the Canadian Transport Commission. We are disturbed to note the speed, or lack of it, with which it acts on applications, and at the lack of parliamentary control ove the CTC. The situation is manifestly ridiculous. We are asked to pass a bill which will make available hundreds of millions of dollars to a body over which parliament has no effective control.

Let me explain what I mean. Clause 3 gives the CTC power to consider applications and determine if the applications are valid. Then the commission must determine whether funds are to be provided with respect to the financial plan and transportation plan. There is a study under way in the Moncton area on which $150,000 has been spent. It follows other studies, and before they are all completed we shall have spent perhaps half a million dollars on them. That may be fine, but I wonder what is the purpose of clauses 5(1) and 5(1)(c), where provision is made for plans to be altered. Clause 5(1) reads:

> The accepted plan, together with the financial plan, shall be filed with the Commission and the Commission may accept the transportation plan and the financial plan either as submitted or with such changes in either of them as the Commission considers necessary, . . .

Subparagraph (c) of clause 5(1) says, in so many words, that if the municipality or province applying for assistance does not agree with the changes the commission has made to the plan, the whole thing shall be tossed out. Why provide government funds for an exhaustive study of a financial and transportation plan, which we assume will be done by reputable and responsible people, if the whole thing can be tossed out? Why include such a provision which negates the entire thrust of the statute? I think I have read the bill correctly.

Let me ask the minister, why is it necessary to give the CTC power arbitrarily to alter a financial plan or transportation plan as it sees fit? If we intend to give the CTC veto power, provision should be made for arbitration and consultation. If the CTC suggests certain changes, they should be referred back to the applicant, who may or may not agree. This clause, as I read it, provides that the CTC can make any change it deems necessary, and only after the plan has been agreed to will the CTC approve it. Such language is not necessary. Why spend a lot of money on a plan which the CTC can toss out at will?

Mr. Basford: Mr. Chairman, the answer is simple. Obviously, we must start from some base. So we provide for federal contributions for the development of a transportation plan or proposal—"proposal" may be the better word—and for an urban development plan or proposal. The municipality and the province must agree on the transportation proposal or the urban development proposal, and that proposal goes by way of application before the Canadian Transport Commission.

The Transport Commission has to hold hearings on that plan or proposal, because if it does not have the right to vary the plan, the hearings would be a nullity. There would be no purpose to them. The hearings are held on the initial plan, or on the initial proposal, which is a better word. The parties which may be affected by the proposal are heard from, after which the CTC makes an order carrying into effect either the original proposal or a variation of the proposal which may be necessary as a result of the hearings.

Let me give the hon. member an example. Moncton, from which he comes, is a crucial transport link in the Atlantic provinces. If someone were to come along and say, "We want to relocate the railroads and take them out of Moncton," the result would be the virtual destruction of the transport system of the Atlantic provinces.

● (2040)

The CTC must be empowered and able to make such variations in the plan to ensure that after relocation there is a viable transportation system for the Atlantic provinces and that communication through Moncton is not completely destroyed by reason of the relocation scheme. That is why they are given the powers they have.

Mr. Thomas (Moncton): Mr. Chairman, the answer the minister has given me has shed some new light, but I am at a loss to understand where the authority or direction is given to the CTC to hold a hearing. The minister said they must hold a hearing. The only clause I see that refers to a hearing is the one we are talking about amending. It says they "may" hold a hearing. There is nothing to compel them to do so. If there is a public hearing, that is fine.

Mr. Basford: Mr. Chairman, I know the hon. member was engaged in another committee this afternoon, but clause 5(2) was amended this afternoon to make it mandatory that the CTC hold hearings.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I just want to ask the minister if, under clause 6 of Bill C-27, problems such as the one that occurred in Quebec City will be solved. You will all remember the struggles of Parish of Saint-Roch Pastor Msgr. Lavoie for the removal of the rails located in this area of Quebec City.

Does clause 1 give enough authority to the Canadian Transport Commission to order CN or CP to stop using all

rails located in the study zone provided in the bill and to which the plan refers? For example, if, in a plan put forward by Quebec City, it is established that the rails in this zone will have to be removed to allow the city to implement an urban plan, as accepted by the province and responding to the needs of the district and to the needs of the city, does this clause give enough authority to force the railway companies to remove the rails and the buildings located on the land? I would also like to ask the minister if, under this clause, a city, in this case Quebec City, can be exempted from going to civil courts? Can the Canadian Transport Commission demand the implementation of its orders to simplify procedure, that its decisions are expeditious, and that the taxpayers as well as the city involved are saved additional expenses?

[*English*]

Mr. Basford: Mr. Chairman, a very quick answer to the first part of the hon. member's remarks is yes. The CTC is empowered to order, for example, discontinuance and vacation or discontinuance of railway operations and the removal of the railroad facilities from that land, relocation of the lines and use of rail lines belonging to one company for another. Under clause 6 it is fully empowered to carry out the purpose to which the hon. member has referred. Knowing something of the Quebec city relocation proposals, although not in detail, I am quite satisfied that the legislation contains sufficient power to emplement these schemes.

With regard to the second part of the question, the answer is no, they do not have to go to court. The CTC has full authority in its own being and statutory existence to make orders and enforce them against the railways, which come fully within their jurisdiction.

Mr. Mazankowski: Mr. Chairman, while we are dealing with this particular clause I must say I am very pleased the minister has accepted the amendment proposed by the hon. member for Scarborough West. As I study the provisions in this bill, I must say I find it very difficult to pass judgment on this piece of legislation before knowing what the overall transportation policy of the government is going to be.

I share the concern expressed by other hon. members about the very wide powers the CTC is being granted, powers which in my opinion go well beyond the matter of regulation. This was alluded to by the minister in previous discussion.

It is very difficult to know whether to take seriously some of the statements by government spokesmen which suggest that inter-city transport, particularly in high density areas, will revert to a large degree to rail transportation. That strikes at the very heart of this bill.

What concerns me even more is the procedure with regard to appeal provisions. I wonder if the minister can explain whether section 64 of the National Transportation Act, which gives the governor in council the power, at any time at his discretion, or upon petition of any party, person or company, to alter, vary or rescind any order or decision that has been proposed by the CTC, would apply to the provisions of this particular bill. I think that section is very important, particularly when we consider the vacuum in the entire transportation policy throughout the

various modes of transportation in this country, especially in the field of urban transportation.

I do not think any area of transportation is more important at this time, as far as the future of transportation is concerned, than urban transportation. It is quite clear to many members that we probably stand on the threshold of many new, innovative and technological concepts in the field of inter-city and urban rapid transportation. We hear talk of 300 miles per hour trains in high density areas such as Toronto, Ottawa and Montreal, magnetic levitation trains.

We hear of the importance of surface transportation by rail as being something of very major importance in respect to fuel economy, having regard to the energy situation. It seems that at this time we are granting a tremendous amount of authority to a body, which is largely a regulatory body, to pass judgment on the future development of our transportation network in this very critical area. I believe there is a great future in surface transportation, particularly inter-city rail transportation.

● (2050)

At the moment we find the government spending huge sums to develop STOL aircraft for inter-city travel. We shall have to make up our minds soon whether to develop an efficient surface transportation network, or whether to rely on the STOL transportation system. The minister has often suggested that the CTC is an all-powerful body over which he has no control, save in exceptional circumstances, and we still do not know what those circumstances are. I am wondering whether section 64 of the National Transportation Act which set up the CTC would apply in this case, whether there is a right of appeal and, if so, what is the proper appeal procedure to be followed.

We know that the CTC has moved very slowly in implementing some of the sections of that act. I need only mention the famous rapeseed case which was brought to the attention of the commission in 1970 and with respect to which a decision is still awaited. It was demonstrated to the commission that the freight rate being charged was inequitable and prejudicial to the public interest. Yet after four years this case has still to be resolved.

Surely when we embark on legislation which is so important to the development of effective urban transportation, these questions should be settled before the legislation is allowed to pass. The bill is basically a good one and the government is to be commended for presenting it, but there are areas which need to be clarified and there is no better time to do so than the present. Having served on the transport committee for some time and having heard both the President of the CTC and the Minister of Transport give evidence before that committee, it is my impression we still cannot form any clear picture of the relationship.

The minister suggests the CTC is holding him up and preventing him from doing things he wants to do. The CTC, on the other hand, says there are matters of policy involved and that it has no control over policy considerations. In any case, I feel that adequate appeal procedures should be established, and if the minister can tell us what mechanism can be used for this purpose he would be doing the committee a service by clarifying an important part of the bill.

Mr. Basford: Mr. Chairman, I am advised that section 64, which relates to the general operations of the CTC, would apply to orders made under this bill. That is one method of control. I agree with the hon. member when he emphasizes the importance of developing our urban areas to the best of our ability and the part rail relocation can play in such development. Then again, if the hon. member would look at the financial formulae for which provision is made in the legislation he will see that, as far as other federal programs are concerned, the Minister of State for Urban Affairs must advise that they are co-ordinated and that moneys are available. The Minister of Transport responsible for the relocation aspect must indicate that a relocation grant is available and will in fact be paid. These funds are provided annually by parliament and in this way parliament can exercise control over the operation of this statute. The estimates of the Minister of Transport will provide an opportunity for members to examine this particular vote and ascertain the progress of the various applications before the CTC.

[*Translation*]

Mr. Fortin: Mr. Chairman, I shall comment only briefly on the remarks of my Progressive Conservative colleagues who fear that the Canadian Transport Commission will have too much power.

I do not agree with them and once again I congratulate the minister for having introcuced this bill, because I think it is important that the Canadian Transport Commission should have the necessary powers to implement the regulations it passes.

Mr. Chairman, my colleague from Bellechasse (Mr. Lambert) earlier pointed out a problem that occurred in Quebec City. The problem was a very serious one, but the Commission, slow in its administration and encumbered by its bureaucracy, worked in such a way as to be detrimental to the Quebec City ratepayers.

Unless I am mistaken the Canadian Transport Commission is a Crown Corporation. I would like the minister to say what legal ties exist between the CTC and himself. And I ask those questions to enlighten our Progressive Conservative colleagues so they will understand the importance of the objectives to be achieved through this bill as well as the importance for the people of this country to be able to really benefit from this legislation by giving the CTC tools to work with.

Consequently, as a member of the opposition, while I agree that the CTC should be given the power to act effectively to solve the problem as they occur I would like to have the assurance from the minister that the Commission could be regularly accountable through its spokesmen in this House, the Minister of State for Urban Affairs (Mr. Basford). I would like the minister to give us his assurance on that, to say what legal ties exist between the Commission and the Department with respect to the implementation of this legislation so two absolutely basic objectives can be reached.

First, that Bill C-27 really meets the needs involved. A step forward was made this afternoon when it was recognized that municipalities are responsible governments. Tonight it would appropriate Mr. Chairman, for the minister to assure this House and particularly our colleagues in the Official Opposition that that Commission will also be accountable to Parliament through the minister.

I have examined the status of Crown Corporations, considered agents in some cases and not in others and in any case, in all classes, these Commissions are supposed to be accountable to the House for the public monies they spend and the decisions they make.

Some difficulties are encountered with CBC but seldom with the Canadian Transport Commission, apart from the fact that it is much too slow to act.

Mr. Chairman, I think the minister is right in maintaining clause 6 as introduced as long as he gives us the assurance that the legal tie binding the Commission and the Department will ensure that Parliament's foremost requirement is met. Compliance with the law is essential provided that our fellow citizens be assured of the right or the privilege to really take advantage of this legislation. If our friends from the Progressive Conservative party understood Quebec, they would easily understand this section. We should see to it that from now on any law and regulations of the Canadian Transportation Commission can really be used and can deal with the problems facing Quebec in particular.

I understand that for our friends from the Progressive Conservative party Moncton, Vancouver, and the West are important, but it is about time that they should have a national view of the transportation problem and therefore they should recognize the importance of giving powers to a Commission by showing confidence in the Minister; it will always be time for a change of either the Commission or the Minister if this does not work.

● (2100)

[*English*]

Mr. MacKay: Mr. Chairman, I want to be very brief. I have already had the opportunity of speaking on this bill during second reading, but I do want to ask the minister a brief supplementary question or a question further to the point brought out by my colleague, the hon. member for Vegreville.

I do not have section 64 of the National Transportation Act before me, but having regard to the answer he gave my colleague I am wondering about section 64(2), which is to the effect that an appeal lies from a decision of the commission to the Supreme Court of Canada on a question of law or jurisdiction, upon leave being obtained from a judge of the supreme court. I believe there is a period of 30 days within which this process can be instituted. I am wondering whether the minister would not agree that if section 64 does apply—and I am happy that in his opinion and the opinion of his advisers it does—it would be better to have a specific section expressly setting this out in the act. Perhaps we should spell out some of the provisions so that we are not caught up with this question of jurisdiction and so it does not turn out that, in theory, this section might apply but in practice is difficult to implement.

What I am really suggesting is that, if this particular section is to apply, then there ought to be some effort made through this legislation to tailor it so it can apply as quickly as possible, without any problems arising as a result of the transposition of the provisions of this legisla-

tion to that area of the National Transportation Act where section 64 was originally intended to apply.

Mr. Basford: Mr. Chairman, the commission referred to in this section is the Canadian Transport Commission, which would be subject to all the rules of its founding statute, namely the Canadian Transport Commission Act. So the answer to the hon. member's question is in the affirmative, namely that the rules and regulations set out in the National Transportation Act relative to the composition and rights of the Canadian Transport Commission would apply to the commission as spelled out in this legislation.

Mr. MacKay: Mr. Chairman, I do, of course, accept what the minister says, and it may well be that he is perfectly correct. But I think section 64 does refer to a question of law or of jurisdiction. What is the situation if there is an appeal under this legislation by one of the parties which does not specifically fall within those two categories? Perhaps there are other considerations that the commission might decide to follow. Is the minister satisfied that the definition in section 64(2) is sweeping enough to take into account the purview or, if you will, the spirit of this bill, subject to this particular clause?

Mr. Basford: Yes, Mr. Chairman, I am satisfied on that point.

Mr. Mazankowski: Mr. Chairman, as I pointed out in my remarks, paraphrasing the words of the Minister of Transport, he has suggested that only in very exceptional or rare circumstances does he exercise this right of appeal under section 64. I see the Minister of Transport in the House at this time and I am wondering whether he or the Minister of State for Urban Affairs could outline precisely what may have been meant by the phrase "exceptional circumstances". Because it appears that only under certain conditions does the governor in council deem it proper or advisable to exercise this right under that particular section. If this should become a loophole in respect of which this right of appeal can be exercised, perhaps it would be worthwhile to have that statement of the Minister of Transport clarified at this time.

Mr. Basford: Mr. Chairman, I am advised that the governor in council under the law would intervene at all times. But obviously that would not be a very satisfactory situation; otherwise we might as well not have the Canadian Transport Commission. The commission is appointed to perform certain functions under this legislation and it would seem proper that it should do so except in exceptional circumstances, in which case the governor in council would have to make the determination.

Mr. MacKay: Mr. Chairman, I do not want to prolong this discussion unnecessarily, but I think the hon. member for Vegreville has raised an important point regarding what are exceptional circumstances. Since the Minister of Transport is here in the House perhaps he might indicate to his colleague why there seems to be such consternation on his part as to the powers of the commission concerning matters of transportation. And perhaps the minister for urban affairs could put our minds at ease by assuring us that these appeal provisions will in fact be less onerous than the Minister of Transport indicated when giving testimony before the committee.

[Mr. MacKay.]

Mr. Basford: Without going into the whole operation of the Canadian Transport Commission or the relations between it and the governor in council, I think it would be wrong to try in any precise form to spell out what are exceptional circumstances because then you would be foreclosing on the ability of the governor in council to intervene and hear an appeal in an appropriate case. Obviously the intent of the legislation is that the governor in council should feel free to intervene in exceptional circumstances. As I say, there would be no point in having a regulatory agency if the governor in council intervenes in every case. To spell out the precise set of rules which would govern this intervention would foreclose on any intervention in exceptional circumstances.

Mr. Mazankowski: I really hesitate to belabour the point, but we are dwelling on this particular section simply because the Minister of Transport has indicated on several occasions in the House and in the committee that he really lacks the authority in this respect, and that the CTC has more power than does he. It is only in rare and exceptional circumstances that he can exercise his authority over the CTC. It is all well and good for us to be brainwashed with this phrase "exceptional circumstances", but perhaps we should find out how many times these exceptional circumstances have occurred during the time the National Transportation Act has been in effect.

The Minister of Transport has indicated on several occasions that the National Transportation Act is an ineffective piece of legislation, that it does not work because the principle of competition is wrong. In view of that I think it behooves us to take a second look at this particular provision. I am sure the Minister of Transport has been frustrated in his attempts to do certain things in the field of transportation because his efforts are hampered by certain legislative measures. I see the Minister of Transport in his seat and I would really appreciate his comments on this matter. Perhaps it would ease our minds if he commented on this, because it seems we could be involved in a set of circumstances in which the minister's hands are tied so that he cannot discharge the provisions of this act in accordance with its principle and spirit. If the minister is hampered because these exceptional circumstances do not apply, we could find ourselves being strangled because of the absence of policy and the very broad and far-reaching powers being delegated to the CTC by this piece of legislation.

Mr. Marchand (Langelier): Mr. Chairman, I do not have any specific comments to make. The only thing I might say is that there is no doubt that the CTC has great powers in this field and that I am not sure it can be overruled.

● (2110)

Mr. MacKay: Mr. Chairman, I think it is fair to say to the minister who is piloting the bill through the House, in view of the comments we have had, that the CTC, which is already immensely powerful and is the subject of a lot of consternation, I think, from members on all sides of the House in terms of this very ambitious and worthwhile bill,

in many respects is being given still more power. At the same time we are still not sure, particularly in light of what the minister just said, that we have an efficient and practical way to appeal from the decisions of the commission. I think this is a very serious situation.

Mr. Mazankowski: Mr. Chairman, I am wondering whether the Minister of Transport can tell the House the number of cases in which the governor in council has established its right of appeal under the provisions of section 64 since the enactment of the National Transportation Act. Has it been frequent?

Mr. Marchand (Langelier): Offhand—

The Chairman: Order, please. I think that this is more the type of a question which should be placed on the order paper when the House is sitting rather than in the committee. However, perhaps the minister wishes to reply.

Mr. Basford: Mr. Chairman, the most recent case I can recall is the Bell Telephone Company case where there was an appeal by the governor in council. The rights of the governor in council are clearly set out in section 64 of the National Transportation Act to which the hon. member referred. Orders of the commission under this measure, Bill C-27, are subject to section 64, as I have pointed out.

In addition to that, the funds payable under Part I of this legislation are voted annually by parliament through estimates both of the Ministry of Transport and the Ministry of State for Urban Affairs. So the control, it seems to me, is additionally there in that the Canadian Transport Commission, the Minister of Transport and the Minister of State for Urban Affairs will annually appear before the standing committees of this House under estimates for examination of the various proposals put forward under clause 1 of this legislation.

I think hon. members in the essence of their questions are concerned about the authority of the Canadian Transport Commission and how in fact they as members can ensure the effectiveness of the CTC. I think that is provided for under the National Transportation Act and under the budgetary provisions of this legislation, which provides for an immediate review by parliament of the funds spent and the allocation of funds.

Mr. Mazankowski: Mr. Chairman, I appreciate the minister's comments. It is quite obvious that in only one instance has the governor in council exercised its authority under section 64. I was waiting for him to provide other examples, but it seems that the case of the Bell Telephone Company is the only case in which the governor in council has established its right under section 64.

There have been many shortcomings in respect of the CTC and many criticisms about its operations by members in this House and indeed by members of the cabinet. Therefore I would simply say that if in the course of the life of the National Transportation Act we have had only one appeal under the provisions of section 64, this does not really offer much hope for an effective appeal procedure under the aegis of this particular bill.

I would urge that the minister seriously consider a more effective appeal procedure than that contained in this particular section 64, which the Minister of Transport has pointed out is very difficult to exercise. It would seem that only under exceptional circumstances is the governor in council able to exercise its authority. If this piece of legislation is to be workable and meaningful to the municipalities for whom it is basically intended, I would feel much more comfortable if a more effective appeal procedure were provided within the bill. I urge the minister seriously to consider the suggestions put forward by myself and the hon. member for Central Nova.

The Chairman: The discussion is on clause 5, as amended.

Shall clause 5 as amended carry?

Some hon. Members: Agreed.

Clause 5, as amended, agreed to.

Clause 6 agreed to.

On clause 7—*Acquisition of railway land.*

Mr. MacKay: Mr. Chairman, again I do not wish to take up too much time on clause by clause consideration but I have a few comments to make further to a point first raised, I think, with the minister by the hon. member for Qu'Appelle-Moose Mountain regarding the particular status of the lands in question with which the minister may deal pursuant to this clause. I do not believe the minister gave a specific commitment to the hon. member, although I have the impression that he asked for it, that he would obtain an opinion, or at least a statement of policy, concerning the exact status of the rights of way and other lands the railways have which in fact were granted to them for railway purposes.

I think this is a very important and fundamental part of this bill. Although the situation may vary from province to province, I suppose, depending on the history of railways that were built at various times since confederation and even before, if in some provinces the specific grants of land to the railways were for the purpose of providing a transportation system and it turns out that there is an opinion which may have some weight that the rights of way should revert back to the Crown when the railways cease to make use of them for railway purposes, then as the hon. member for Qu'Appelle-Moose Mountain pointed out we are in a somewhat absurd situation if the government purports to appropriate land which it may already own by virtue of this conversion.

I should like the minister to comment on this particular point, which was raised earlier in the discussion, and let us know whether in the meantime he has obtained information to the effect that there is some jurisprudence on this point and whether or not he is satisfied that in all parts of the nation to be affected by this bill the railways will in fact be the recipients of compensation for the loss of rights of way.

● (2120)

Mr. Basford: Mr. Chairman, I did make some inquiries further to our discussions in the House the other day, only to be advised that any generalized opinion on this subject was impossible and impractical because of the great variety of original conveyancing clauses covering mineral rights, including reversionary rights relating to mineral

claims. These vary according to the incorporating statutes and according to the grants made, which in turn vary from railroad to railroad and even from section to section. There are literally hundreds of documents and statutes which cover this point, and before being able to give a precise opinion one would have to know the precise railroad, the precise time of its construction, the precise time of the conveyance, and its precise location in Canada.

However, I would point out to the hon. member that since 1903, under section 136 of the Railway Act railroads do not acquire mining and mineral rights unless specifically mentioned in the grants to them. So all I can say by way of general opinion to the hon. member is to give him the assurance I previously gave him in the House the other day that we would use the expropriation power to acquire all the rights that were necessary to carry out the transportation plan, but would acquire no more rights than we felt the railroads were entitled to under law.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I should like to ask the minister to specify the exact meaning of clause 7. For example, we read the following:

7. When the Commission makes an order under subsection 6(1) requiring a railway company to cease to operate over a line within a transportation study area, the Commission may . . .

Not "shall"—

. . . recommend that the Minister of Public Works acquire any land that is or was occupied as part of its railway undertaking . . .

Since the commission is free to decide whether the Department of Public Works shall acquire the lands occupied by the railway companies involved, if the commission does not decide whether the Department of Public Works must do the acquisition, can the minister say whether the lands occupied by the railway companies will automatically become the property of the city or municipality which has made an application for the relocation of the railway to carry out an urbanization plan as provided in Bill C-27? Mr. Chairman, it would be convenient to be enlightened about the provisions of clause 7 and the fact that commission may act but is not compelled to do so under the legislation. The said provision should then read as follows: "the Commission shall". Now, Mr. Chairman, if it was possible to give us some information, we would greatly appreciate it.

[*English*]

Mr. Basford: Mr. Chairman, if voluntary sale of the land could not be carried out as part of the plan, it was necessary to put some expropriation power into the legislation that could not be given to a municipality or a province, which would not have expropriation power over a federally incorporated and controlled railroad. Therefore it was necessary in this clause to confer power within the federal government, namely on the Minister of Public Works, to expropriate land used for railway purposes as part of the railroad relocation scheme. The Minister of Public Works would expropriate it, using the federal jurisdiction and federal power solely as trustee for those who were ultimately to acquire the land pursuant to the urban development plan. That could vary from city to city. It could be the municipality, it could be the province. The land could be sold to the general public or commercial interests, or assigned to recreational interests. Clause 7 is simply necessary to provide somewhere in the legislation a federally constituted authority, if need be, to expropriate a federally incorporated railroad property.

Mr. Mazankowski: Could the the minister explain the meaning of land that is or was occupied, as part of the railway undertaking, by the railway company? Does that simply mean the right of way, or any land adjoining the right of way?

Mr. Basford: It would mean generally lands used for railway purposes, railway lands owned by railway companies which are used for activities directly associated with the operation of the railway transport services of the railway companies. As I made clear this afternoon, these lands could be for rights of way, marshalling yards, terminal depots, etc. Lands unconnected with railway purposes which might be owned by the railways would be covered by normal laws, by municipal ordinances and provincial powers of expropriation.

Mr. Mazankowski: I appreciate the minister's answer, but in a number of smaller communities the railways own a great deal of land now occupied as empty lots, usually rented to customers of the CPR who ship their products by the CPR or CNR, and who in turn lease this property for storage purposes or other temporary purposes to their customers. Would that be considered as part of a railroading operation?

Mr. Basford: I am not able to be precise in reference to any given city or situation, but what I would want to make clear is the intent of this legislation, namely that under clause 7 and other clauses it is designed to cover land which is designated as railway land and under the jurisdiction of the CTC. All other land would be covered by municipal ordinances and provincial laws, the intent being that the lands owned by the railroads, whether for railway purposes or for other purposes, under one heading or the other, are totally controlled.

Mr. Yewchuk: Further to the questions asked by the hon. member for Vegreville I would like to give the minister an example so that he may clarify the matter a little further. I can think of a town in my constituency that has approximately 30 acres of land, in a strip 30 feet wide, running parallel to the railway tracks. It is not used for railway purposes. It is just sitting there awaiting possible future use. What would happen to that?

Mr. Basford: Mr. Chairman, I do not think I can be called upon to give what might be used as a legal opinion on the standing of certain lands. It would depend on whether or not in fact that land was being used for railway purposes within the meaning of this bill and the National Transportation Act.

● (2130)

I repeat what I said before. The purpose and intent of this statute is that that part of the land falling within the definition of railway or "used for railway" is covered by CTC; other lands are covered by the usual municipal ordinances.

Mr. MacKay: Mr. Chairman, I just want to try the minister's patience one more time and ask for a further definition. In committee we had a lot of discussion about the status of hotels vis-à-vis the railway. How does the minister envisage the situation where a hotel might be situated quite close to a railway right of way and perhaps have some railway facilities in it or adjoining it? Is this going to be considered as railway property in the sense that the minister has just discussed?

Mr. Basford: Mr. Chairman, again it would depend. The hon. member said a hotel owned by a railroad, and then he said a hotel with railway facilities in it. They are two different kinds of hotel. If it is a hotel owned by a railway and not connected with railway lands, then it would not be on railway lands within the meaning of this act and would obviously be covered by a municipal ordinance. If it is a hotel over a railroad station it is obviously built over railway lands.

Clause agreed to.

Clauses 8 to 10 inclusive agreed to.

On clause 11—*Recommending Relocation Grant.*

Mr. Mazankowski: Mr. Chairman, with respect to subclause (3) on the matter of the interest rate, may I ask if there are any guidelines or any formulae that the government has in mind to establish the rate of interest?

Mr. Basford: Mr. Chairman, the intention would be to set the interest rate from time to time to reflect the general state of the national economy and the financial situation of the railway company involved. I am advised by the financial managers that the Department of Finance has a well-established practice in matters of this type and has set interest rates for this purpose in a variety of circumstances.

Mr. Mazankowski: Mr. Chairman, would that be established on a semi-annual or on an annual basis?

Mr. Basford: I must admit, Mr. Chairman, that I cannot answer that precisely. I hazard a guess that it is done quarterly.

Mr. Mazankowski: Are we dealing with a certain percentage over the prime rate here, a formula something similar to that in use in farm improvement loans or Farm Credit Corporation loans? Is this a rate established at a certain percentage above the government bond rate or the prime lending rate? I wonder if the minister might elaborate so that we can determine precisely what the formula is.

Mr. Basford: Mr. Chairman, the purpose of this section on the interest rate is to reflect the fact that modern capital investment techniques will be used in determining the net cost of the relocation. The purpose of determining the net cost of railway relocation is to determine an "as is" value for the assets to be taken into account. To determine the capital value, it is necessary from time to time to set an interest rate pursuant to that order and this section. That is done in the usual and normal way by the Department of Finance. It is not related to such cases as Central Mortgage and Housing Corporation where there is a borrowing rate and a lending rate, with a margin established by statute. This is a rate set by the Department of Finance for the purpose of determining capital values.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I should like to ask the hon. minister to shed some light on clause 11(2) of the bill which reads as follows:

> A relocation grant shall not exceed fifty per cent of the net costs of railway relocation as determined pursuant to section 13.

Since the federal government will assume only 50 per cent of the costs, can the minister advise the House who will assume the responsibility for the remaining 50 per cent? Will these costs be shared equally by the province and the municipality where the relocation is to take place, or will they be entirely the responsibility of the municipality and, in this case, who will submit the necessary application?

[*English*]

Mr. Basford: Mr. Chairman, what we have spelled out in the legislation is that 50 per cent of the net cost of the railroad relocation would be paid by the federal government. We have not tried to spell out any strict cost-sharing formula, as I think this would be a mistake and add an inflexibility that we do not want. We spelled out that we would pay 50 per cent; the remaining 50 per cent is to be found elsewhere. It will be spelled out in four ways: a contribution from the provinces; one from the municipalities; it is conceivable that the railroads will make some contribution; and it is conceivable that some private, non-railway interests will make a contribution in order to get some schemes going. For example, if the railroad land was to be developed for commercial purposes, it is conceivable that the commercial interest would be prepared to make a contribution to the municipality toward the contribution they would pay. We have not tried to spell out where the other 50 per cent should come from. Without wanting to establish some strict cost-sharing programs I would think that provinces would assist municipalities generously in supporting these railroad relocation schemes.

Clause agreed to.

On clause 12—*Valuation of Lands.*

Mr. MacKay: Mr. Chairman, I wonder if the minister could give an explanation of this clause, which states:

> Where pursuant to this act a determination of the value of any land is required to be made by the commission ... the commission may appoint such qualified land appraisers as are necessary to determine the value of such lands.

What does an interested party do if he is not satisfied with the valuation placed on a particular piece of land? What is his remedy under this section? I should like to comment that I would hope that the land appraiser's qualifications will not be determined by whatever political persuasion he happens to hold.

Mr. Basford: Mr. Chairman, the answer to the latter part of the question is no. That party would have the right, of course, to appoint his own evaluators, to establish his own case with regard to evaluation and put it forward at the public hearing. The determination of land values would be involved in any financial plan. Such determina-

tion would form part of the financial plan of the relocation, and would be taken into consideration in the order of the CTC with respect to the relocation grant. All of these areas are subject to public hearing. So valuations put forward under this section would be subject to challenge and to cross-examination by the party which feels its property is being undervalued. That party would be free to bring whatever evidence is available to support any different appraisal or valuation.

● (2140)

Mr. MacKay: Mr. Chairman, if all this has been done, if all available persuasion has been brought forward and the commission has made its ruling but the parties are still aggrieved, what must they do next?

Mr. Basford: The remedy—I hope we are not going back in our discussion—would be the provisions pursuant to section 64.

Clause agreed to.

Clauses 13 and 14 agreed to.

The Deputy Chairman: The committee will now consider Part II of the bill. Shall clause 15 carry?

On clause 15—*Definitions.*

Mr. Stackhouse: Mr. Chairman, may I ask the minister a question relative to definitions contained in clause 15. Definitions are important to my community, where there are more than 30 crossings, where there should be grade separations, and where such work has been held up for several years because of inadequate funding, particularly on the part of the federal government. This has happened because the formula, which when initiated by the Diefenbaker government, represented something like 50 per cent of the cost of building the separation, has become eroded through inflation so that it provides only about 25 per cent of the cost. Therefore, I welcome the initiative the minister has taken and which the bill represents.

I want to ask one question about the definition of costs. I refer to the first paragraph of clause 15. Do the costs of construction directly involve only those costs having to do with the actual construction of a grade separation, or do they include costs which are necessary to the project but which do not necessarily form part of the construction? For example, some land acquisition might be necessary; some damages might be involved in the work. All these could represent reasonable and unavoidable costs.

My question to the minister is this. When a municipality draws up its plans for a separation of grade and makes a cost proposal to the CTC—that is, to the authority which designates what will be the federal share of the financial burden—will the costs figure include all reasonable costs, including those to which I referred, or will costs be confined simply to actual costs of construction?

The answer to my question is of concern to every municipality, and certainly my own, where 400,000 people live in 72 square miles and where, because there is a lack of grade separations, there are fatalities and traffic congestion and tie-ups day after day. I hope the minister will give a favourable reply.

[Mr. Basford.]

Mr. Basford: Mr. Chairman, I am informed that the wording of clause 16 refers to costs, and that is to be interpreted as reasonable costs.

Mr. Stackhouse: Would the minister mind repeating what he said? I could not hear.

Mr. Basford: Costs, as referred to in clause 16 of the bill, will be interpreted by the CTC, as I am informed, to mean reasonable costs.

Mr. Stackhouse: In view of the minister's answer, would he be willing to include the words "reasonable costs" in the legislation, either in clause 15 or clause 16?

Mr. Basford: Mr. Chairman, I do not think that is necessary, as that would be the judicial interpretation given to the word "costs". The definition of costs in clause 15 is specific. It relates to the costs of public utility plans. There is a reference in clause 16 to costs which would be interpreted as the hon. member wants, because the judicial interpretation would be that costs are reasonable costs.

Clause agreed to.

On clause 16—*Application for special grant*

Mr. Stackhouse: Mr. Chairman, may I continue my dialogue with the minister relating to the definition of costs. I take seriously what he said about the interpretation of costs under clause 16 and I wish to make this point. If the judicial interpretation of costs will be as the minister suggests, it seems reasonable to make that definition the legislative definition as well. In order that there shall be no doubt in the minds of municipalities and government officials as to what the legislation spells out, I propose that clause 16 be amended by adding in line 4 of the clause the words, "all reasonable". The clause as amended would read:

> Where a proposed construction or reconstruction of a grade separation of a railway crossing is desired in a province and all reasonable costs thereof, excluding the costs of relocating any public utility plant, appear likely to exceed one million two hundred and fifty thousand dollars . . .

And so on. This amendment ought to be acceptable to the minister as it does not affect what he suggests is the intention of the government and of the CTC. It would clarify the intention for any people reading the act. It would clarify it for any local official and make it abundantly clear to every interested party that this is the intention of the government.

If it is not the intention of the government, that is something else. If the minister does not intend "costs" to mean "all reasonable costs", I can see why the government would resist my amendment. But if the government means exactly what the minister has said it means, and the amendment is not accepted, then I am forced to wonder why. I hope the minister will accept the amendment, as he has accepted other amendments which have improved the bill and made it easier to interpret. Therefore, I move my amendment, hoping he will find it acceptable.

Mr. Basford: Mr. Chairman, I would be quite happy to amend the clause or have it amended, with the addition of the words "all reasonable" costs. I accept the hon. mem-

ber's suggestion. I do not know whether I should move the amendment or have the hon. member move the amendment and I second it.

The Deputy Chairman: Order, please. It will be easier for the Chair if we proceed normally and consider a written amendment, to make sure there is no mistake. In the meantime we can proceed with the discussion on clause 16 while an hon. member or the minister sends a copy of the proposed amendment to the Chair.

Mr. Ellis: Mr. Chairman, I shall become involved in this debate for a few moments only. May I ask the minister why, in a bill that has to do with relocation, there is a special clause having to do only with grade separation? It provides that the municipality has to go through the province to apply for grade separation. It changes the ground rules for the grade crossing fund, which state that funds may come from some source other than the grade crossing fund. It seems incongruous that this particular clause should be in this legislation. I wonder why it is, and not in the other legislation that now administers the grade crossing fund. Why is it necessary to have a province involved when a municipality can now go directly to the CTC under the provisions of the grade crossing fund? Why are we talking about amounts of money here?

● (2150)

As a municipal politician, I have been involved in a number of grade crossing funds and separations. I recall one that was over as many as seven tracks. The cost did not go as high as half a million dollars. All of a sudden, we are now talking in terms of $1¼ million. I am trying to conceive of what type of grade separation could cost that amount of money. I have raised a number of questions; I will wait for some of the answers and then follow them up.

Mr. Basford: As the former mayor of Belleville, the hon. member would have been involved in several grade crossing matters. I refer him to Part III of the bill, with which he will be familiar. It is a re-enactment, with increased financial limits, of the historic grade crossing fund. The procedures under Part III are exactly the same as they always have been, namely that the municipality can go to CTC and get a grant from the grade crossing fund for its grade crossing and grade separation proposals.

Part II is a totally new procedure. It is designed to deal with grade separation and highway relocation proposals that cannot be dealt with even under the increased amounts in the grade crossing fund. It is a design to cover what I can call special expenses and especially large grade crossings and grade separations or highway relocations. I think the procedures set out here should be different from the grade crossing fund procedures in Part III, simply because they are so big and designed to be so major that it is essential that we avoid any conflict between a municipality and its province with regard to these major undertakings and major highway relocations. That is the reason for the difference. I underline and emphasize to the hon. member that the procedures he is familiar with under the old grade crossing fund are duplicated or repeated in Part III of this legislation with increased limits.

Mr. Ellis: Mr. Chairman, I have one brief supplementary. Do I understand from the minister that this is the reason for requiring that the municipality go through the province, that it cannot apply in its own right?

Mr. Basford: Yes, Mr. Chairman.

Mr. MacKay: On clause 16, Mr. Chairman, I wonder if the minister would be disposed to accept a very simple amendment to coincide with the one proposed earlier to clause 5(2) by the hon. member for Scarborough West. If so, would he consider substituting the word "shall" for the word "may" on line 26 of page 12 in respect to holding a public hearing?

The Deputy Chairman: Order, please. We should try to proceed in an orderly way. Maybe we should dispose of the amendment moved by the hon. member for Scarborough East before we get involved in any other suggested amendment. I hope the hon. member for Scarborough East will allow me to make a slight correction to his amendment. His amendment still has the word "the" which does not make any sense. The amendment suggested by the Chair would read as follows:

That clause 16(1) be amended by deleting the word "the" after the word "and" and substituting therefor the words "all reasonable".

Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. Stackhouse) agreed to.

The Deputy Chairman: Shall clause 16 as amended carry?

Some hon. Members: Carried.

The Deputy Chairman: Order, please. I want to be fair to the hon. member for Central Nova, who is suggesting another amendment. I want to give him the chance to present the amendment.

Mr. MacKay: Mr. Chairman, I suggest to the committee it would be constructive to amend clause 16(*e*) at line 26 of page 12 to provide for a public hearing. Rather than "may", I suggest it should read the commission "shall", as was the case in respect of clause 5(2) to which the hon. member for Scarborough West made a similar amendment. I would like to propose this amendment at this time. It is a very simple amendment; it involves substituting the work "shall" for the word "may" on line 26.

Mr. Basford: Mr. Chairman, I hesitate to discuss this because I want to move along as quickly as possible. I would like to accept the amendment if I could, but the situation this afternoon was not entirely the same. I agreed to an amendment which made holding a hearing by the CTC mandatory, but under Part I of the act. The scheme here is a little different in that when the commission is conducting an inquiry, there could be a hearing held by the commission itself or by the applicant. Under Part II, the applicant will invariably be a municipality. The commission can do two things; it can either order that it itself hold a public hearing, or that the municipality or applicant hold a public hearing. The amendment would provide that there be a public hearing, possibly by the

applicant and by the commission. I think this gets somewhat complicated. I implore the hon. member not to complicate it in this way.

[*Translation*]

Mr. Fortin: Mr. Chairman, I should like to draw the attention of the minister to clause 16(1), which says from line 1 on:

... appear likely to exceed one million two hundred and fifty thousand dollars, an application may be made to the Commission by the province or by any municipality on its behalf ...

The English version says:

... the province or by any municipality on behalf of the province ...

I should like to ask the minister whether that means, as was the case with clause 3, that the municipality can apply to the commission for a grade separation otherwise than with the agreement of the province, on behalf of the province, or does it merely mean that the municipality is acting on its own behalf?

Mr. Chairman, the explanation of the minister becomes extremely important because it will create a logical tie between clause 3 in Part I and clause 16 in Part II.

● (2200)

[*English*]

Mr. Basford: Again I say to the hon. member that Part II is somewhat different from Part I. This afternoon I accepted on behalf of the government the submission the hon. member made; but here in Part II we are dealing with matters which intimately involve the province. For example, clause 17 concerns highway relocation schemes. It is the province which organizes and conducts such schemes. I think it would be quite improper to pass legislation saying that a municipality could go before a federal board with a provincial highway relocation plan.

Again I implore the hon. member, it being five minutes after ten, not to complicate the matter in this way. I acceded to his request this afternoon, which I thought was well put, and I urge him to accede to mine this evening. I say that here, in clauses 16 and 17, we are dealing with matters which intimately involve the province.

[*Translation*]

Mr. Fortin: I should like to tell the minister that I accede to his request and agree with his explanation.

[*English*]

The Deputy Chairman: Order, please. I have been asked whether I should not put the amendment. There has been discussion of an amendment but a copy was never brought to the Chair. Although it is a very simple amendment, I think we ought to proceed in an orderly way, and that the amendment should be in writing. As far as the Chair is concerned, there is no amendment before the Committee at the moment.

Mr. MacKay: I have given some consideration to what the minister has just said and discussed the matter with my hon. friend, a former mayor of Belleville. In the circumstances, I believe that what the minister has said is correct, and I should like to withdraw the amendment in any case.

Clause, as amended, agreed to.

[Mr. Basford.]

Clauses 17 to 23 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

[*Translation*]

Progress reported, bill read the third time and passed.

[*English*]

Mr. Basford: Mr. Speaker, on behalf of my colleague the Minister of Transport (Mr. Marchand) and myself I should like to express to hon. members of the House, as a matter of privilege, our very great thanks and gratitude for the special arrangements which have been made for the passage of this bill. We have heard from many speakers during the committee stage and there have been many members of all parties who have resisted the temptation to speak. I know, as does the Minister of Transport, that there are members of all parties who have a very deep interest in railway relocation in their cities and who, in order to get this bill through to the advantage of their cities, have remained silent. To those who spoke and to those who did not, I offer my very great thanks.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Boulanger): That will be considered a question of consideration rather than a question of privilege.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—SHORTAGE OF MEDICAL MANPOWER—GOVERNMENT ACTION TO ALLEVIATE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I want to follow up a question I asked the minister regarding the inequity in medical services across Canada and the methods of overcoming this problem. The minister was kind enough to state that he would talk to his counterparts in the provinces, as they were reviewing the matter, and would let me know what can be done. Surely this is the eleventh hour in respect of this matter and the answer should have been given long ago.

There are many areas across Canada without doctors. There are areas where nurses alone do the medical work hundreds of miles from any doctor. How can the academics come up with an intelligent answer when only the provincial registrars know the number of doctors under registration?

The establishment does not even know how many doctors are in active practice, part-time practice, occasional

locum-tenens, administrative positions, research and teaching, part-time teaching and practice, how many specialists are doing only referral work, private practice and referred work. How, then, can we know if we have too few doctors or too many doctors when we have no national figures compiled by the Canadian government or the Canadian Medical Association? In addition there are no official figures on the increasing number of older people in Canada, which means an increase in the workload on the doctors. Who has the figures in this regard?

The federal government brought in medicare to establish equality of medical care to the rich and the poor across this land. Just as in so many good intentioned schemes on the part of the government, the poor have suffered the most. The government has done nothing to cure uneven geographical distribution of medical care.

Medical schools have not dealt adequately with inequality of medical care and its uneven geographical distribution, or the over-production of specialists at the expense of training general practitioners.

● (2210)

Medical schools could have made dedication instead of academic qualification the number one requirement. Academic qualification means very little in respect of the kind of doctor who will be turned out in the field. In any event it would seem that a higher priority is given to academic answers than to judgment and dedication in the work field.

The powers that be state that without the immigrant doctors we would be worse off than we are now because many of these doctors serve in outlying areas. We certainly would be in an unthinkable position without all the foreign doctors who come to our shores to practice. However, more Canadian boys and girls should be admitted to our medical schools. We should not be stealing students from India and other countries which are much worse off than Canada. We should not be rejecting our own boys and girls. What kind of foreign aid is this? The Canadian students could be admitted and their fees paid, if necessary, if they are willing to serve in those areas which require medical practitioners. The minister says that we have over-production. He said that we have one doctor for every 633 people. How does he know this?

We are told that in the province of Ontario 25 per cent of all registered doctors do not practice medicine. I challenge the minister to give us accurate figures on how many doctors nationally are engaged in full general practice, part-time practice, administrative positions, government employment and so on. Yes, we have those academics who believe they can solve the problem by removing local hospital boards and administrators and putting in regional directors, by establishing clinics of about five persons and by establishing a quota system and a 24-hour service. What a day the bureaucrats would have and how expenses would skyrocket with doctors on salary administered by the bureaucrats! The bureaucrats apparently do not realize that in the area where I live and practice one can now see a doctor 24 hours a day just by going to the emergency department of the local hospital where a specialist is in attendance when necessary.

How will the situation change? Only by having more doctors. Let us return to the statement that there is an ample supply of doctors in cities. If this were the case then medical services would be competitive and the people would have a free choice in respect of doctors. After all, the taxpayers are paying for these services and have that right of choice. If you do not consider your doctor to be satisfactory then you should have the opportunity to change to another. I always hope this will be the situation. After all, the taxpayer is a little closer to the doctor. He is not out of touch, as the Minister of National Health and Welfare (Mr. Lalonde) and the provincial ministers appear to be.

In an effort to increase the number of graduates the federal government should pay the university so much per graduate and increase the amount paid in respect of every medical student who practices in an outlying district. This would increase the output per university. The university could give the doctor a temporary certificate which would become permanent after five years of general practice. After all, courses at medical schools are expensive. The expense per year in respect of Ontario universities is about $6,000 per student. Five years in general practice would equip a doctor very well, and if he cared to go on he would become a much better specialist. Alternatively, loans could be considered for a needy student which would be forgiven in five years if he qualified. Or a straight tax incentive could be given.

If the government is as concerned as it appears to be, the problem of supplying Canadian graduates to understaffed medical areas could easily be accomplished by these methods, instead of by pushing the immigrant doctor into these areas. After all, it is not quite fair to take from the underdeveloped countries the cream of their crop because such people are badly needed in these areas. India has one doctor for every 6,000 people. I wonder what the situation would be had we not sponged all these immigrant doctors, one half of whom have come here in the last ten years. The influx of doctors from outside Canada between 1950 to 1960 was one-third of our registered doctors per year, and from 1960 to 1970 it was one-half of our registered doctors. Just a little over one-third were registered to practice in the province of Ontario. Those doctors on the whole practised good medicine. Most were from Great Britain, the USA, Europe and India, and they made a great contribution not only in the teaching field but also in the actual field of practice.

Next to immigrant doctors from Great Britain was the American physician. We will always remember names like Penfield from the United States, Austin from Guys Hospital, Miller from Edinburgh and Melvin from Aberdeen—all great teachers. What would medicine in Canada have been without them?

Let us stop this arbitrary nonsense now. We have grown up. The Canadian people have a right to know facts, not platitudes or guesses. They are paying the cost, something that sometimes the academic establishment forgets. People expect to be able to see a doctor when they are sick. They have that right.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as the hon. member knows, the question of the supply of physicians is one presently under active consideration. It

was discussed at the recent meeting of federal and provincial ministers of health in February, at which time a consensus was reached on the necessity of achieving certain objectives: first, a better balance between the requirements for physicians of all kinds, taking into account the role of allied health workers and the two sources of supply, Canadian medical schools and immigration; second, to give a higher priority to Canadian students aspiring to a medical career and to Canadian graduates wishing to practice in Canada; third, to promote a better distribution of physicians' services, particularly to serve rural areas as well as to relate specialty training to community needs. In the minister's view, well co-ordinated measures must be taken to achieve these objectives, considering the particular circumstances in each province.

Some of the options to be considered include physician quota systems by regions, restrictions on immigration, and appropriate medical school enrollment. Physician quota systems are being considered by certain provinces in conjunction with other measures to regulate the supply of health manpower.

The hon. member is also undoubtedly aware that new regulations have recently been drafted which have the effect of limiting applications in occupations which have no general demand for them in Canada unless they are destined for pre-arranged employment, or there is a demand for this occupation in a certain location in Canada and the applicant agrees to proceed to that location.

The federal government will be meeting with the provinces to determine better their manpower needs in the medical profession. We believe that, for the present at least, these measures can do much to assure a proper flow of doctor immigration and protect opportunities for our own qualified Canadians entering this profession.

Subsequent to the hon. member's question of March 27 the Minister of National Health and Welfare (Mr. Lalonde) received the report on the planned intake of Canadian medical schools that he mentioned in his answer of that date. Between 1966 and 1972 the number of physicians graduating from Canadian medical schools rose from 881 to 1,292. This increase in output is expected to continue until 1976, and then level off at nearly twice the output of 1966; that is, at over 1,700 medical graduates per year.

Further, we are creating a reserve capacity to produce many more physicians if necessary. It is estimated that by 1982 the output of Canadian medical schools could be increased by another 23 per cent, to cover 2,100 physicians per year.

Having said all this, may I conclude simply by stating that the government shares the hon. member's concern that all Canadians have access to equitably distributed and high quality health services at reasonable cost. For this reason it is actively involved with the provinces in the review of physician supply.

GRAIN—REQUEST THAT FEED GRAINS BE MARKETED BY WHEAT BOARD

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on August 1 of this year feed grains in this country will be going on to the open market. This is a policy put forth by the Minister of Justice (Mr. Lang) who is in charge of the Wheat Board, despite the fact that the farmers on the prairies are very much opposed to it.

The wheat pools, the Farmers Union, the farmers involved in the co-operative movement, and most farm organizations across the prairies are opposed to putting feed grains on to the open market. In the last few months I have received many letters on this topic, many petitions signed by farmers in my area, as well as having many conversations with individual farmers, not just from my area but from right across Saskatchewan.

On April 2 of this year I moved a motion in this House that had been suggested by many of the farm organizations, namely:

> That this House support the principle of orderly marketing and instruct the government to maintain the Canadian Wheat Board as the sole marketing agency for feed grains.

Unfortunately that motion did not carry. Later in the agriculture committee members of my party put forward another amendment, namely that the committee go on record as advocating that the Canadian Wheat Board be the sole marketing agency for feed grains in this country. Every single Conservative member of the committee voted against the motion and that is why I am pursuing this matter tonight.

● (2220)

A few days after April 2, I put a question to the Prime Minister (Mr. Trudeau) and the Minister of Justice (Mr. Lang). To the Minister of Justice I put the question that, in view of the fact that prairie farmers were so upset with his proposal would he withdraw it and maintain the Wheat Board as the sole marketing agency for feed grains? He would not give that commitment despite protests from the prairies. When I asked the Prime Minister, he refused to intervene on behalf of farm organizations and prairie farmers.

I have a letter from the hon. member for Lisgar (Mr. Murta) which puts the Conservative Party on record as encouraging the minister to put feed grains on the open market.

I think this matter is of vital importance to the farmers of this country who fought for years for the formation of the Wheat Board so that it could act as an orderly marketing agency for them. It took a war, a depression, hard times and many, many farm bankruptcies to get the Wheat Board established. Now we are seeing feed grains taken away from it. Farmers are afraid that this might be the first step toward dismantling it and be the end of orderly marketing in this country.

That is something that this party will not tolerate and that farmers' unions, wheat pools, co-operative organizations and almost all farmers on the prairies will not tolerate. They remember the open market, the grain exchange, the grain buyers in Winnipeg and the fluctuations in price. They would sell grain at a particular price, and when they got it to market the price had changed. They do not want that again. They do not want to work to a gamble by dice in the casino. It is immoral that such a thing should happen and this party will not tolerate it.

People who play the commodities market speculated in flax and rapeseed last year. I read of one person who said that by investing $1,000 in flax and buying on margin, a million dollars could have been made in the last year and a half. This is the sort of thing that will happen if feed grains are placed on the open market. The farmers do not want to see that happen after all their work.

I think, Mr. Speaker, it should be the policy of this country to market all grains through the Canadian Wheat Board. Why should farmers have to speculate? They are already speculating with the weather. We should have orderly marketing in this country, which in the long run would help the consumer because of stability of production and prices.

My time is up, Mr. Speaker, so I will anxiously await the Minister of Justice's announcement that he is going to withdraw his proposal and keep the Canadian Wheat Board as the sole marketing agency for feed grains. I know that is what he is going to say so I shall take my seat.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I regret to see the hon. member for Yorkton-Melville (Mr. Nystrom) fall into a pattern that was fairly common to certain members of his party in days gone by, those who associated themselves with the leadership of such groups as the National Farmers' Union in the Saskatchewan area and who discredited that movement. The technique is the one adopted by the Stalinists and the followers of Hitler, that of putting up a straw man and then saying that is a horrible thing and everybody should be against it.

The hon. member says we should have feed grains in the open market notwithstanding the fact that we have pointed out time and time again that there is no question whatever that the bulk of feed grains, as presently being marketed, will be changed in any way. The bulk of feed grains will be sold through commercial channels under Wheat Board control. They will continue under Wheat Board control. The Wheat Board will exercise the full and complete control which is evident now.

He also says he is in favour of orderly marketing. I tell him I am as much in favour of orderly marketing as he is; but I will do more about it—I will see it happen. Any proposal in relation to feed grains that we have made includes maintaining full control of the Wheat Board over the movement of the grain. The board must also know where the grain is going, from where it has come, and, therefore, what can be done with respect to marketing. We shall make sure that the board retains full knowledge.

The hon. member asks farmers whether they are in favour of orderly marketing. I say that I am as well. He says that the Wheat Board should be retained as the sole marketing agency for Canadian grains. I say to him that it is not now the sole marketing agency, never was, and never can be, as neighbour will sell to neighbour and grain will move about on the prairie regions.

That is the source of his problem. He and the NFU socialists who lead that organization—I refer only to the leaders and not to the rank and file—agree that equity in pricing is desirable in our current handling of feed grains. They then put forward proposals which will not create equity in pricing. We are looking at certain proposals and have looked at modifications of them in the year of discussions which is just coming to an end. We are at the point of decision. We are looking at proposals which will maintain in full the control of the Canadian Wheat Board over the export market, the quality of grains, and over bulk movements in the market. The board will retain the control it presently exercises. The only thing in question is the domestic market and how to obtain equity in pricing within the prairie region for farmers who buy grain there to feed animals and for farmers in other parts of the country who also buy their grain there.

The hon. member says he knows how farmers stand on this issue. Quite recently he raised another issue. He was sure he knew where the farmers stood on it. I am referring to the rapeseed plebiscite. He thought it was a simple, straightforward issue. It turned out that the farmers were seriously divided, but, on balance, were in favour of maintaining what he called the open market system for that particular product.

I do not doubt that one or two years from now the hon. member will admit that all his fears and doubts meant nothing, as usual, and will have to agree that we produced the policy which is best for the prairie farmer and for Canadian agriculture as a whole.

AIR CANADA—ALLEGED LAY-OFFS OF EMPLOYEES IN VIOLATION OF COLLECTIVE AGREEMENT—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my remarks tonight will be brief and to the point. They centre on Air Canada's recent violation of their collective agreement with the unions. I am referring to the lay-off early last week of some 4,800 employees by Air Canada as a result of the airport firefighters' rotating strikes. While this strike is now over and most Air Canada employees are back on the job, the lay-off was in violation of a collective agreement and is indicative of the disastrous manner in which this government deals with strikes in the public sector.

On April 23 in this House I asked the Minister of Transport (Mr. Marchand) the following question concerning the lay-offs:

> As Air Canada has laid off some 4,800 employees and these lay-offs have been labelled as a complete violation of the collective agreement, what action will the government take to rectify the violations of the agreement by Air Canada management?

The parliamentary secretary to the minister answered, in part, that:

> —the unions involved can follow the grievance procedure provided for in the collective agreements. However, Air Canada does not feel it is in violation of any provisions of the collective agreements.

This is the type of answer one would have expected from a government whose transportation policy is, to quote the minister, "a mess". What the government is saying is that if the unions do not like the lay-offs they can file a grievance. What sort of an answer is this for the 4,800 who were laid off without pay? This attitude almost precipitated another strike in Canada, this time by air line pilots. The pilots felt, as do I, that Air Canada's lay-offs were a contravention of a collective agreement.

As many of us know, Air Canada employees, especially those at Dorval, have much to grieve about. With regard to

these layoffs, Air Canada's management clearly ignored the longstanding principles and precedents relating to seniority, resulting in a violation of the contract; that is, in staff reduction of the lead mechanics, without normal options. For example, article 12 on page 53 of the agreement states clearly as follows: first, that the principle of seniority shall be based upon the principle of preference consideration for employees with long service and, second, that seniority privileges, as governed by the provision of this article, shall be a factor in reduction of forces. As well, page 65K of the agreement states that staff reductions will be made strictly on the basis of seniority.

● (2230)

This brief examination of parts of the agreement shows the longstanding principles related to seniority of Air Canada employees. The basic union agreement has over the years guaranteed the protection of seniority rights, and any new interpretations deriving from letters of understanding, and so on, clearly should not override basic principles. Something is wrong when men with over 30 years' experience are laid off. Such layoffs create morale problems. Surely poor morale is a sufficient enough problem within Air Canada. This loss of rights only serves to further lower morale and standards.

Furthermore, the addendum letter of understanding, page 93 of the agreement, was a result of union concern over discriminatory practices; for example, the company retaining managers and clerical staffs on duty while reducing union staff. I am not saying that there should never be layoffs. Obviously they are an economic necessity in certain strike situations, but they should be conducted according to agreements and longstanding practices. One has to wonder why only union employees were laid off and not foremen and supervisors. Is there a two class system of layoffs? If so, what protection does this give the little guy?

That which I have discussed to this point is, as I mentioned, merely a small example of the manner in which Air Canada and the entire government handle labour relations. Witness the recent rash of strikes by public employees. First the airport firefighters, then the river pilots and postal workers. While the pilots did not walk off the job, the air traffic controllers plan to very shortly.

What does all this say? Well, to me and most other Canadians it says that a definite communications barrier exists between the federal government, the Treasury Board and their employees. This is especially pronounced in the Department of Transport. The government does little to deal with labour problems until it is confronted with a crisis situation—for example, strike. Then the government acts.

In light of this recent plethora of strikes and the accompanying government inertia, the idea of a public interest disputes commission is indeed a sound one. No wonder, it is a Conservative idea. The present methods of dealing with labour problems in the country seem to have failed dismally, for we are guaranteed at least one postal, air or rail strike annually. Such a commission could deal with labour disputes not only in the government sector but in all areas of public services. The feasibility of establishing such a body should be given serious consideration by the government so as to minimize these labour disputes that tend to disrupt the country.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, may I say in the first place that the government does not negotiate agreements between Air Canada and its employees, and never has done so. The Canadian Airline Pilots Association and the Canadian Airline Flight Attendants both have collective agreements with Air Canada. As a consequence of a walk-out by firefighters, Air Canada was faced with the situation of having a great many employees with no meaningful work to perform. Under these circumstances, certain employees were placed on off-duty status.

A similar situation occurred in 1971 when the air traffic controllers went on strike. Air Canada has recognized the hardships created for its employees by third party strikes and has established a policy which has the full support of the Canadian Airline Employees Association and the International Association of Machinists and Aerospace Workers.

Briefly, the policy is that, in the event of a third party strike affecting Air Canada's operations, where meaningful work is available the company would try to keep employees on the payroll. Where employees had to be placed on off-duty status, the company would, on application by an employee, grant a week's compensation which could be repaid by cash, payroll deductions over three months, subsequent overtime, or, in some cases, vacation credits. This policy would be reassessed at the end of each succeeding week of a third party strike. Neither CALPA nor CALFA find this arrangement satisfactory, as they feel the company should continue to pay salaries in such a situation.

Provision is made within the respective collective agreements for third party arbitration of differences. This is an inherent part of the collective bargaining process. Air Canada, on legal advice, is convinced that it has not violated any of the provisions of the collective agreements. If the employees in question are convinced that Air Canada is incorrect, their agreements provide a means of recourse to them, one which is not only legal but is their right.

I am sure all members of the House will agree that where collective agreements are in force between Crown corporations and their employees, and when well-established means of settling differences are available, it would not be proper for the government to intervene on behalf of either party.

Motion agreed to and the House adjourned at 10.39 p.m.

HOUSE OF COMMONS

Wednesday May 1, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

Second Report of Standing Committee on Labour, Manpower and Immigration—Mr. Portelance.

HEALTH, WELFARE AND SOCIAL AFFAIRS

Third Report, in both official languages, of Standing Committee on Health, Welfare and Social Affairs—Mr. Isabelle.

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

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MISCELLANEOUS PRIVATE BILLS

REFERENCE OF PETITION OF ALLIANCE SECURITY AND INVESTIGATION LIMITED AND REPORT OF CLERK OF PETITIONS TO COMMITTEE

Mr. Gérard Duquet (Quebec East), seconded by Mr. Yvon L'Heureux (Chambly) moved:

That the petition of Alliance Security and Investigation Limited, which petition was not filed within the time limit specified by Standing Order 90, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, with the Third Report of the Clerk of Petitions tabled in the House on Tuesday, April 30, 1974, to enable the committee to make the recommendations it deems appropriate.

Mr. Speaker: Does it please the House to adopt said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

PUBLIC SERVICE

ANNOUNCEMENT OF INCREASE OF $500 IN ANNUAL COMPENSATION OF CERTAIN EMPLOYEES

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I wish to make a statement to the House on the subject of the wages and salaries of employees of the government of Canada. As I said in this House the other day, the government has been giving this matter serious consideration. I am sure you are aware that an increasing number of employers across this country, as well as in most other industrialized countries, have been taking special action to adjust their employees' wages and salaries to meet the effects of unusual rises in costs. Since the first of this year, major employers outside the federal Public Service have, as a result, begun to adjust wage ranges, provide their employees with lump-sum payments, re-open wage agreements or adopt other measures to increase employee compensation.

The government of Canada has always had a policy of paying its employees at levels which compare fairly with those of other employers. We closely monitor pay movements outside the Public Service to maintain our position in this regard. In arriving at pay settlements with various groups of Public Service employees during the course of 1972, 1973 and the early part of 1974, both parties at the bargaining table relied on wages and salary data as to future increases outside the federal Public Service.

Mr. Paproski: You will not get their votes, so don't worry.

Mr. Drury: Of course, the outside settlements relative to the future increase were reached at a time when it was not possible to fully foresee the degree of escalation in costs brought about by international conditions.

It is apparent, however, that in recognition of the upward movement in prices, wages and salary increases in the country generally have been adjusted more rapidly than anticipated in order to protect the real purchasing power of employees. The government has concluded that it is inappropriate to deal with this development only through the process of collective bargaining as agreements come up for renewal. Instead, special action is required in order to ensure that the pay levels of public servants will maintain their relative positions with those of persons performing similar work outside the Public Service.

Accordingly, Mr. Speaker, I am pleased to announce that the government has authorized an increase in pay ranges of $500 which will have the effect of increasing the annual rate of compensation by this amount as of April 1, 1974, for all its employees, including members of the RCMP and the Armed Forces—

Some hon. Members: Hear, hear!

Mr. Hees: Watch out! The old pork barrel is rolling.

Mr. Drury: —and excepting those in groups where notice to bargain has been given but no settlement has yet been reached and those in groups in respect of which an arbitral award was rendered or a settlement reached after April 1, 1974, the effective date of this general increase.

This adjustment will be added to employees' pay ranges and will become part of their regular compensation rather than take the form of a lump-sum payment. It should also be noted that this type of adjustment provides the greatest percentage increase to lower paid employees.

We took this pay action because it is our policy to maintain comparability and also in response to representations from the Public Service Alliance and requests from other Public Service unions.

There are exceptions to this general pay adjustment, Mr. Speaker, as I have said. Recent Public Service pay settlements and offers have recognized the unusual wages and salary escalation in the private sector, and I am confident that the settlements for those groups where an agreement has not yet been concluded will be reflective of current wages and salary patterns in Canada.

The government believes that this measure reinforces its policy of paying compensation comparable to that paid for comparable work elsewhere and will reflect positively in the achievement of good staff relations in the Public Service of Canada.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, let me say at the outset that the announcement which has been made today is an insult to lower paid civil servants. In terms of their needs, I am being charitable if I describe this action as inadequate. I received the minister's statement just a few minutes before coming into the House, but from a preliminary examination it is obvious that the fact that this increase is going to apply to deputy ministers now receiving a salary of $60,000 a year is an insult to the Canadian people.

● (1410)

Some hon. Members: Hear, hear!

Mr. Baker: At the very best, in terms of the problems that are facing Canadians, particularly those in the Public Service, the RCMP and the Canadian Armed Forces, I can best describe this action as tokenism and an election promise that is crass, if anything.

Some hon. Members: Hear, hear!

Mr. Baker: Somebody behind me says that the six-buck boys are riding again. I guess that is so. The very fact the government has had to at least begin in a very minuscule way the process of indexing salaries—this is what they are beginning to do—is an indication how deep the cancer of inflation has become in this country.

Some hon. Members: Hear, hear!

Mr. Baker: The government of Canada has recognized that one of the cornerstones of our enterprise system, namely, the right of collective bargaining, has become inadequate to meet inflation which they like to blame on international conditions but which rests firmly on their doorstep.

Some hon. Members: Hear, hear!

Mr. Baker: It is interesting to note that in recent history it is a fact that public servants in Canada have become discouraged with the slowness and unresponsiveness of the bargaining process. As a result, they have lost faith in the Treasury Board and in this minister. If any evidence was brought before this House in the last few days of the inability of this government to recognize inflation, or to it, it was the blush on the face of the Minister of Finance (Mr. Turner) yesterday. I am certain he must be blushing for many of his constituents today.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I suppose it is always true that we have to be grateful for small mercies. I suppose the public servants who work for the government and the people of Canada will take that view. However, the announcement that they are going to receive an increase of $9.61 a week in light of today's rising cost of living will not exactly cause them to jump for joy.

I am glad to note that the government has been given a bit of a green light by my friend, the hon. member for Grenville-Carleton (Mr. Baker). At least he is not proposing that the salaries of public servants be frozen.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The President of the Treasury Board told us in his statement that this action is being taken in response to representations from the Public Service Alliance and requests from other Public Service unions. I hope that, in addition to any response which is being made to such requests, discussions have taken place with those organizations concerning the details of the announcement that has been made today.

There is always a difficulty about cost of living adjustments inasmuch as they have an effect on future collective bargaining negotiations. I hope it will be crystal clear that this increase of $9.61 a week does not detract from the urgency of carrying out collective bargaining so as to put those who work for the government and the people of Canada in the best possible position. Although I have referred to this $9.61 a week as being grossly inadequate for those in the lower and middle brackets, I must echo the statement made by the hon. member for Grenville-Carleton that it is hardly necessary to give this increase to those whose salaries are $40,000, $50,000 or $60,000 a year. I noted the pride with which the President of the Treasury Board said that on a percentage basis this method of distribution favours those in the lower brackets, but these other points must also be taken into consideration.

I note also that there are certain exceptions. This announcement has been sprung on us and we are not quite sure whether those exceptions are justified; we shall have to look into that aspect as time goes on.

But, Mr. Speaker, I am wondering about those who work for this institution, the House of Commons. I see I am getting an answer already—the President of the Treasury Board is shaking his head horizontally. Therefore the increase applies only to those who bargain with the minister as President of the Treasury Board. I remind the House that the President of the Treasury Board is also a member of the Internal Economy Commission of which Your Honour is the chairman. It seems to me that if this policy

is being adopted in respect of those who work for the government and people of Canada in other buildings it should also be applied to those who work for this institution, namely, the Parliament of Canada.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The only other comment I wish to make is that if the government is recognizing that the pace of inflation is now so serious that the normal increases which come about as a result of collective bargaining come too slowly, the government should also realize that the same is terribly true in the case of the pensioners and veterans. The escalations that are taking place involving a couple of dollars every three months for old age pensioners and once a year for veterans are not sufficient to enable them to keep up with the cost of living and if the President of the Treasury Board feels that the policy has to be reviewed I submit that the whole policy should be reviewed right across the board.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, as the minister indicated, it is the present situation which quite clearly prompted the minister to make this statement.

It is essential that public service employees be properly remunerated so as to carry out their duties efficiently and satisfactorily.

I think that the hon. member who blamed the minister a while ago for not having escalated these salaries right from the start in line with the cost of living increase, had not taken into account the fact that a number of public servants in the over $50,000 salary bracket would indeed have been entitled to an exaggerated increase.

On the other hand, we must realize that the government is following instead of leading the way, as evidenced by the following statement by the minister:

> Of course, the outside settlements relative to the future increases were reached at a time when it was not possible to fully foresee the degree of escalation in costs brought about by international conditions.

The government continues to claim that our present situation is attributable to international factors and that it must blindly keep up with the salary trend outside the public service; it is because of this, Mr. Speaker, that we can say and emphasize in this House that the government is following instead of leading the way. I would like to take this opportunity to point out that we should pause and try to identify in the first place the malaise and it is easy enough, since it is generally detected. However, we have to try to deal adequately with those basic problems giving rise to those various increases worsening inflation which could suddenly engulf us in complete bankruptcy. We have the opportunity to become aware of the problem and once for all to see the economic problems such as they are, to find popular economic solutions and not to trust exclusively experts, the so-called experts who are counselling the government in economic matters and are thus destroying in an extremely rich country such as ours, the financial and economic opportunities given each citizen to live decently with even a minimum comfort, taking into consideration the fact that Providence has bestowed upon us more than the necessary wealth, so that we are in a position to help other countries.

Health

● (1420)

HEALTH

TABLING OF DOCUMENT "A NEW PERSPECTIVE OF THE HEALTH OF CANADIANS"—STATEMENT BY MINISTER

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wish to table a working document entitled "A New Perspective on the Health of Canadians".

Mr. Speaker, in bringing this working document on health to the attention of the House, I would like to say a few words on why the document was prepared and on its significance.

Canadians traditionally rely upon the personal health care provided by hospitals, doctors, nurses, and other health professionals to protect them from diseases and death. While the importance of such personal health care is beyond question, Canadians should be aware of how they themselves could help safeguard and improve their own health by determining how their own chosen lifestyle and their environment affect both physical and mental well-being.

The need for a new perspective on health is evident from an examination of health data. Statistics show that the five most important causes of death before age 70, measured by potential years of life lost, are automobile accidents, coronary heart disease, other accidents, respiratory diseases—including lung cancer—and suicides.

Sickness treated in general hospitals shows a similar pattern. Measured by the days of hospitalization, the main causes of illness are coronary heart disease, all accidents, and respiratory diseases.

There is little doubt that improvements in the knowledge of the level of risks imposed by the lifestyle of individuals, of human biology and of environmental factors are important elements in helping to alter this pattern of disease and death.

The approach suggested in the working paper is to identify "high risk" segments of the Canadian population and to devise programs aimed at reducing these risks. By identifying the underlying causes and taking corrective action the health of hundreds of thousands of individuals can be safeguarded before disease is sufficiently far advanced as to require expensive medical care.

It is proposed, therefore, to divide the broad field of health into four basic elements. This division, which I outlined in a speech to the Pan-American Health Organization in September 1973 is referred to as the Health Field Concept. The first of the four elements of the concept is human biology. The second is the environment, next is lifestyle and, finally, health care organization. We also suggest a regulatory strategy consisting of eight proposals aimed at using federal regulatory powers to reduce health hazards and at encouraging and assisting provinces to use their regulatory powers to achieve this end. For the research strategy there are fifteen proposals designed to help discover and apply the knowledge needed to solve health problems. It is my hope that the possible courses of action suggested for the research strategy will enable the federal and provincial governments to jointly review research funding with a view to increasing their respective contributions.

Health

The health care efficiency strategy includes twenty-one proposals to assist the provinces in re-organizing their health care delivery systems so that cost, accessibility and quality are balanced in the best interests of all Canadians. Finally, the goal-setting strategy is made up of seven proposals to set, in cooperation with others, specific goals to be attained in improving the health of Canadians and in increasing the efficiency of health care systems.

Authority for the pursuit of these objectives is widely dispersed among governments, professions and organizations. Limitations on the availability of additional funds and differences of opinion as to priorities will, naturally, require careful consideration, consultation and planning.

The basic approach of the working document was outlined to the provincial ministers of health in February of this year. The provinces unanimously endorsed it and felt that it offered great opportunities for raising the health of Canadians.

The working document will be the subject of careful review and analysis with provincial governments in the months to come in a way analogous to the study of the Working Paper on Social Security in Canada. I have asked that the working document be included on the agenda of the federal-provincial meeting of deputy ministers in June and I am planning to discuss it with my provincial colleagues at our next meeting.

It is hoped that the working paper which has been in preparation for several months will help to develop a high level of general public awareness of its objectives and will generate informed discussion among all Canadians—individuals, groups, professions as well as governments.

This working document, therefore, is not limited in its scope only to matters where federal initiatives are needed. We hope it will not only appeal to all hon. members but to the general public as well. Most important, we offer it as a rallying point for all sectors of Canadian society who have a role to play in improving the physical and mental well-being of Canadians.

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I thank the minister for sending me the statement and the document. I have not had a chance to study the document fully but I think I get the general purport of it. No one is likely to be a champion of poor health; therefore the working paper is solidly in the motherhood realm. It states in part:

1. It is better to be slim than fat.

2. The excessive use of medication is to be avoided.

3. It is better not to smoke cigarettes.

4. Exercise and fitness are better than sedentary living and lack of fitness.

5. Alcohol is a danger to health, particularly when driving a car.

6. Mood-modifying drugs are a danger to health unless controlled by a physician.

7. Tranquility is better than excess stress.

8. The less polluted the air is, the healthier it is.

9. The less polluted the water is, the healthier it is.

I thought we had agreed on those points some time ago. Instead of this document, interesting and acceptable though it be, perhaps it might have been wiser for the minister to aid the health of Canada by restoring the Medical Research Council of Canada to its proper function—

Some hon. Members: Hear, hear!

Mr. Macquarrie: —a thing about which the whole country is well aware because the standing committee has been dealing with this very serious subject for a long time. If, however, this paper and this presentation helps in any way to focus the attention of Canadians on the need and the possibility of improving their health, certainly I am all for it just as Calvin Coolidge said the minister was against sin. We need to be awakened to the urgency of the physical fitness or rather the physical unfitness of our population. We Canadians are one of the world's nations most affected by spectatoritis, with thousands of people sitting in the stands or by their television sets watching a few professionals performing for the entertainment of the masses. The masses should be in the arena.

● (1430)

I have grown sick and tired of the weeding out process which begins not at university, not at high school but at the elementary school level where the best survive in athletic contests and what is left for the rank and file of our young people is merely to get into the cheering section and to applaud loudly for the elite. That does nothing for the physical development of our young people.

Some hon. Members: Hear, hear!

Mr. Macquarrie: All the evidence calls out for mass participation programs, and I am happy to announce that I have joined in the program in the Confederation Building. I do not know whether the young people there are involved in the minister's department but they are the finest diplomats in Ottawa because when I took my first test I knew it would be an achievement to get down for the push-ups, and a triumph to get up, but they said I did well.

While this document is welcome I must confess to you, sir, and to the minister that a more important document came to me today, a document on prices and the poor, the report of the National Council on Welfare on the low income consumer in Canada. How in the name of heaven can the people of Canada be healthy if a great proportion of them cannot buy proper food? We have now learned what we have always suspected, namely, that the surrender to inflation on the part of this government causes the worst victimization of the poor of this country.

This document outlines this very matter grimly and very painfully. It states that the cost of the food which the underprivileged and the poor most rely upon is rising fastest, such as hamburgers, weiners and so on. How can we talk about health if we cannot nourish our people because of the economic situation? The most grievous problem facing this nation today is that the economy is not healthy and therefore the people are not healthy.

Some hon. Members: Hear, hear!

Mr. Macquarrie: So I would say that if the minister and his colleagues can neither diagnose nor cure the ills of the economy they should not prevent someone else from doing

so. As amateur psychologists, both the minister and I know that there is nothing better for health than a happy state of mind, and I would say that a new government would bring about that state in this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, with all these statements and announcements being made these days, one wonders what is happening.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What is happening with the NDP?

Mr. Knowles (Winnipeg North Centre): In this instance, for some reason an advance copy of the statement did not reach me.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): As for the booklet, when the hon. member for Hillsborough (Mr. Macquarrie) referred to it I turned around and picked up a copy from a colleague's desk. The page I opened, page 17, warned me against overeating because it leads to obesity. I assure the minister I will take that warning seriously.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): The importance of the subject of the health of the people of Canada cannot be overstated, and on that basis we welcome the study that has been made and is now presented to us. We also welcome the fact that this study is the result of discussions among the governments of Canada, indeed, all 11 of them. We are interested in the minister's analysis of the situation that what counts is to be concerned about human biology, the environment, and our life style. We are also interested in the various suggestions that are contained in the statement and, I presume, in the booklet itself. Like the hon. member for Hillsborough, I would feel happier if at a time like this the minister had not withdrawn funds from the Medical Research Council of Canada. It is actions like this that raise questions about a document such as this.

I am also aware of the fact, after 90 seconds of examining this booklet, that there is a significant difference between it and the working paper on social security in Canada, that orange paper that the minister tabled in 1973. That paper had in it specific proposals, specific dates by which those proposals would be implemented, and references to cost and to where the money would come from. Even with the specifics that are in the orange paper we are having trouble getting action within the time frame in which some of us think such action should be achieved.

But when I look at this statement and this document I find very little that is specific. I find no dates at all by which these various improvements are to be achieved, and I find no reference to the cost except for one ominous sentence in the statement the minister made a few moments ago. He said that "the limitations on the availability of additional funds and differences of opinion as to priorities will naturally require careful consideration, consultation and planning". I suggest that that sentence by the minister is fair warning. We must not leave here today thinking that the ball is rolling for great improvements in the health of Canadians. He has warned us that there is no money, he has warned us that there are differences of opinion among the various governments, and so these things will be a long time coming. All that we have here are some ideas that make very good reading. However, they are in an important field. We shall study them with interest and, in so far as they are in these documents, we will press whatever government is at Your Honour's right for action with regard to the specific proposals contained in this document.

Whenever I am on my feet I manage to bring in a certain subject which I regard as relevant to the one on which I rose to speak. In terms of health one of the tragedies of our time, with all of our affluence, all of our resources and all the money we have, is the number of people past the age of 60 who are finding it so difficult to keep going until the age at which pensions are available. I think that if the Minister of National Health and Welfare would like to do something for the health, physical and mental, of those people who are 60 years of age and over, he could do something very specific and very real by lowering the pension age to 60.

Some hon. Members: Hear, hear!

● (1440)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, obviously health is the most precious possession of each individual and as the government is concerned with improving the health of the population, we hope that the minister, through his publication "A New Perspective on the Health of Canadians" will reach, at least partly, his objectives.

Mr. Speaker, we understand the need to improve the health of Canadians, since international statistics show that we are not at the top of the list in this regard.

Consequently, we must act without delay and the government must direct, for instance, that harmful medication be taken off the market.

Moreover, there is today the famous drug problem. I see that the abovementioned publication makes reference to it. I wonder whether we should not move further in this area. Drugs are deteriorating the health of part of today's young population. A serious approach to this problem is therefore required to protect future generations from nightmares.

Mr. Speaker, prevention is better than cure; this proverb continues to be true, and I think that all the medical profession will agree that the major cause of ill health is nervousness. God knows that Canadians are getting increasingly nervous. So that people will not have ulcers, heart attacks or even car accidents, they must feel secure. And since the minister is responsible for social security, I wonder if he could not improve the health of Canadians, first, as the member who preceded me said, by ensuring those who are 60 years old a decent income, in granting them a sufficient old age security pension that would free them from the financial worries that lead them to doctors, hospitals and drugs. The same thing should be done at all other levels of government; that is why one of the first measures to improve the health of Canadians would be to provide for a real minimum annual guaranteed income, at

least to eliminate all those illnesses and causes of poor health due merely to the fact that people are insecure. We give this advice to the minister in the hope that he will give it the consideration it deserves.

* * *

FINANCE

INTEREST RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the terms of Standing Order 43, I wish to move a motion of urgent and pressing necessity.

Considering that the Bank of Canada, from its inception in 1934 up to 1956, has maintained its interest rate at 2 per cent, considering that chartered banks have agreed to a maximum of 6 per cent during 33 years, from 1934 to 1967, considering also that as of today, the interest rate is raised to the usurious level of 13.5 per cent and is one of the major inflation causes—

Mr. Speaker: Order, please. I must stop the hon. member for Rimouski, who shall return to his seat, to remind him that the preamble of the motion proposed under the terms of Standing Order 43 does not abide by the rules of the House. I think that he should indicate without delay what is the motion that he is putting to the House, avoiding all those "considering" and this preamble which, in my mind, is perhaps too long.

Mr. Allard: Thank you, Mr. Speaker. I apologize.

I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House take immediate measures required to direct the Bank of Canada to restore its rate at 2 per cent and the chartered banks to come back to the 6 per cent ceiling.

Mr. Speaker: Under the terms of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the motion therefore cannot be put.

* * *

TRANSPORT

TABLING OF REPORT OF STUDY ON PUBLIC TRANSPORTATION IN SOUTHWESTERN ONTARIO

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, pursuant to Standing Order 41(2), I have the honour to table two copies in both official languages of the study on public transportation in central western Ontario, Bruce County, Part Three, by the Canadian Transport Commission.

[Mr. Matte.]

[*English*]

NORTHERN CANADA POWER COMMISSION ACT

AMENDMENTS RESPECTING NUMBER OF COMMISSIONERS, EXPENSES, CHANGES IN FINANCIAL MANAGEMENT AND BANKING PRACTICES

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-31, to amend the Northern Canada Power Commission Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

CANADIAN NATIONAL RAILWAYS PENSIONS

Question No. 30—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25 per month?

2. How many are in receipt of a pension of $25 per month?

3. How many are in receipt of pensions of $25.01 to $29.99 per month (b) $30 to $39.99 per month (c) $40 to $49.99 per month (d) $50 to $59.99 per month (e) $60 to $69.99 per month (f) $70 to $79.99 per month (g) $80 to $89.99 per month (h) $90 to $99.99 per month (i) $100 to $124.99 per month (j) $125.00 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $299.99 per month (m) $300 per month and over?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advises as follows: 1. Number of pensioners receiving less than $25 a month, 258.

2. Number of pensioners receiving $25 a month, 130.

3. Number of pensioners in receipt of: (a) $25.01 to $29.99 a month, 579; (b) $30.00 to $39.99 a month, 430; (c) $40.00 to $49.99 a month, 601; (d) $50.00 to $59.99 a month, 1,699; (e) $60.00 to $69.99 a month, 753; (f) $70.00 to $79.99 a month, 606; (g) $80.00 to $89.99 a month, 517; (h) $90.00 to $99.99 a month, 523; (i) $100.00 to $124.99 a month, 1,428; (j) $125.00 to $149.99 a month, 1,615; (k) $150.00 to $199.99 a month, 3,537; (l) $200,00 to $299.99 a month, 6,500; (m) $300.00 and over, 6,736; Total 25,912. In a number of cases the amounts of pensions paid by Canadian National Railways do not represent the total pensions payable to employees for railway service. Pensions payable by the CNR to international employees (service in both Canada and the United States) relate to their service in Canada only. Such employees also receive annuities payable under the U.S. Railroad Retirement Act or the Social Security Act for service performed in the United States. For example, in the group receiving pensions under $25 in 1973 there are 23 former international employees who also receive U.S. Railroad Retirement or Social Security annuities in respect of CN service rendered in the United States. The balance of this group consists of employees who elected early retirement (before age 65) with reduced basic pensions ($25)

and employees who had very short service and small contributions. In addition, there are various pension agreements between CN and other Companies, such as Canadian Pacific Ltd., CP Telecommunications and the Ontario Northland Railway, where each Company issues separate cheques for its portion of the total pension. Only the pension payable by CN is in this statement.

DEPARTMENT OF FINANCE—USE OF ADVERTISING AGENCIES

Question No. 102—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of Finance since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of Finance during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Hon. John N. Turner (Minister of Finance): 1. MacLaren Advertising Co. Ltd., 111 Richmond Street West, Toronto, Ontario; B.C.P. Advertising Co. Ltd., Room 444, 1010 St. Catherine Street, West, Montreal, P.Q.; Dubuisson Publicité et Conseils Inc. Montreal, P.Q.; Ronalds-Reynolds & Company Limited, 154 University Avenue, Toronto, Ontario; Crombie Advertising Co. Ltd., 550 Sherbrooke Street, West, Montreal 111, P.Q.

2 (a)

Date of Appointment	Termination of Appointment	Total Billings by Calendar Year (In Thousands of Dollars)	
		1972	1973
April 20/72	March 29/73	1,059	70
April 20/72	—	354	398 (E)
April 20/72	March 29/73	287	—
April 1/73	—	—	1,385 (E)
July 2/73	—	—	25

MacLaren Advertising Co. Ltd.
B.C.P. Advertising Co. Ltd.
Dubuisson Publicité et Conseils Inc.
Ronalds-Reynolds & Company Limited
Crombie Advertising Co. Ltd.

NOTE: Above advertisers are responsible for Canada Savings Bond and Government of Canada marketable bond advertising. Agency appointments are reviewed each year. Orders are given to respective agencies as required during the year and in accordance with the respective Treasury Board budget authorizations. No competitive tenders were used for the appointment of the above agencies. In each case this method of expenditure was approved by Treasury Board.

(b) All advertising placed through these agencies was for purposes of promoting Canada Savings Bonds in various media, with the exception of Crombie Advertising Co. Ltd. This firm was responsible for advertising of Government of Canada marketable bonds.

3. Name and Addresses: MacLaren Advertising Co. Ltd. 111 Richmond Street West, Toronto, Ontario; B.C.P. Advertising Co. Ltd., Room 444, 1010 St. Catherine Street West, Montreal P.Q.; Dubuisson Publicité et Conseils Inc. Montreal P.Q. These firms have all been used during the term of the present Minister.

EXTRACTIVE BASED SHIPPING IN CANADIAN ARCTIC ARCHIPELAGO

Question No. 196—**Mr. Forrestall:**

Is it the intention of the government to reserve to Canadian corporations and vessels the extractive based shipping in the Canadian Arctic Archipelago and, if not, what is the basis for such decision?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): As announced on September 24, it is the intention to implement the recommendations of the Darling report restricting coasting trade activities to Canadian flag vessels. This restriction will include vessels operating in the Arctic Archipelago. It is not, however, the present intention to limit international shipping in the Arctic Archipelago to Canadian corporations and vessels. Following World War II, Canada has pursued a general policy of utilizing the most economical bottoms available for all international shipping and this policy applies in the Arctic, as in all of Canada. This policy is under continual review and may be changed to meet altered economic or national circumstances.

CENTRAL TRAVEL SERVICE

Question No. 211—**Mr. Forrestall:**

1. What has been the total administrative cost of the Central Travel Service to date?

2. What has been the total amount collected from departments, agencies and branches of the government to date?

3. What has been the estimated saving to date to the government by having this service available in terms of money saved by the taxpayer?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The Central Travel Service is in two parts. The first is a reservation service which is derived from the air carriers and involves no cost to the government and, thus, no charge to departments. The second part involves the auditing and payment of government personnel transportation accounts and the negotiation of rates with hotels and car rental services. The administrative cost of this part of the service for the first eleven months of the 1973/74 fiscal year was $125,287.

2. In the first 11 months of fiscal year 1973/74 which is the first year in which charges have been levied, Central Travel Service billings on departments at the initial rate approved for revenue dependency have totalled $192,679.

3. Direct savings to government departments resulting from the efficient auditing of accounts and reduced hotel rates during the first 11 months in fiscal year 1973/74 are estimated at $326,205. In addition, indirect savings occur as a result of the sharp reduction in the number of individual departmental travel invoice payment transactions which are replaced by a consolidated monthly transaction per carrier.

Order Paper Questions

CONFIDENTIALITY OF OFFICIAL LANGUAGES ADMINISTRATIVE SYSTEMS INFORMATION

Question No. 217—**Mr. Forrestall:**

With reference to page 1.58, paragraph 5.2 of Volume 1 of the Official Languages Administrative Systems Manual, what are the security policies for the Department of Supply and Services as directed by the government guidelines for EDP operations?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The general security policy for DSS in all areas, including EDP operations, is as specified in Chapter 90.11 of the departmental Administration Manual. These comprehensive over-all security regulations will be followed by the Personnel Application Centre and additionally, in the case of the Official Languages Administrative System, access to data will be restricted to authorized recipients only. This will be achieved through recorded control of both input and output distribution so that only approved agencies and individuals will have access to the information. The list of the authorized agencies and individuals is determined by the Treasury Board Secretariat, Official Languages Branch. The security policy will be reviewed to ensure full compliance with the guidelines for EDP Operations.

DEPARTMENT OF SOLICITOR GENERAL—USE OF ADVERTISING AGENCIES

Question No. 306—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of the Solicitor General since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of the Solicitor General during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Hon. Warren Allmand (Solicitor General): Ministry Secretariat: 1 and 2. Nil.

Royal Canadian Mounted Police: 1. B.C.P. Advertising, Dominion Square Building, 444-1010 St. Catherine St. W., Montreal, Province of Quebec; Denton Ogilvie Advertising Ltd., 620 Cathcart Street, Montreal, Province of Quebec.

2. (a) B.C.P. Advertising, $67,300; Denton Ogilvie Advertising Ltd. $54,900. The above amounts are the total amount of contracts awarded at various times throughout the year. Contracts were in every case awarded in accordance with the Government Contract Regulations, and referred to higher authority when this requirement was necessary in the proper format (e.g. T.B. Submission). (b) The general subject matter was recruitment for regular members, special constables and civilian members in technical and professional categories.

3. B.C.P. Advertising Cusack Advertising, Toronto, Ontario; Cusack Advertising has not been used as the firm has gone bankrupt.

[Mr. Goyer.]

Canadian Penitentiary Service: 1 and 2. Nil.

National Parole Board and Service: 1 and 2. Nil.

AIR CANADA PLASTIC HEAD SETS

Question No. 334—**Mr. Reynolds:**

1. What is the name of the company which supplies Air Canada the plastic head-sets used for in-flight movies and stereos?

2. With reference to the answer to Part 2 of Question No. 2,952 (a) what is the cost of the plastic head-sets (b) if this information is proprietary, could the government advise on what date these head-sets were put out for tender and/or if they are put out to tender (c) could the government advise the names of all the companies who bid on the plastic head sets and the names of all the companies to which the tender was sent?

3. With reference to the answer to Parts 4 and 5 of Question No. 2,952, what is the reason for the loss in profit of $320,000?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advises as follows: 1. In-Flight Motion Pictures Inc.

2. (a) The cost of these headsets is considered proprietary information. (b and c) Headsets are supplied as part of a total in-flight entertainment package purchased from In Flight Motion Pictures Inc., which includes projection equipment, films, sound tapes and head-sets. Because In Flight Motion Pictures Inc. was the only established supplier of an in-flight entertainment package when Air Canada first made this service available in 1971, the contract was not put out for bids.

3. The reduction in net revenue between 1971 and 1972 was due primarily to increased cost of supplies, reduced flying because of strikes by government air traffic controllers and radar technicians in January and February, 1972, and a substantial increase in the number of charter flights which provide complimentary bar service.

AIR CANADA FREIGHT RATES

Question No. 424—**Mr. Schumacher:**

1. What measure does Air Canada use for assessing freight rates from (a) Europe (b) the United States (c) Asia?

2. What is the cost in each case, per unit of weight, for (a) commercial imports (b) goods and belongings of tourist Canadians returning to Canada (c) goods and belongings of immigrants to Canada (d) gifts from foreign citizens to resident Canadians (e) goods and belongings of returning Canadian citizens who have been employed for a period of time overseas?

3. What monetary unit is used for payment of such costs?

4. What basic rate of exchange applies?

5. Do freight rates reflect fluctuations in bank rates of exchange?

6. What guidelines are used in making changes in rates?

7. Do the same rates as above apply to shipments from Canada overseas to corresponding destinations overseas and, if not, what is the variance?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. The basic measure used by Air Canada for assessing freight rate is the weight of the shipment, with the resulting rate reflecting the distance involved. Depending upon the size of the shipment, a container rate, a specific rate for the commodity in question or general rate may be offered.

2. Air Canada is a common carrier which means that rates apply equally to all consumers who meet the conditions applicable to the rate, i.e. shipment is the same commodity, shipment is the same weight, shipment is the same origin and destination.

3. Price quotations are given in local currency or their dollar equivalent.

4. The basic rate of exchange which applies is the IATA set of rates of exchange or the bankers' buying rate, whichever provides the greatest revenue.

5. The freight rates are changed to reflect fluctuations in bank rates of exchange when the variance exceeds 2.5 per cent up or down.

6. Rate changes are generally made on the basis of changes in costs of handling and carrying the traffic involved, or to fill aircraft space which under certain operational conditions is difficult to fully utilize.

7. General commodity rates are essentially the same to and from Canada. However, in order to correct directional traffic imbalances, a number of specific commodity rates are available which are directional in nature and generally result in lower levels from Canada compared with to Canada.

SERVICE FLIGHTS OVERSEAS

Question No. 427—**Mr. McKinnon:**

For 1973, by month, for service flights overseas, what was (a) the number of passengers carried on such flights (b) the number of military passengers on duty carried on service flights (c) the number of dependants travelling on such flights (i) to join or accompany the serviceman on posting (ii) accompanying the serviceman or travelling independently on leave or holiday (d) the number of civilians, not dependants of servicemen, travelling on flights for any reason (e) the number of Members of Parliament travelling on service flights for any reason?

Hon. James Richardson (Minister of National Defence):

Monthly Utilization of Scheduled Trans-Atlantic Service Flights (East and West) 1973

	January	February	March	April	May	June	July	August	September	October	November	December
(a)	2,935	2,931	3,528	3,179	3,512	3,157	5,501	4,270	3,396	2,829	3,039	2,061
(b)	1,224	792	1,274	1,228	1,797	1,551	1,869	889	1,613	1,424	1,453	798
(c)(i)	120	156	206	260	304	1,014	3,150	2,124	198	162	134	110
(c)(ii)	1,525	1,874	1,784	1,474	1,346	532	415	1,173	1,408	1,005	1,317	1,029
(d)	64	108	262	148	39	40	57	64	143	223	131	116
(e)	2	1	2	69	26	20	10	20	34	15	4	8

Note: The exact division between the number of service members and the number of dependents travelling on leave or holiday is not available, therefore para c.(II) represents the total of both categories.

FEDERALLY CONTROLLED AIRPORTS

Question No. 462—**Mr. Latulippe:**

1. (a) How many airports are federally controlled in Canada (b) what are their names and locations?

2. What is the total number of employees in the Montreal and Toronto airports and, of these, how many, excluding flight crews, are paid by the government?

3. What are the names and salaries of the administration staff?

4. (a) What were the operation costs of each airport for the year 1973 (b) what were the total revenues of each?

5. How many employees in all these airports speak (a) French only (b) English only (c) are bilingual?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. (a) The Department of Transport owns and operates ninety airports. (b) Charlottetown, P.E.I.; Deer Lake, Nfld.; Fredericton, N.B.; Gander Intl., Nfld.; Goose Bay, Nfld.; Halifax Intl., N.S.; House Harour, P.Q.; Moncton, N.B.; St. Anthony, Nfld.; Saint John, N.B.; St. John's, Nfld.; Sydney, N.S.; Stephenville, Nfld.; Wabush, Nfld.; Yarmouth, N.S.; Baie Comeau, P.Q.; Cartierville, P.Q.; Fort Chimo, P.Q.; Frobisher, N.W.T.; La Macaza, P.Q.; Mont Joli, P.Q.; Montreal Intl., P.Q.; Québec, P.Q.; St. Hubert, P.Q.; Schefferville, P.Q.; Sept Iles, P.Q.; Earlton, Ont.; Gore Bay, Ont.; Kapuskasing, Ont.; London, Ont.; Muskoka, Ont.; North Bay, Ont.; Ottawa Intl., Ont.; Sault Ste. Marie, Ont.; Timmins, Ont.; Toronto Intl., Ont.; Wiarton, Ont.; Windsor, Ont.; Baker Lake, N.W.T.; Churchill, Man.; Coral Harbour, N.W.T.; Kenora, Ont.; Red Lake, Ont. Regina, Sask.; Resolute, N.W.T.; St. Andrews, Man.; Saskatoon, Sask.; Sioux Lookout, Ont. Swift Current, Sask.; The Pas, Man.; Thunder Bay, Ont.; Winnipeg Intl., Man.; Yorkton, Sask.; Pitt, Meadows, B.C.; Port Hardy, B.C.; Prince Rupert, B.C.; Quesnel, B.C. Smithers, B.C.; Tofino, B.C.; Victoria Intl. B.C. Calgary, Alta.; Cambridge Bay, N.W.T.; Edmonton Intl., Alta.; Fort McMurray, Alta.; Fort Nelson, B.C.; Fort Resolution, N.W.T.; Fort Simpson, N.W.T.; Fort Smith, N.W.T.; Fort St. John, B.C.; Grande Prairie, Alta.; Hay River, N.W.T.; Inuvik, N.W.T.; Lac La Biche, Alta.; Lethbridge, Alta.; Norman Wells, N.W.T.; Springbank, Alta.; Watson Lake, Y.T.; Whitehorse, Y.T.; Wrigley, N.W.T.; Yellowknife, N.W.T.; Abbotsford, B.C.; Hope, B.C.; Kamloops, B.C.; Penticton, B.C.; Prince George, B.C.; Princeton, B.C.; Sandspit, B.C.; Terrace, B.C.; Vancouver Intl., B.C.; Williams Lake, B.C.

2. There are 329 continuing Ministry of Transport employees at Toronto International Airport, and 358 at Montreal International Airport.

3. Because of the broad range of categories of administration staff employed at the 90 airports, it is not possible to answer this question.

4. (a) and (b): Detailed financial statements are available for major airports only; rather than give a partial return, totals for all 90 airports for the fiscal year 1972/73 are as follows: Operating Costs, $134,410,880; Revenue, $69,654,965.

5. (a), (b) and (c): This information is not available.

SURVEY TO EVALUATE ECONOMIC IMPACT OF SPECIAL TAX MEASURES FOR MANUFACTURING AND PROCESSING INDUSTRIES

Question No. 479—**Mr. Alexander:**

1. How many companies were asked by the Department of Finance to complete a survey or were interviewed as a means to evaluate the

economic impact of the special tax measures introduced for manufacturing and processing industries?

2. (a) Has the government prepared a report as a result of such survey and/or interviews from information disclosed (b) will it be made public and, if so, on what date?

3. For each province and the territories (a) what was the number of companies involved (b) what was the result of any economic impact in terms of employment?

4. Was the survey made by personal attendance or by forwarded questionnaire and (a) if by the former, how many persons were involved (b) if by the latter, how many questionnaires were forwarded and subsequently received?

Hon. John N. Turner (Minister of Finance): 1. The Department of Finance did not undertake a survey to evaluate the economic impact of the tax measures introduced for manufacturing and processing industries. The Minister of Finance did, however, supply a covering letter for a survey undertaken by an interdepartmental committee, known as The Tax Measures Review Committee. The committee reported that 1,088 questionnaires were mailed to manufacturing and processing corporations.

2. (a) The Tax Measures Review Committee prepared a report which was based on the above survey. (b) The interim report of the Tax Measures Review Committee was tabled in the House of Commons on Friday, March 29, 1974.

3. (a) The following is a breakdown of the number of questionnaires sent to firms in each province in connection with the tax measures review survey: Alberta, 37; British Columbia, 95; Manitoba, 37; New Brunswick, 28; Newfoundland, 6; Nova Scotia, 28; Ontario, 514; Prince Edward Island, 1; Quebec, 330; Saskatchewan, 11; Yukon Territory, 1; Total 1,088. (b) A regional estimate of the employment created as a result of the tax measures is not available.

4. (a) Interviews were requested with 250 companies of varying size. A total of 21 interviewers were involved. (b) A total of 1,088 questionnaires were sent to manufacturing and processing firms. The companies which were not interviewed were requested to forward their questionnaires by mail. The committee's report states that information from a total of 782 responses was included in the report. No separate breakdown is available for the response rate from the companies which were not interviewed.

MONEY CONTRACTED TO EACH OF FIVE REGIONS BY DEFENCE CONSTRUCTION LIMITED (1951)

Question No. 496—**Mr. McKenzie:**

1. In the fiscal years 1972-73 and 1973-74, how much money was contracted to each of the five regions of Canada by Defence Construction Limited (1951)?

2. What was this in per capita terms for each region?

Hon. James Richardson (Minister of National Defence): 1 and 2.

	Atlantic	Quebec	Ontario	Prairies	British Columbia	Yukon and Northwest Territories
	$	$	$	$	$	$
1972—1973						
Expenditures	5,115,000	17,997,000	10,134,000	8,820,000	4,756,000	nil
Per Capita	2,458	2,975	1,295	2,475	2,116	nil
1973—1974						
Expenditures (April 1, 1973 to February 28, 1974)	6,319,000	6,939,000	14,372,000	15,101,000	2,449,000	nil
Per Capita	2,991	1,141	1,810	4,208	1,058	nil

TOTAL STRENGTH OF CANADIAN ARMED FORCES

Question No. 509—**Mr. Boisvert:**

According to the latest figures available, what is the total strength of the Canadian Armed Forces and, of this number, how many are French Canadian?

Hon. James Richardson (Minister of National Defence): Total strength of the Canadian Armed Forces, 81,875; number of Francophones within the total, 17,319.

NATIONAL DEFENCE—SURVIVAL EQUIPMENT ON EAGLE RIVER

Question No. 526—**Mr. Rowland:**

How many boats, outboard motors and other similar items of survival equipment are held on the Eagle River or SAR I inventory?

Hon. James Richardson (Minister of National Defence): There are no boats, outboard motors or survival equipment on the SAR 1 Eagle River inventory. No equipment is procured specifically for use at SAR 1 Eagle River, however required equipment is provided on short period loan from Canadian Forces stocks at other bases. Normal survival equipment carried on Canadian Forces aircraft is used for Search and Rescue Training.

NATIONAL DEFENCE—EAGLE RIVER FISHING CAMP

Question No. 527—**Mr. Rowland:**

1. Does the Department of National Defence intend to operate again in July and August 1974 the VIP fishing camp in Labrador known as Eagle River or SAR I?

2. What has been the dollar cost of the camp's operation to the public for each year 1968 to 1973 in terms of (a) transportation costs of servicemen volunteer camp staff from their home units to and from Goose Bay (b) extra costs other than salaries for servicemen participating in the operation (c) aircraft operating costs shuttling guests and equipment between Goose Bay and the camp site (d) total repair costs to aircraft damaged in the operation?

Hon. James Richardson (Minister of National Defence): 1. There is no present intention to close down SAR 1 Eagle River which has been operated each summer for several years.

2. (a) Nil. Servicemen proceed to and from their home units to and from Goose Bay via scheduled or training flights which operate within the monthly flying rate and annual budget rate established for these aircraft. (b) For 1973 the ration cost was $2,268 and the outboard motor fuel cost was $306. Military and government hosts pay personally for incidental expenses of staff, as well as for all direct camp costs for themselves and their guests. (c) Bush training for SAR Helicopter Crews is included in

over all annual operating funds allocated for these aircraft. Total annual allocation for SAR Labrador helicopter is 3,600 hours. Of this amount, approximately 1,080 hours are allocated to crew training. This training includes cross-country and bush-type flying in conditions similar to those found in Labrador. Approximately 150 flight hours per year are utilized for transportation of personnel and equipment between Goose Bay and SAR 1. (d) On July 22, 1969, a CH 113 Voyageur aircraft conducting a training flight to SAR 1 was damaged as a result of engine failure, but no aircraft has been damaged on flights related solely to operations at SAR 1.

LOANS INVESTMENT PROGRAM, 1973-75

Question No. 536—**Mr. Godin:**

1. In how many provinces is the Loans-Investment Program 197375 in effect (a) for each province, what amount did the government grant (b) have the provinces used such grants in whole or in part?

2. During the negotiation stages of this Program, did the provinces undertake to approve its application and, if so, in what percentage?

Hon. John N. Turner (Minister of Finance): 1. See Reply to Question 136.

2. The terms of the Winter Capital Projects Fund, including the amount of loans available to each province were described in the form of guidelines which were approved by the Provinces.

FIXED CROSSING BETWEEN NEW BRUNSWICK AND PRINCE EDWARD ISLAND

Question No. 544—**Mr. Howie:**

What studies, if any, into the merits of a fixed crossing between New Brunswick and Prince Edward Island are now under way and on what date was the latest such study completed?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The most recent study into the merits of a fixed crossing between New Brunswick and Prince Edward Island was completed by the Stanford Research Institute in July 1968. Reviews of various aspects of the problem have been carried out subsequently at frequent intervals, for example, the 1971 Wilbur Smith and Associates study of traffic and revenue forecasts.

"IRVING WHALE"

Question No. 566—**Mr. Macquarrie:**

1. In the past 12 months what underwater surveys and/or inspections have been made of the *Irving Whale*?

2. What is the currently estimated cost of raising this ship and/or its contents from the bottom of the Gulf of St. Lawrence?

3. What are the present intentions of the government in reference to this pollution threat?

4. From what groups or individuals has the government sought advice and technical assistance on this problem?

5. What representations have been made by the Government of Prince Edward Island on the matter and on what dates?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. On October 13, 1973, the Department of National Defence Submersible SDL-1 descended to the deck of the *Irving Whale.*

2. In October 1971, the lowest tender for the removal of this vessel and contents was $1.7 million. The present price would probably be between $2.5 and $3.5 million, allowing for the present inflationary trends on similar kinds of work.

3. The government is presently planning to make a very complete survey of the *Irving Whale* this year. At the same time, investigations are being carried out to determine more fully the effects of temperature, time and pressure on heavy oils with a view to determining the courses of action to be taken, even whether the oil is a pollution threat under these conditions.

4. During late 1971 and in 1972, the ministry prepared a form letter which was sent to a large number of experts around the world for advice or comment on the rate of biodegradation of the oil in the vessel and rates of corrosion of the hull in that depth and temperature. As a follow-up to these inquiries, two officials of Marine Services of this ministry proceeded to the United Kingdom and Holland to speak to other experts in the field of salvage, as well as of oil and steel, to ascertain whether attempts should be made to raise the *Irving Whale* or leave it where it is. The replies to the form letter indicated little information on either subject is available. Without exception the salvage experts, and others, recommended that the *Irving Whale* should be left where it is.

5. (a) On June 7, 1973, the province requested a copy of the Divers Report, of a proposed dive in the summer of 1973, be made available to the province. (b) On March 26, 1973, the province acknowledged receipt of a letter from the minister relating the outcome of its world canvass of authorities on oil degradation, steel corrosion and salvage of the *Irving Whale.* (c) on March 6, 1973, by telegram, the province requested a meeting on the outcome of the Ministry of Transport's findings on additional information; and stated the conditions under which the province would be a party to any decision to raise the *Irving Whale.* (d) On February 6, 1973, the province requested action on the raising of the *Irving Whale,* in citing representations by the Tourist Association of P.E.I. (e) On June 12, 1972, the province forwarded a letter containing a suggestion from a citizen on the disposition of the *Irving Whale.* (f) On May 17, 1972, the province refuted statement that province would not approve raising of *Irving Whale* in summer, and requested issuance of a press release that the vessel would be salvaged that year. (g) On February 16, 1972, the province acknowledged conditions under which it would agree to the raising of the *Irving Whale.* (h) On January 7, 1972, the province acknowledged receipt of a set of contract documents relating to the proposed raising of the *Irving Whale,* also requesting an understanding of the conditions under which such a project would be undertaken.

ST. LAWRENCE SEAWAY—INTEREST CHARGED

Question No. 568—**Mr. Laprise:**

During each year 1970, 1971, 1972 and 1973 (a) what was the total amount of interest charged to the St. Lawrence Seaway Authority (b) what amount actually was paid (c) what was the balance outstanding?

Hon. John N. Turner (Minister of Finance):

Order Paper Questions

	(000's $)			
	Mtl-Lake Ont. Sec.— Operations	Welland Section Charged to Operations (1)	Charged to Construction	Total
Balances payable— 31st December 1969	$ 66,521	—	5,398	71,919
(a) Interest charged to The St. Lawrence Seaway Authority—				
1970	18,803	1,024	5,260	25,087
1971	19,770	2,011	7,867	29,648
1972	20,622	2,121	11,406	34,149
1973	21,699	13,577	3,344	38,620
	80,894	18,733	27,877	127,504
(b) Interest paid by The St. Lawrence Seaway Authority—				
1970	11,667	1,024	75	12,766
1971	12,280	2,011	18	14,309
1972	8,830	2,121	356	11,307
1973	7,707	13,577	4	21,288
	40,484	18,733	453	59,670
(c) Balances payable— 31st December 1973	106,931	—	32,822	139,753

(1) Welland operating interest was recovered from the annual deficit vote.

BOUNDARIES FOR UNDERWATER RESOURCES

Question No. 594—**Mr. Fortin:**

Since the delineation of boundaries for underwater resources of the Provinces of Quebec, Ontario and Manitoba relating to Hudson Bay were defined by 1912 legislation on the extension of boundaries, have representations been made by any of these Provinces to the government and, if so (a) what were they (b) on what dates?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No.

AMOUNT EXPENDED ON PROGRAM ENTITLED "MULTI-CULTURALISM IS SHARING YOUR HERITAGE WITH OTHER CANADIANS"

Question No. 626—**Mr. Diefenbaker:**

1. What is the total amount expended to date or contracted for on the program entitled "Multi-Culturalism is sharing your Heritage with other Canadians" in (a) the press (b) radio and television?

2. What amount has been expended in the Ethnic Press to date?

Hon. Stanley Haidasz (Minister of State): 1. (a) $231,000; (b) nil.

2. $231,000 for the fiscal year 1973-74 under the Multiculturalism Program.

POLLUTION OF WATERS OF THE ST. LAWRENCE AT MONTMAGNY

Question No. 629—**Mr. Lambert (Bellechasse):**

Has the action taken against the owner of the ship that polluted the waters of the St. Lawrence at Montmagny, in October, 1970, produced any results and, if so (a) has there been a judgment (b) what is the nature of the judgment (c) has it been effected (d) on what date?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The incident referred to involves the former Quebec City ferry *Cité de Lévis*, which was being broken up at Montmagny, P.Q. and occurred at a later date than that referred to. On September 28, 1972 oil entered the waters of the St. Lawrence River from the *Cité de Lévis* and the vessel's owner, Mr. Angelo Nittolo, was summoned to appear before the court on that date; but the hearing was postponed until April 6, 1973. The hearing was postponed on four subsequent occasions and at the present time the case is due to be heard on May 17, 1974.

TAX DEDUCTIBLE EXPENSES

Question No. 652—**Mr. Herbert:**

Will the Minister of Finance, in an effort to encourage healthy family relationships, give consideration to permitting the same tax deductible expense privileges to the spouse as are accorded to secretaries that accompany company personnel when they travel on business?

Hon. John N. Turner (Minister of Finance): Under the Income Tax Act as it now stands, there is no discrimination as between secretaries and wives in deducting travel expenses. If the secretary or wife is travelling to, in the words of the act, "gain or produce income" for the taxpayer's business, the expense is deductible as long as the amount is not unreasonable. If the secretary or wife is travelling simply as a matter of pleasure, then the expense is not deductible in either case. The Department of Finance is prepared to give consideration to any suggested amendment to the Income Tax Act.

CBC—LOST REVENUE RESULTING FROM COMPLIANCE WITH REPORT OF CRTC TO REDUCE ADVERTISING

Question No. 657—**Mr. Herbert:**

1. What are the estimated totals of lost revenue to CBC in each of the next five years resulting from compliance with the report of CRTC to reduce advertising?

2. Would the responsible Minister recommend less programming, reduced quality of programming or increased appropriations in order to meet this loss of revenue?

Hon. James Hugh Faulkner (Secretary of State): In reply to Part 1, I am informed by the Canadian Broadcasting Corporation as follows: The report of the CRTC includes proposed conditions of licence only for the CBC. It is not yet certain that the proposed conditions will pertain. The CBC, as provided by section 17 of the Broadcasting Act, has requested consultation with the CRTC with respect to these proposed conditions. The results of this consultation will determine the next step to be taken. Assuming the imposition of such proposed conditions the loss, plus the increased expenditure to the CBC, would total many millions of dollars, the approximate amount of which is now being calculated. The estimated gross advertising revenue for radio, for example, for the fiscal year 1973-74 is $3,410,000. The estimated gross advertising revenue for television for the same fiscal year is $56,930,000.

2. Should reduced involvement in advertising be attached as a condition of licence and should the CBC agree this would not unreasonably impede the provision of the national broadcasting service, it would appear increased appropriations would be required. I would support neither less programming nor a reduction in the high quality of current CBC programming.

HEADQUARTERS BUILDING, RIDEAU CANAL SYSTEM

Question No. 673—**Mr. Cossitt:**

With reference to the answer to Part 3 of Question No. 2,845 of the First Session of the 29th Parliament to the effect that final architectural plans had not been completed for the construction of a Headquarters for the Rideau Canal System at Smiths Falls, Ontario, what is the nature of all plans that have been made to this date, what are the names and addresses of all engineers or architects involved and what fees have been paid in each case for services rendered?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Plans have not been developed for a new Rideau Canal Headquarters at Smiths Falls. No outside consultants have been retained and therefore no fees have been paid.

COST TO FEDERAL TREASURY OF TAX ALLOWANCE AND REDUCTION

Question No. 685—**Mr. Nystrom:**

What is the estimated cost to the federal treasury, in terms of revenues foregone, of (a) the two-year capital cost allowance (b) the reduction in the corporate tax rate, in each year 1972 to 1975?

Hon. John N. Turner (Minister of Finance): There has been no breakdown of estimated cost as between the two year capital cost allowance and the reduction in the corporate tax rate. There is an unusual measure of uncertainty with regard to the direct or indirect effects of the corporate tax measures as a whole on revenue because of the lack of historical record of the taxes paid by manufacturing and processing industries as now defined in the regulations. Because introduction of the legislation was delayed, a relatively small number companies took full advantage of the two-year write-off in 1972. Thus, the tax data for 1972, when it becomes available, will not be representative. We are likely to have some idea of the direct effect of the tax measures on revenues only when the 1973 tax data is available which will not be for some time. The direct impact of the measures provides only a limited indication of their total consequence. The corporate tax reduction has contributed to increased business and investment and the overall scale of industrial activity. The consequent growth in incomes has had a beneficial effect on revenues which reduces the cost of the tax measures themselves.

BIDS FROM PRIVATE SHIPPERS RELATING TO EASTERN ARCTIC SHIPPING CONTRACT

Question No. 692—**Mr. Andre:**

Did the government solicit bids from private shippers prior to its awarding of the Eastern Arctic shipping contract via the Port of Churchill to Northern Transportation Company Limited and, if so (a) how many bids were received (b) what was the highest bid (c) what was the lowest bid (d) which company submitted the lowest bid?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Bids were not solicited prior to authorizing Northern Transportation Company Limited to establish the Keewatin resupply service based at Churchill. (a) N/A. (b) N/A. (c) N/A. (d) N/A.

BANK OF CANADA—NUMISMATIC COLLECTION

Question No. 695—**Mr. Clarke (Vancouver Quadra):**

1. What is the value at current market prices of the numismatic collection of the Bank of Canada?

2. For what reason did the Bank of Canada acquire a numismatic collection?

3. For what reason does the government not direct the Bank of Canada to sell its numismatic collection and remit to the government the money derived from the sale, in order that the government use the money to help the people survive the inflationary monetary policy of the Bank of Canada and the Minister of Finance?

Hon. John N. Turner (Minister of Finance): 1. No attempt has been made to determine the current value of the Numismatic Collection of the Bank of Canada. A large part of the collection had been in the hands of the Federal Government for many years and was transferred to the Bank of Canada from the Public Archives of Canada in 1965. Other considerable portions have come to the Bank as gifts from public-spirited Canadian citizens and institutions. Part of the collection, predominantly Canadian numismatic items, has been acquired by purchases form private collectors and numismatic dealers in Canada and other countries during the past twelve years. Many of the items in the collection are unique and others are so rare as to almost never come on the public market. It would therefore be almost impossible to calculate a realistic market value for the collection.

2. Having the sole authority for the note issue the central bank has a natural interest in Canadian paper money and over its earlier years it gradually accumulated

a limited collection of numismatic materials related to this interest. Aware of this, finding no comparable interest or expertise elsewhere and deeming the development of a collection not to be part of its responsibility, the Public Archives, with the approval of the Secretary of State, in the mid '60's. turned over its substantial but unorganized volume of numismatic holdings to the Bank with a view to the establishment of a comprehensive representative numismatic collection. The Bank's collection, now regarded as the National Numismatic Collection, is an important part of Canada's heritage. Almost every political, social and economic event in our history is reflected in the coins, tokens and paper money which have been used in Canada during the past 300 years and plans are under way for a money museum in the Bank's new Head Office building project in which the Collection will be displayed for the benefit of the Canadian public.

3. It is considered to be in the public interest to have a national numismatic collection.

● (0000)

PRESIDENCY OF CBC AND CHAIRMANSHIP OF CRTC

Question No. 732—**Mr. Reid:**

1. Has the government given consideration to requesting the resignation of Mr. L. Picard, current President of CBC and the appointment as President of CBC of Mr. Pierre Juneau and, if not, for what reason?

2. Has the government given consideration to requesting the resignation of Mr. Pierre Juneau, current Chairman of CRTC and the appointment as Chairman of CRTC of Mr. L. Picard and, if not, for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Secretary of State and the Minister of Communications as follows: 1. The government has not given any consideration to requesting the resignation of the current President of the CBC, Mr. Laurent Picard, and the appointment of Mr. Pierre Juneau as President and is not aware of any reason which would necessitate such a consideration.

2. No. There is no reason to do so.

ESTIMATED COST OF PICKERING AIRPORT

Question No. 746—**Mr. Howie:**

What is the estimated projected cost of the Pickering Airport?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The estimated cost of the initial phase of Pickering Airport, based on the same development plan as used in the estimates Blue Book, shows in addition to the $389,684,000 on page 27-40 of the Blue Book the following items: Operations Building, 9,465,000; Aprons, 25,000,000; Electronic Aids and Installation, 10,280,000; Additional amount, 44,745,000; Per Blue Book, 389,684,000; Total, 434,429,000. These costs are in 1973 dollars.

[Mr. Turner (Ottawa-Carleton).]

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC SERVICE—NUMBER OF WOMEN EARNING IN EXCESS OF $25,999

Question No. 158—**Mr. Forrestall:**

How many females are employed under the Public Service Employment Act currently earning in excess of $25,999 per annum (a) what are their names (b) what are their positions?

Return tabled.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT PUBLICITY EXPENDITURES

Question No. 248—**Mr. Nystrom:**

1. What were the amounts of money spent by the Department of Indian Affairs and Northern Development on publicity and/or information in each of the fiscal years 1972-73 and 1973-74 to date?

2. What were the names and addresses of firms and individuals who received these contracts, what amounts of money were spent in each case and what was the purpose of each contract?

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Return tabled.

● (0000)

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE RESEARCH EXPENDITURES

Question No. 278—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of Industry, Trade and Commerce on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

*NUMBER OF PHYSICIANS IN CANADA

Question No. 457—**Mr. Rynard:**

1. As of January 1, 1974, by province, how many physicians are actually practising medicine in Canada (a) full-time (b) part-time?

2. By province, what is the distribution of specialists and general practitioners in Canada?

3. What is the total number of doctors engaged in (a) full-time (b) part-time research?

4. What is the total number of doctors engaged in medical school teaching (a) full-time (b) part-time?

5. How many doctors, by province, are employed in administrative positions by (a) the federal government (b) provincial governments?

6. What is the total number of doctors, by province, employed in administrative positions by (a) industry (b) insurance companies?

Return tabled.

Mr. Reilly: I rise on a point of order, Mr. Speaker. Again I point out that I have a question on the order paper—in fact, I have several—No. 552 which has now been there for pretty close to six weeks. I pointed out to the hon. parliamentary secretary a few days ago that it is not one of those questions he complains about which cost $1½ mil-

lion to answer. He could get the necessary information by picking up the telephone. This matter is important to some of my constituents and I wish he would get on with it.

Mr. Stevens: I rise on a point of order, Mr. Speaker. I should like to point out that I have two questions on the order paper, No. 222 and No. 225, which were originally on the order paper in the last session. They remain unanswered although they are relatively simple questions. The first asks for the disclosure of who exactly has been hired with respect to the sale of Olympic coinage. We know it is being sold but we have asked for information about it. The other question deals with information service officers of the government.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

INCOME TAX

EFFECT OF CUT IN PERSONAL INCOME TAXES REFERRED TO BY PRIME MINISTER IN LIGHT OF INCREASE IN RATE OF INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the right hon. Prime Minister. When the right hon. gentleman says that the government cut personal income taxes last year by about 12 per cent, does he mean that the average taxpayer will be paying roughly 12 per cent less in actual dollars during 1973 than was the case in 1972?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I mean something to that effect—

Some hon. Members: Oh, oh!

Mr. Trudeau: —if I can find it, Mr. Speaker. It is a figure which reflects the benefit to the taxpayer of the various actions we took last year. I am sorry I do not have the detailed explanation but that is the general import of the figure.

Mr. Stanbury: Put a question on the order paper.

Mr. Stanfield: The hon. gentleman would like to have the question on the order paper out of the way but it is not going to be put on the order paper. Perhaps the Prime Minister can help me. In view of the Minister of Finance having recognized, when he introduced the indexing concept, that inflation actually increases the effective income tax rate under our system of progressive taxation, can the Prime Minister indicate whether the cuts in nominal tax rates of which he speaks, and to which he was referring I suppose, exceed for 1973 the effective increase in the tax on real income which resulted from the increase in the rate of inflation to nearly 10 per cent? Did the cut in the nominal rate exceed the actual increase resulting from inflation and, if so, by how much? Comment faire!

● (1450)

Mr. Trudeau: Mr. Speaker, the hon. member is asking me to computerize some very difficult statistical questions. I will take note of his question and make the calculations he asks for. But the effect of my statement, as borne out by statistics, is something I am prepared to repeat. It is borne out by the statistics which are official documents of the government of Canada.

Mr. Hees: That sounds like your Rotary Club speech.

Mr. Trudeau: Yes, Mr. Speaker, that is one way of indicating that the assertions I made in the speech which the hon. member was good enough to refer to are correct.

Mr. Hees: You bored the Rotarians silly.

Mr. Trudeau: It is quite possible, but I am glad I have the attention of the hon. member for Prince Edward-Hastings. I am glad to see him back in the House, Mr. Speaker.

Mr. Hees: The Rotarians tell me they yawned their way through your speech.

Mr. Speaker: Order, please. I have the impression we are not making much progress by this exchange. Perhaps the Leader of the Opposition might be recognized for a supplementary.

Mr. Stanfield: Mr. Speaker, it is clear that we are not making much progress.

Mr. Guay (St. Boniface): You are not.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: I wonder whether it would be satisfactory to the Prime Minister if I returned to the subject tomorrow after he has had a chance to have himself briefed. I took it for granted he knew what he was talking about.

Mr. Trudeau: Mr. Speaker, I take it that the Leader of the Opposition knows what he is talking about.

Some hon. Members: Right.

Mr. Trudeau: I am glad he has the support of his colleagues—

Some hon. Members: Hear, hear!

Mr. Trudeau: —when he says they are not making much progress.

Mr. Muir: That's not funny, Pierre.

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES ON SALMON STOCKS—REVIEW AND POSSIBLE ALTERATION OF CANADIAN POSITION

Mr. Frank Howard (Skeena): Mr. Speaker, I am tempted to say that that sort of exchange proves figures do not lie. I wish to direct a question to the Secretary of State for External Affairs regarding the position of Canada in its negotiations with the United States with respect to salmon stocks in each country. Has the government already reviewed or is it contemplating a review of the position Canada is taking in those negotiations? If so, can the minister tell the House what that new position is?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman knows, and I am sure the House is aware, these negotiations have been going on for quite some time and they are extremely complex. Our general purpose is to try to ensure that we have control over the salmon that spawn in our streams. That is our over-all objective. We are engaged in extremely tough bargaining and we do not intend to hurry this bargaining at the expense of the Canadian position.

Mr. Howard: Mr. Speaker, I am pleased with part of the response. Am I to take it from that remark of the minister that the government is now going to withdraw the sell-out proposals it has made to the Americans and revert to the position of June 17 and 18, 1971, when we, as Canadians, agreed with the Americans that the fish of each nation belonged to the people of that nation? Is that going to be the position we will put forward?

Mr. Sharp: Mr. Speaker, the position the government of Canada has always maintained is to get to a situation where we have complete control over the fish spawned in our respective streams. We have never sold out, we do not intend to sell out, and I hope my hon. friend will not encourage us to sell out.

Mr. Speaker: The Chair will recognize the hon. member for Skeena for a further supplementary and then the hon. member for Témiscamingue.

Mr. Howard: Mr. Speaker, may I put the question more directly to the minister. Will the record of agreement reached between the United States and Canada in Seattle, Washington, on June 17 and 18, 1971, on salmon problems of mutual concern, which enunciated the principle of ownership of the salmon stocks by each country, be the basis of the position which the Canadian government now intends to present in these negotiations?

Mr. Sharp: Mr. Speaker, this has always been our position. As the hon. gentleman knows, the United States has certain rights that have been acquired over the years. The endeavour on our part to get those rights withdrawn remains the centre of our policy.

Mr. Rose: Mr. Speaker—

Mr. Speaker: Order, please. I appreciate that the hon. member has a supplementary. He will be recognized in due course after we have completed the first round of questioning.

* * *

[Translation]

UNEMPLOYMENT INSURANCE

ELIGIBILITY FOR BENEFITS OF LAID-OFF JAMES BAY POWER PROJECT WORKERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to put a question to the hon. Minister of Manpower and Immigration.

Is the minister aware that the Unemployment Insurance Commission refuses to pay unemployment benefits to workers having lost their jobs not because of some labour conflict but because of vandalism in James Bay? Does the minister intend to take action so that people laid off in James Bay will receive the unemployment benefits they are entitled to?

[English]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, if there is no evidence of direct participation in the dispute and they are otherwise entitled I am sure, though I will check further, that those people applying for benefits will in fact receive them, but they will be subject to the normal conditions that apply to entitlement.

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FINANCE

INCREASE BY BANKS IN INTEREST RATES ON CONSUMER LOANS—POLICY OF GOVERNMENT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Finance. In view of the Prime Minister's somewhat generous admission in the House on April 19 that the government has over-all responsibility for the general monetary policy of the country, including bank interest rates, and in light of today's announcement that several major banks are increasing the consumer loan rate to as much as 13.9 per cent because of the general shortage of money and increasing costs since the last move by the Bank of Canada, can the Minister of Finance tell us specifically, are these increases in consumer loan rates in line with the policy of the government? If not, would he tell us what that policy is?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the monetary policy of the government reflects action taken by the Bank of Canada. The Prime Minister was quite specific when he said that the government has to be in accord with the general monetary policy set by the bank, although it does not take responsibility for specific

rate movement either up or down. The monetary policy of the government, as I have stated it and will state it again on a future occasion, is sufficient to accommodate the efficient and reasonable expansion of the economy.

Mr. Speaker: The hon. member for Perth-Wilmont will be recognized for a supplementary. I have not forgotten the hon. member for Fraser Valley West, who has a supplementary to another question.

Mr. Jarvis: Mr. Speaker, in view of the fact that businesses are finding it increasingly difficult to secure extended bank credit loans and people in many areas, indeed most areas of the country, are also finding it increasingly difficult to obtain mortgage loans even at 11 per cent, may I ask the minister if this situation is acceptable to the government and part of government policy? If not, what is the government's policy? Specifically, does the government intend to permit loan rates and mortgage rates to seek world levels which may be as high as 17 per cent, as in the case of the United Kingdom?

● (1500)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, with the economy expanding as rapidly as it is, obviously the objective of the Bank of Canada and the banking system is not overly to increase the money supply. There then has to be some selection in the according of credit. As I understand it, that selection is being made by the banks, subject to the moral suasion that I put upon them in favour of small businesses, farmers, fishermen and those areas of the economy encouraging capital expansion rather than outright consumption.

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EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES ON SALMON STOCKS—REQUEST FOR STATEMENT ON CANADIAN POSITION PRIOR TO SIGNING OF ANY AGREEMENT

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is for the Secretary of State for External Affairs. We are somewhat reassured by the fact the minister has told us Canada does not intend to depart from the principles articulated in 1971. Does the government intend to make a statement on motions at an early date outlining Canada's stance in somewhat greater detail than was the case with those principles dealing with salmon fishery negotiations well prior to any signing of a further United States-Canada fisheries treaty?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, perhaps I should ask my colleague, the Minister of Fisheries, to answer this question. He has been engaging in these negotiations and doing very well. Perhaps he should answer.

Hon. Jack Davis (Minister of Fisheries): Yes, Mr. Speaker. There have been similar statements and more detailed statements made in relation to the forthcoming Law of the Sea Conference. The basic principles contained in the 1971 preamble to the Canada-United States agreement on salmon are also contained in our proposals for the Law of the Sea stance.

Mr. Rose: Mr. Speaker, I am sorry I said I was reassured a little earlier because after the statement by the Minister of Fisheries I am not reassured at all. What I am really asking is whether the government intends to bring to this House its position as a result of the outcome of these negotiations before any signing takes place?

Mr. Davis: Mr. Speaker, negotiations are proceeding. The next such negotiations are set for September. No real progress has been made in these negotiations with the United States. Until we make progress, we do not see any point in reporting further.

OVERFISHING OF BERING SEA HALIBUT—GOVERNMENT REPRESENTATIONS TO SOVIET UNION—POSSIBILITY OF CONFERENCE TO REACH AGREEMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. In order to resolve the present overfishing of halibut stocks in the Bering Sea by the Soviet Union, have any steps been taken to arrange a conference with a view to securing agreement with the Soviet Union that they will enter into agreements which come under the North Pacific Fisheries Commission and abide by the terms of that treaty?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, you will recall that I answered a similar question yesterday. The answer to the question is yes. We and the United States have approached the Soviet Union and Japan. Both of them have indicated a willingness to discuss the question. The problem with Korea is there are no diplomatic relations between the Soviet Union and Korea. Therefore it would be very difficult to arrange a five-power conference. We are therefore proceeding otherwise. If we can arrange an international conference to make greater progress, we will certainly do so.

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FINANCE

HIGH INTEREST RATES ON MORTGAGES—GOVERNMENT ACTION TO REDUCE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is directed to the Minister of Finance. It is supplementary to the question asked by the hon. member for Perth-Wilmot. I direct the question to the Minister of Finance because the Minister of State for Urban Affairs never differentiates between insured and uninsured loans. In light of the fact that on insured loans under CMHC and conventional loans the interest rates are 10½ per cent, 11 per cent or higher on first mortgages and 15 per cent on second mortgages, does the minister or the government have any program in mind to hold down or reduce interest rates which are very oppressive not only with regard to purchasing and making payments on housing but with regard to rentals which are so oppressive that people cannot afford the rents at this time?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, perhaps the best answer I can give the hon. member is to suggest that a subsidization of interest rates along the lines he suggests would just add to the demand for housing and be reflected in higher capital values and prices of houses. I can refer him to no better authority on the subject than the hon. member for Don Valley, not just myself.

Mr. Speaker: Order, please. I bring to the attention of hon. members that we are still on the first round of questioning. I hope we can get beyond the first round. The hon. member for Calgary North will be recognized for a supplementary followed by the hon. member for Mississauga.

Mr. Woolliams: In light of the announcement of an increase of $500 in the salaries of public servants, which of course will almost be cut in half after deducting income tax, will the minister advise whether that token increase is being given to those people because there is no control now on interest rates whatsoever and the sky is the limit?

EFFECT OF POSSIBLE TIGHT MONEY POLICY ON AVAILABILITY OF MORTGAGE MONEY—GOVERNMENT POSITION

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question to the Minister of Finance is also supplementary to the question asked by the hon. member for Perth-Wilmot. Are we to take it from the minister's response to the hon. member that we are now in a period of restriction of credit by the Bank of Canada or a tight money policy? Does that tight money policy mean no mortgage money will be available for building this year, or will the minister give an undertaking to the House that he will interfere in the system to persuade lenders to allocate at least as much funding as usual to mortgage companies and mortgage investment this year so that we can depend on a supply of new houses to help solve our housing shortage?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, with the way the hon. member phrased the question, since the answer to the first part is no the answer to the rest becomes non-applicable.

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BUSINESS OF THE HOUSE

DATE OF INTRODUCTION OF LEGISLATION PROMISED IN SPEECH FROM THRONE

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I wish to direct my question to the Prime Minister. In view of the fact the government has given first reading to only 19 bills out of 46 items of legislation promised at the time of the throne speech in February, a record of performance of only 41 per cent of what has been promised, will the Prime Minister indicate when he plans to introduce some of the important legislation promised such as that dealing with unemployment insurance, the status and rights of women, young offenders and the Criminal Code so that the House and the country can have a look at these items and perhaps come to some basic decisions in the national interest.

[Mr. Woolliams.]

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. Some of these items will indeed receive first reading within the next three or four days. I remind the hon. member that the throne speech was at the end of February which gave us March and April, two months of sitting. The hon. member will recollect that of that time most of the days in March were opposition days. Consequently, I am very pleased that he has drawn to the attention of the House the record we have put forward in introducing so many bills in such a short period of government time.

Mr. Atkey: Mr. Speaker, noting the fact it takes about two minutes of the time of the House to give first reading to a bill, I wonder whether the answer the Prime Minister has just given is reflective of a shift or change from government priorities announced in the throne speech last February, or does it merely mean that the government is saving up its election goodies for the last few days of this parliament?

Mr. Speaker: Order, please.

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ROYAL CANADIAN MOUNTED POLICE

SUGGESTED AMENDMENT OF LEGISLATION PROHIBITING MEMBERS FROM JOINING UNION—GOVERNMENT POSITION

Mr. Paddy Neale (Vancouver East): Mr. Speaker, my question is for the Solicitor General. In view of the fact it is federal government policy to allow federal public servants to belong to a union or association of their choice, and in view of the fact that some members of the RCMP are showing an inclination toward forming some type of organization, will the minister give favourable consideration to amending the present legislation which prohibits the RCMP from this action so that these federal public servants can enjoy the same privileges as all others?

● (1510)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, when parliament passed the Public Service Staff Relations Act in 1967 it deliberately excluded the RCMP as a group of employees from qualification for unionization under that act. In the last two years we have held meetings with representatives of the constables, corporals and sergeants of the RCMP in Ottawa for a week each year, and they have shown no interest in the formation of a union. We know there is an information meeting to be held by the police association in Vancouver tonight and there is to be another in Toronto tomorrow night. We shall be watching these meetings with interest.

Some hon. Members: Oh, oh!

Mr. Allmand: Well, I have been asked to send somebody from my office to the meeting in Toronto and I am doing so. As I say, the law now forbids the RCMP from forming a union. I personally believe it is not in the public interest that members of the RCMP should belong to a union, but we shall be watching the situation closely.

POSSIBLE HARASSMENT OF MEMBERS INTERESTED IN FORMING UNION

Mr. Paddy Neale (Vancouver East): Would the minister instruct the commissioner in charge of the RCMP to stop any harassment of members of the force who have publicly shown an interest in forming such an association?

Hon. Warren Allmand (Solicitor General): I am sorry, but I did not hear the beginning of the hon. member's question. Would he put it to me again?

Mr. Neale: Would the minister instruct the commissioner in charge of the RCMP to stop any harassment or disciplinary measures being taken against those members of the force who have publicly shown an interest in forming such an association?

Mr. Allmand: This question was put to the commissioner last night in the Standing Committee on Justice and Legal Affairs and he said there was no harassment or interference with those members who would be going to the meeting. I would hope there would not be. The two meetings in question are merely information meetings, not organization meetings.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I have a supplementary for the Solicitor General. In light of news reports that members of the RCMP who participate in the formation of this proposed association may be disciplined, will the minister assure us it is his policy that no member of the force participating in these events will be disciplined?

Mr. Allmand: Mr. Speaker, I cannot make that commitment. It depends on what is done by the members. I repeat that at the present time it is illegal for members of the RCMP to belong to unions, and the administration of the force is left to the commissioner. I cannot give a commitment that the law will not be followed if the law and regulations laid down in the RCMP Act and other statutes are not complied with.

Some hon. Members: Hear, hear!

ATTITUDE OF MINISTER TOWARDS FORMATION OF ASSOCIATION BY MEMBERS

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, in view of the fact that in many municipalities across Canada the police belong to associations not necessarily defined as unions, may I ask whether the minister is opposed to members of the RCMP having the right to form an association which in some way might speak for them to their superiors?

Hon. Warren Allmand (Solicitor General): It would depend on the terms of reference and the constitution of such associations. The Public Service Staff Relations Act defines employee organizations. It would depend on whether those associations constituted an employee organization under the terms of that act or whether they attempted to do other things. I would have to study that aspect. That is a legal question the hon. member is asking.

RIGHT OF MEMBERS TO ADVOCATE CHANGE IN LAW CONCERNING UNION MEMBERSHIP

Right Hon. J. G. Diefenbaker (Prince Albert): Even though the law as it now stands forbids the formation of unions among members of the RCMP, is there any reason why they should be denied freedom of speech to advocate a change in the law without, as a result, being penalized under the mounted police act?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, they are not. I tried to convey to the House a few moments ago that in the last two years the men of the RCMP, the non-commissioned officers and the men, have freely elected representatives from each division in Canada and sent them to Ottawa to discuss their problems with the administration. I have personally met with them privately and I asked them this very question. They spoke to me very forcefully and articulately on many other subjects, but they told me at that time that of the 16 divisional representatives only one favoured a union. The other 15 did not.

Mr. Diefenbaker: I should like an answer to the question I asked. The question is simply this: are the mounted police to be denied freedom to advocate changes in the law or are they to be subject to penalties for exercising that freedom which every Canadian has a right to exercise?

Mr. Allmand: No. No penalties will be imposed upon them for exercising their freedom of speech.

Mr. Sean O'Sullivan (Hamilton-Wentworth): With regard to those officers seeking some kind of alliance with the police association, or the formation of a union, can the minister advise us what he is prepared to do to deal with the underlying discontent within the force which prompts such action on the part of the RCMP?

Mr. Allmand: I have met with many groups within the RCMP. As a matter of fact, when I visit detachments I make a point of discussing matters with the men. I must say that on the whole there is no discontent; the morale is quite high. There have been problems among individuals and we are hoping to meet those problems. We are trying to implement many new methods of dealing with this question of morale, arrangements for consultation and so on with the men in the force. In the past year we have taken a number of measures to that effect.

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MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—DATE OF ANNOUNCEMENT OF APPLICATIONS APPROVED OR DISAPPROVED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Manpower and Immigration regarding the Opportunities for Youth program. I understand there was supposed to be an announcement by April 26. Can the minister bring us up to date and tell us whether he has completed his investigation of the applications and when the notices will be going out both to those whose applications have been approved

and to those whose applications have been denied? Can the minister give us some information?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, Mr. Speaker. I have dealt with some 95 per cent of the applications, I imagine. The few that are left will be resolved, I hope, within the next 48 hours and an announcement can be expected very shortly indeed.

OPPORTUNITIES FOR YOUTH AND LOCAL INITIATIVES PROGRAMS—INTENTION OF GOVERNMENT AS TO CONTINUANCE

Mr. Lincoln M. Alexander (Hamilton West): In light of the fact that the minister has now brought forth a new community employment program or work program, can we assume that the government has made up its mind as to the future of the OFY and LIP programs? Are they to be discontinued as a result of the new direction taken by the government?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I have referred publicly to our enthusiasm for the development of the community employment program which is an extension of the proposal made in the orange paper put forward by colleague, the Minister of National Health and Welfare. That position stands. In my public comments about it and, indeed, before the Standing Committee on Labour, Manpower and Immigration the other day I have indicated that we hope to produce some pilot projects this fall and winter involving community employment which would lead, after evaluation, to a more formal program for the future. But this does not indicate any final decision in the interim with regard to the Local Initiatives Program.

Mr. Alexander: I wish to pose one further supplementary, Mr. Speaker.

Mr. Speaker: Order, please. Again, I appeal to hon. members to limit the number of supplementaries.

Mr. Alexander: I am very sorry. I do not ordinarily take advantage of the House.

Some hon. Members: Oh, oh!

Mr. Alexander: The minister has indicated that the cabinet is deciding the future of the LIP and OFY programs. All I am asking the minister is whether he has reached a decision as to the future of these programs?

Mr. Andras: Mr. Speaker, I put it very simply in the last sentence of my answer. No, we have not made that decision.

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EXTERNAL AFFAIRS

PORTUGAL—POSSIBLE CANADIAN RECOGNITION OF NEW REGIME

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The minister has from time to time laid down, as a basis for official recognition of foreign governments, that they should be in effective control of their country. On this basis, is the government now prepared to recognize the new regime in Portugal?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we are still watching developments in that country. So far there seems to have been a fairly peaceful take-over, but we would like to be absolutely sure before we extend recognition.

Mr. Brewin: Can the minister confirm that the new government of Portugal has promised free elections within a year, that it has released political prisoners and taken steps to abolish PIDE, the political police, in that country?

Mr. Sharp: I have received reports of that kind from our embassy in Portugal and they confirm newspaper reports. I share the hon. member's enthusiasm.

* * *

● (1520)

VETERANS LAND ACT

SUGGESTED REPEAL OF 1968 DEADLINE, INCREASE IN LOAN CEILING AND LOT REQUIREMENT—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. In view of the fact there has been widespread support of the extension of the deadline under the Veterans Land Act, would the minister now say whether he is considering repeal of the 1968 deadline so that more veterans will be able to take advantage of the act, and will he indicate also if consideration is being given to increasing the mortgage loan ceiling and the minimum lot requirement?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in answer to the hon. gentleman, this is a matter of government policy and if anything is done it will be announced in due course.

Mr. Marshall: In view of the fact there are only 11 months left following the extension of the March, 1974, deadline, would the minister indicate if consideration is being given to changing the whole act to suit today's needs on behalf of the veterans?

Mr. MacDonald (Cardigan): Mr. Speaker, as I have said on many occasions in the House, as far as veterans are concerned we are reviewing all our programs and projects at all times and if there is any announcement to be made, and the government has approved it, I will make it.

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HOUSING

STUDENT CO-OPERATIVE PROJECTS—REQUEST FOR COMMISSION OF INQUIRY

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Prime Minister and it deals with the matter of Central Mortgage and Housing Corporation

funding of so-called student co-operative housing projects. In view of the evidence that CMHC exceeded its authority in granting loans to several of the co-operatives, would the Prime Minister consider convening a royal commission inquiry into this matter so we can get all the facts?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member would begin by conveying to me the facts he has I will look into the matter.

Mr. Scott: I should like to ask the Prime Minister if he would have the appropriate House committee conduct an inquiry into the matter of granting loans to Rochdale and other co-operative housing projects?

Mr. Trudeau: Mr. Speaker, I am not sure now whether the hon. member wants a royal commission inquiry, a House committee inquiry or both.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

PROTEST AGAINST PROGRAM "LES BEAUX DIMANCHES"

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is for the Secretary of State.

Does the minister intend to contact personally the CBC authorities to put an end to these disgusting wild shows such as those presented on the French network of the CBC last Sunday night as part of the program "Les Beaux Dimanches"? Such things are unworthy of the CBC whose main objective should be to maintain Canadian unity?

[*English*]

Hon. Hugh James Faulkner (Secretary of State): Mr. Speaker, I will make sure that the hon. member's views are made known to the corporation.

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TRADE

RATE OF INTEREST PAID BY EXPORT DEVELOPMENT CORPORATION COMPARED TO RATE CHARGED—REQUEST FOR LESSENING OF ACTIVITIES OF CORPORATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. With the Export Development Corporation now having to pay 11⅛ per cent for short-term funds which it is borrowing on the street and yet it is continuing to lend money at 7 per cent, will the minister inform the House if he has instructed the officials of the EDC to at least restrain its aggressive lending activities in present money market conditions?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the Export Development Corporation is governed by the ceilings in the existing act, amendments to which the House passed a year ago. Very shortly I hope to be able to bring forward further amendments at the second reading stage.

Mr. Stevens: Would the minister indicate to the House if he is co-operating with other export nations which have indicated a desire to enter into a world agreement to try to bring some sanity into the export financing field inasmuch as some of the richest countries in the world are getting loans at rates such as 7 per cent from Canada?

Mr. Gillespie: Mr. Speaker, I know there have been discussions, but I do not think any conclusion has been reached yet. I am hopeful there will be some progress in this direction.

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AGRICULTURE

SUBSIDY PROGRAM FOR PORK—DATE OF ANNOUNCEMENT AND AMOUNT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Since the minister has already said publicly that we are going to "bring in a program of subsidies to pork producers", I should like to ask when he will be introducing this program, and will the money, which appears to be in the $7 per hundred weight range, to be paid by the government be paid directly to the producers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as was pointed out in the House the other day, several provinces have different programs and it is difficult to work out an over-all program as there is no national organization. I can say this, though, that provincial pork marketing boards, hog marketing boards, etc., are well enough organized that pork is sold on the rail and the grade, and it would not be difficult at all to pay the producers. I do not know where the hon. member got his $7 figure.

Mr. Murta: Mr. Speaker, we will have to wait and see just how close my figure is. When does the minister expect that this subsidy, this program, is going to start?

Mr. Whelan: Mr. Speaker, as soon as a workable program can be developed it will be announced.

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HEALTH

GOVERNMENT MEASURES TO DEAL WITH ALCOHOLISM

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address my question to the Minister of National Health and Welfare. In view of the galloping increase in alcoholism, and the fact that because of a lack of funding there are only a few detoxification centres where these people can be treated for their sickness, whereas in other areas they are treated as common criminals and put in jail until they sober up, and since this is a national social health problem and recognized as such, I should like to ask the minister what part the federal government is playing in meeting this problem?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all, we have an innovative service contribution program under which we may contribute to the funding of detoxification centres of an innovative nature. We also share in detoxification centres which are operating with hospitals on the basis of 50 per cent. We share in the cost of medical care up to 50 per cent. In addition, we are funding some 27 homes for special care as a constructive service in respect of alcoholism under the Canada Assistance Plan.

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AIR CANADA

POSSIBLE LOCATION OF CERTAIN OVERHAUL FACILITIES IN WINNIPEG—DATE OF DECISION

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of Transport. I believe it was last week that his parliamentary assistant provided the House with some details about the department's thinking in respect of the possible location of part of Air Canada's overhaul facilities in Winnipeg. What was lacking in that response was any kind of time frame within which Winnipegers can look for that decision to be made. Can the minister now give us a more precise date in respect of the time span involved before a decision is made?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the only thing new since that answer is that I met with the president of Air Canada and we discussed this matter. He was supposed to supply me with information, data and projections with regard to what Air Canada intends to do.

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INFORMATION CANADA

GOVERNMENT POSITION ON SENATE COMMITTEE RECOMMENDATIONS CONCERNING DEALING WITH OUTSIDE AGENCIES

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I have a question for the Secretary of State. I should like to ask whether he proposes to implement the recommendations of the Senate finance committee which recently completed a review of the operations of Information Canada, particularly those in chapter nine which point up the dangers inherent in dealing with outside agencies. The report says among other things that they tend to have the distressing smell of pork about them and should be very carefully vetted by Information Canada, with that agency acting as a screening body. Does the minister propose to adopt that policy?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am not responsible for Information Canada. I did receive the report yesterday and I am studying it, but perhaps the Minister of Labour might like to reply.

Mr. Reilly: I am sorry, Mr. Speaker, I should have directed the question to the Minister of Labour.

[Mr. Rynard.]

Hon. John C. Munro (Minister of Labour): I am sorry, Mr. Speaker. Would the hon. member repeat his question?

Mr. Reilly: I would be pleased to do so. I wonder whether the minister intends to adopt as policy any of the recommendations of the Senate committee on finance which recently concluded a review of the operations of Information Canada? I am particularly interested in the recommendations contained in chapter 9, which warn that dealings with outside agencies, particularly advertising agencies, could be left open to charges, although not always, of political patronage.

Mr. Munro (Hamilton East): Yes, Mr. Speaker, we are reviewing the recommendations of the Senate committee to which the hon. member has referred. I have met with officials of Information Canada concerning this matter. I hope to have a more detailed report from them as to what the implications are of some of these recommendations within the next week or two, but obviously we will need a little time to study them.

● (1530)

REASON FOR CONTRACT WITH MACLEAN-HUNTER—RESTRICTION ON TENDERING—GOVERNMENT POSITION

Mr. Peter Reilly (Ottawa West): That being the case I wonder, having in mind that a previous minister responsible for Information Canada described its co-publishing operations as having been designed to assist Canadian publishers, particularly those in financial trouble, how it is that the agency has recently signed arrangements with the biggest Canadian domestic publisher, Maclean-Hunter, through its subsidiary publishing company, to publish an atlas in a situation in which only two publishers were invited to tender, the other being one owned by a British company?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am in a sense pleased that the hon. member has raised this question. I have also read the article in question. I want to assure the hon. member and the House that it is not the policy of the government, nor of Information Canada to restrict proposals for outside work of this kind involving co-publishing with the government of Canada. I suppose that automatically leads to the question, why was it done in this case? It was an intricate and complex publishing job. It involved a value judgment at the time by an official who felt he had his reasons. However, I want to assure the House it is not the policy to continue this type of procedure in the future.

* * *

NATIONAL DEFENCE ACT

POSSIBLE AMENDMENT RELATING TO CADETS—GOVERNMENT POSITION

Mr. Stan Schumacher (Palliser): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has he prepared any amendments to the National Defence Act which he plans to submit to the House at an early date relating particularly to the cadet movement,

and has he received any assurance from the House leader that the measure will be given some priority?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker. I have already indicated that I intend to bring in a recommendation to the House concerning cadets and particularly that girls can be members of cadet corps equally with boys.

* * *

AIR TRANSPORT

REQUEST THAT GOVERNMENT MAKE EVERY EFFORT TO ACHIEVE SETTLEMENT OF CONTRACT NEGOTIATIONS WITH PILOTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport or the Minister of Labour. In view of the fine record that Canadian airline pilots have had in their contractual relations with Air Canada, a perfect record, is the minister aware that this record may be in jeopardy because of dissatisfaction with the methods that Air Canada used in laying off pilots during the recent curtailment of operations because of the firefighters' walkout, and will the minister use every option available to him to expedite current contractual negotiations to replace the contract that is due to expire on June 1 before trouble develops?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think the hon. member should be aware that disputes involving employees of the government as such, distinct from employees in the private sector falling under federal jurisdiction, do not fall within my purview as Minister of Labour. Having said that, I think it is fair to say that I am aware of the implications the hon. member has suggested.

Mr. Speaker: The hon. member for Vegreville has a supplementary. The Chair will recognize the hon. member and then call orders of the day.

STATUS OF CONTRACT NEGOTIATIONS WITH AIR TRAFFIC CONTROLLERS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my supplementary is directed to the President of the Treasury Board. Can the minister bring the House up to date on the status of negotiations involving the air traffic controllers, and can he give the House any assurance that a walkout will be averted?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the negotiations are continuing satisfactorily at the moment in Quebec where the controllers' association is having a convention.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a supplementary for the same minister. Will the air traffic controllers have an offer in their hands tonight so as to avoid a strike this Sunday?

Mr. Drury: Mr. Speaker, under the services of a mediator offers and counteroffers are continually under discussion.

PUBLIC SERVICE

REGIONAL WAGE DISPARITIES—GOVERNMENT POSITION ON ELIMINATION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my supplementary is for the President of the Treasury Board. In view of the fact the government has now announced a salary increase for the Public Service, can the President of the Treasury Board indicate what action, if any, will be taken by the government to eliminate wage disparities existing between certain areas of the Public Service? I am thinking, for example, of the disparity existing between personnel on ships owned and operated by the Ministry of Transport operating on the Atlantic coast as opposed to those operating on the Pacific coast?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the choice as to pay dispensation at the present time is left to the employees collectively to choose the alternative of either national rates of pay across the country or regional rates of pay adjusted to different circumstances. That is the employees' choice.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING PROFITEERING PRACTICES AND PERMANENT AND TEMPORARY MEMBERSHIP OF COMMISSION

Hon. Herb Gray (Minister of Consumer and Corporate Affairs) moved that Bill C-29, to amend the Combines Investigation Act in relation to profiteering practices, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: The hon. member rises on a point of order?

Mr. Baldwin: Mr. Speaker, I have a brief point of order by way of caveat so as to not hold up these proceedings. I want to point out to Your Honour, and to the House, that as a result of the legislative delay in doing anything useful for the country, the government is now engaged in spewing out trickles of hastily conceived and ill-prepared legislation. With particular regard to this measure, I want to point out that three clauses of Bill C-29, clauses 7, 8 and 9, are directly linked to Bill C-7 which is now before a committee of the House, and that while there would be a strict right to rely upon that constitutional concern I want to file a caveat by pointing out that our party will feel free at some future stage in the proceedings, if necessary, to apply either to consolidate the bill or ensure that this bill does not conflict with Bill C-7. I am filing that as a caveat at this time.

Mr. Gray: Mr. Speaker, I am pleased to move second reading of Bill C-29, to amend the Combines Investigation Act in relation to profiteering practices. This bill will enable the government to temporarily freeze prices on

goods where there is evidence of profiteering and will provide a means to roll prices back in these circumstances. The bill reflects the Prime Minister's (Mr. Trudeau) commitment to Parliament and Canadians made last year when he said the government would be prepared to introduce measures to protect the consumer against those who may attempt to take advantage of the present situation by unwarranted price increases. The Prime Minister further stated during the throne speech debate in February that:

We will not allow corporate profiteers . . . to pile up unearned windfall profits at the expense of the people of Canada.

Mr. Speaker, the government has already applied a broad set of policies to attack inflation and reduce its effects on Canadians. Along with this, by introducing Bill C-29, the government is carrying out the commitment as expressed in the Speech from the Throne to stop business from taking advantage of current economic conditions to unduly enhance profits. The legislative proposals would stop, in specified circumstances, a producer or merchant from exacting, on the sale or distribution of an article, a profit margin greater than that customarily obtained. The bill would also stop attempts to enhance the price at which an article is eventually sold by withholding from sale or distribution an inventory of that article substantially in excess of that normally held. Such practices defined in the proposed legislation as exceptionable trade practices are generally regarded by Canadians as particularly unacceptable in inflationary conditions. These practices would become unlawful in the circumstances set out in the legislative proposal now before the House.

● (1540)

The bill proposes that the exceptionable trade practices provisions would come into force on declaration by the governor in council. Such declarations would be made by the governor in council normally after consideration of reports issued by the Food Prices Review Board or such other boards as might be established under the authority of the Inquiries Act or other legislation to inquire into the causes of particular price increases, actual or proposed.

Before making a declaration, the governor in council would have to be satisfied that a situation existed or was likely to exist which would have a substantial effect on the price of an article or a class of articles, thus tending to seriously affect the living costs of all or a great majority of Canadians. But in emergency cases, declarations could also be made by the governor in council without first having had a board report, where it was satisfied that such a situation existed and that immediate action was required to protect the public interest.

Declarations made under the proposed law would be specific, applying to a particular article or articles at all or any levels of distribution. The order giving effect to the declaration would specify the period of time during which the declaration was to be effective up to one year. However, the governor in council could extend the period of time initially specified for further periods of up to six months if satisfied that the situation giving rise to the declaration continued to exist. In making a declaration, the governor in council could also invoke the price notification provisions set out in the legislation. Under these provisions suppliers could not increase the price of the article in question over its base price unless the director of the combines investigation branch was notified 30 days in advance of the proposed increase or such shorter period as may be specified by the governor in council.

The application of these provisions will have the effect of imposing a temporary freeze on the price of the articles in question during the notification period. The governor in council would prescribe by regulation the definition of the base price for the purpose of this notification procedure.

The definition of base price prescribed could vary in accordance with the article declared and the practices under which it is normally sold. For example, the base price might be the price charged on a certain date, or such higher price as the firm can demonstrate that it customarily charged during the preceding 30 days. The reason for this wording in this hypothetical example would be to avoid forcing firms who happened to be having a sale on a certain date to use the special sale price as the base price. It is important to note that the base price is prescribed only for pre-notification purposes and does not necessarily have a relationship to a customary profit margin.

Under the bill, the governor in council would also have authority to make exemptions from the pre-notification requirements. Depending on the circumstances, one would expect that for very small firms, for example, it would be possible to exempt them from pre-notification rules as such a procedure could impose an unreasonable and onerous requirement on such small firms. However, such an exemption would cover pre-notification requirements only and the price of the article or articles supplied by the exempted firm would still be required to meet the customary profit margin test.

The new measures would not apply to agricultural produce in an unprocessed state when owned or sold by the primary producer or to unprocessed fishery products when owned or sold by a fisherman. It could apply, however, at other levels of distribution for such products. The governor in council when making a declaration would issue guidelines specifying the manner in which suppliers would determine the profit margin that they customarily obtain and which they could not exceed.

Customary profit margin could be defined differently for each level of distribution. For example, the method to be applied could be different for a manufacturer as opposed to the retailer of a product. The term "customary" could be prescribed to the margin realized during a given past period of time. For example, the guidelines could stipulate—and this is only a hypothetical example—that the customary profit margin would be based on the average profit margin of three years in a specified five year period, which could exclude the immediately preceding year.

In setting out the manner of determination of customary profit margin, consideration would be given to the prevailing economic climate and the business cycle of the particular sector. In addition, the guidelines would be sufficiently flexible to take into account their application to firms operating at low levels of profit or at a loss, or to new businesses.

The administrative and investigative machinery required to administer the proposed legislation would be provided through the office of the director of investigation and research under the Combines Investigation Act. Immediate steps are being taken to provide additional resources for these new duties. To ensure administrative feasibility, the legislative proposal would broaden the powers of delegation of the director so that responsibility for administering the exceptionable trade practice provisions could be fully delegated to a deputy director. In conducting inquiries, the deputy director would exercise the same powers as those conferred on the director and the Part I of the Combines Investigation Act.

The director would be required by the legislation to conduct an inquiry where he had reason to believe that a supplier was engaging in or was about to engage in an exceptionable trade practice. Inquiries would also be initiated by the director when directed to do so by the Minister of Consumer and Corporate Affairs. Such inquiries could only be instituted, of course, where a declaration from the governor in council was in effect covering the category of article or supplier in question and would be a key step in the process of enforcing the revisions in the law and regulations against those not complying with them.

In determining whether to initiate an inquiry, the director under the act would have access to the information and research obtained by the original board of inquiry, if there was one, unless it had been collected on a confidential basis. Information on supply and prices normally collected by various departments and not otherwise confidential in the government would be available to him. He would also be able to evaluate and compare the information in the price notification notices of all firms supplying the article or articles covered by the declaration.

Mr. Hellyer: I wonder if I may ask the minister if the lack of any other minister in the House at this moment is an indication of the enthusiasm of the government for this bill and their support of it or lack of support.

Some hon. Members: Hear, hear!

Mr. Gray: I think it indicates the confidence of the government and of the backbenchers in the measure, unlike my hon. friend's party which has to travel in packs. They have to keep an eye on one another to make sure they are not stabbing each other in the back.

Mr. Hees: They walked out on you.

Mr. Gray: As I was saying, he would also be able to evaluate and compare price notification notices of all firms supplying the article or articles in question. It is expected that the public would also bring information to the attention of the director, which would assist him in deciding whether to carry out an inquiry or continue it if the information came in the course of one being carried out.

Once a declaration was made, firms would calculate their customary profit margins and their base prices in accordance with the guidelines established by the Governor in Council. If a firm found that it is within the profit margin guidelines, it would not be required to take any action until it wished to raise a price above the base price. Before giving notice to the Director of Investigation and Research, which would have to be done 30 days prior to the price increase, or such lesser time as is specified, it would have to ensure that the new price would not result in a profit margin in excess of that customarily obtained.

● (1550)

However, if the firm calculated its customary profit margin and found that it was exceeding the guidelines, it would be expected to roll back its price. Failure to prenotify a price increase after declaration with regard to the product covered by it, could result upon indictment in imprisonment for two years or, on summary conviction, to a fine not exceeding $10,000 or to imprisonment for one year or both.

The Restrictive Trade Practices Commission, reconstituted as the Trade Practices Commission, would hear complaints from the director about exceptionable trade practices; for example, that a person was selling or about to sell the article so as to obtain a profit margin greater than the one prescribed by the act and regulations. If on the basis of the application made by the director, the commission was satisfied that the person to whom the application related was engaging in or about to engage in such an "exceptionable trade practice", it could order the person to cease and desist from engaging in the practice. Such an order, in effect, would roll back that person's prices to the appropriate level to meet the customary profit margin requirements.

In addition, the commission could require the supplier to give up all or any portion of the excess revenues he had realized as a result of his engaging in the "exceptionable trade practice". The commission could require the supplier to give up this excess revenue in one of three ways: either by refunding it to the person from whom he derived the excess revenue or, if those persons were not reasonably identifiable, by an appropriate reduction in the sale price to persons thereafter acquiring the article from him or finally, if neither of the first two methods were practicable, by paying it to the Receiver General. The Governor in Council would also have the authority to vary or rescind any order of the commission.

Once a declaration was made, superior courts would be authorized under the legislation to issue interim injunctions at any time on application by the Attorney General of Canada enjoining suppliers from engaging in exceptionable trade practices with respect to declared products. These injunctions would preclude firms from taking action which may be unwarranted until the director had an opportunity to carry out an inquiry or for the commission to reach a decision on a matter. Non-compliance with such court orders could result in a fine or imprisonment.

Also, orders of the commission would be enforceable through the courts with non-compliance resulting in the imposition of fines or imprisonment. Persons found guilty of non-compliance would be liable, if convicted on indictment, to imprisonment for two years and on summary conviction, to a fine of up to $10,000 or to imprisonment for one year or to both. Commission orders would also be subject to review under section 28 of the Federal Court Act.

It can be seen, Mr. Speaker, that the legislation provides a mechanism which will permit the Governor in Council to act promptly once there is a report by a board of inquiry, such as the Food Prices Review Board. Boards of inquiry could be set up in other areas as required with instructions to report within an appropriately short period of time. Furthermore, if necessary, the Governor in Council could declare the powers of this act in force without a board report on the basis of information available generally to it from normal government sources.

It is the government's intention, following enactment of this legislation, to proceed to establishment of other boards to inquire into pricing practices in certain areas that have a pervasive effect on the economy. I say this to answer those incorrect assertions made by some who have suggested that the government would be prepared to take action only with respect to the food area. In fact, the government would be ready, where necessary, to make use of the authority it is seeking in this bill as soon as it is finally approved by parliament and proclaimed in force. In any event, the existence of this legislation should act as a deterrent to those who might otherwise feel they can engage in profiteering with impunity.

In addition to the temporary freeze resulting from the declaration, an interim injunction could be obtained at any time to prevent the continuance of profiteering practices until the inquiry can be completed and the commission has dealt with the matter. This means that this legislation would have an immediate impact the moment a declaration is made.

Also, there would not be uncertainty after a declaration has been made. The declaration itself would specify the levels of distribution and the products to which it applies. In addition, specific guidelines for the determination of base price and customary profit margins will be provided by the Governor in Council. Therefore, any businessman affected would be able to determine when to give advance notice of a price increase to the director. He would also be able to determine whether he was exceeding customary profit margins and should therefore roll back his price.

Attempting to provide a single definition for customary profit margin in the bill would, I submit, not be practical nor could it be fair or effective. I say this because no single definition would always be correct for each and every sector of the economy. That is why we believe it is necessary that the Governor in Council have the authority to establish guidelines for determining a profit margin based on a determination of what is appropriate for the product and sector in question.

Mr. Speaker, we believe the measures in this bill have general support and approval among Canadians. They would provide an instrument not now available, to permit the government, on behalf of the people of Canada, to deal with pricing practices, which are particularly unacceptable during inflationary periods. Therefore, Mr. Speaker, I urge this House to give prompt second reading of this bill and to enable it to become law at the earliest possible date in the interests of all the people of this country.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Mr. Speaker, having listened to the minister I can understand in a way why he was deserted by his colleagues in what surely must have been his finest hour. I was intrigued to hear him make the kind of statement that should more appropriately have been made before a committee when it is examining a bill of this kind, because there was no reference whatsoever to the philosophy, if there is any, behind the bill. I doubt if there is any. The minister made some reference to this bill being a part of the government's policy to deal with inflation. What policy, Mr. Speaker? It is certainly not apparent to this House and it is certainly not apparent to the Canadian people.

Some hon. Members: Hear, hear!

Mr. McGrath: The minister likened himself to a traffic cop making selective arrests here and there. That is consistent, because obviously the government has no policy and the minister is like a traffic cop making arrests in a situation where there is no speed limit.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, the bill before us today will do nothing to bring relief to the people of this country who are suffering under a record high inflation of 10.4 per cent—let us make no mistake about that—notwithstanding any empty, high sounding phrases which the minister brought in today from the Speech from the Throne which opened this session because this bill and government action to date bears no relation to, and indeed is consistent with, the pious platitudes of the government made through the mouth of His Excellency.

• (1600)

Neither will this bill bring down food prices which have increased at the unbelievable rate of 18.6 per cent over the last year. Neither will this bill do anything about the serious situation in housing in Canada. The bill does not refer to housing. It specifically excludes housing. The minister said during his press conference that food prices are the principal objective of the bill. We have heard this before, in the Speech from the Throne opening this session and in the Speech from the Throne opening the session prior to this one, when there was talk of setting up a food prices committee.

What do we have at this time for dealing with food prices. We have the Food Prices Review Board. It has been in existence for just over one year and has been described by the Consumers Association of Canada as a useless, expensive appendage. What relief has the Food Prices Review Board brought the Canadian consumer.

An hon. Member: None.

Mr. McGrath: Mr. Speaker, we believe it is necessary to limit profit margins during periods of high inflation. We believe it is necessary to limit profit margins to a level which enables industry to earn a rate of return sufficient to encourage new capital investment but, at the same time, to prevent windfall profits or uneconomic returns inherent in periods of inflationary expectations and new competitive market situations. This is inherent in our prices and incomes policy which was placed before this House more than one year ago.

What will this bill achieve? The difference, of course, is that ours is a comprehensive program. We do not intend by our program to fix the price of individual articles, as this bill sets out to do, and this, I might add, is one of the basic weaknesses of this bill. It is clear that the government does not intend to use this legislation to deal with inflation. Obviously, this will amount to a selective control policy. That is what the bill sets out to do. It will enable the new and very powerful Trade Practices Commission to freeze and roll back prices of every product or class of products, if it is found that their suppliers are making more than the customary profit margins or have withdrawn this product from the market to raise prices. This amounts to nothing more nor less than a selective price control policy. We reject that.

It seems most irregular to me that there should be such a dichotomy between what the government says and what it does. For example, the Secretary of State for External Affairs (Mr. Sharp), who is a former minister of finance, told this House on March 15, 1974, in his capacity as acting minister of finance, as recorded at page 570 of *Hansard* that:

> ... selective controls ... are bound to be arbitrary. They are bound to have a selective effect which may not be acceptable.

He went on to say:

> Selective controls are likely to single out particular groups for government action, and to leave others untouched. That is fine in theory, but the trouble is that it leads the government into a general program because every group in the community wants someone else to be the target of government action.

It is worth continuing to read from this speech. The minister went on to say:

> The second point is one of general application ... It is the problem of anticipation ... All of the people selling goods in the country would be inclined to say, 'Let us get our increases put into effect before the government takes these measures.'

I suggest that the Minister of Consumer Affairs would have done well if he had read the words of the Secretary of State for External Affairs before introducing this bill. On the occasion in question, the minister condemned the use of selective controls because of Canada's large dependence on foreign trade. He said:

> One would be forced, from putting on selective price controls, into selective export controls.

I commend those words to the Minister of Consumer and Corporate Affairs (Mr. Gray).

The use of selective controls by this government is nothing new. We are all well aware of the government's bread and milk subsidy programs, two programs which by the end of March had cost Canadian taxpayers $120 million and $87 million respectively, but did nothing to hold down prices. The government announced on September 4 of last year that milk prices would remain at current levels for 12 months. Notwithstanding that statement, milk prices to consumers rose last month, despite the subsidy, by about four cents a quart. We are told by the Minister of Agriculture (Mr. Whelan) that we can expect further increases in milk prices. Bread prices also rose from two cents to four cents a loaf last March, despite the $1.25 per bushel wheat subsidy which was imposed on September 4 to hold down prices, and despite the unheeded mumblings and grumblings of the relatively impotent Food Prices Review Board. Of course, the crowning failure of selective controls by this government was in its attempt to control beef prices and increase production by introducing a beef subsidy last March 15. The result was a complete disruption of the cattle market and even heavier losses to cattle producers.

This is the kind of result selective controls have on producers and consumers. Yet this is the kind of control the government is opting for under this proposed legislation. I wonder when the government will finally wake up to the fact that selective controls are inherently unfair, in view of the fact that they tend to discriminate against certain sectors of Canadian society and certain products. Only a comprehensive price and income stabilization program could hold the line on inflation while not jeopardizing any particular group.

The Prime Minister (Mr. Trudeau) has been referring to this bill as an anti-inflation measure. Really, a most careful scrutiny of the contents of the bill would cause even the most objective observer to harbour the gravest doubts about it. I doubt if this piece of legislation will do anything at all to combat inflation. If the government's past performance can be used as an indicator, it is easy to see that it has consistently refused to accept the recommendations of various agencies to hold down even the most blatant examples of price increases.

Consider the report of the Food Prices Review Board on eggs. This report was made by the board on January 9. At that time the board said that egg prices were too high, and it recommended that the government take steps immediately to roll back the price of eggs. The following day the Minister of Consumer and Corporate Affairs said he would do something, that he would take action on the report. When the House resumed, the buck was passed by the minister, who is the best buck passer in the government—and God knows we have a cabinet of buck passers—to the Minister of Agriculture, who is no mean performer himself when it comes to buck passing. He, in turn, passed the buck to the Farm Products Marketing Council, where the buck has stopped. We have not heard from that body since then, notwithstanding the fact that eggs have risen in price over 31 per cent in 12 months in Canada, and no action has been taken to date. Surely the minister knows that eggs are a most important source of protein for low income earners of this country.

The situation with regard to rising bread prices was identical. The Food Prices Review Board stated that any increase beyond two cents a loaf would be unwarranted. The government refused to take any action and prices went up in some cases as much as four cents a loaf. With the labour unrest in the country and the difficulties of the small bakers, we can expect even greater increases in the price of bread this year. In light of this experience, it seems to be too pious a hope to expect the government to now change its stance and start accepting the recommendations of its various boards and agencies.

● (1610)

It is important to note that this bill merely gives the government the option of acting to prevent price increases. There are no built-in guarantees that the government will do so. Even if the Trade Practices Commission recom-

mends a price roll-back or price freeze, cabinet may choose to ignore it. In view of so many past examples of just this kind of thing, we are really not expecting much from the government if this bill in fact ever becomes law.

As it stands, this bill seems to be a mere piece of fluff and unworkable in its present form. It gives all the appearance of being hastily contrived and a measure of political expediency.

Some hon. Members: Hear, hear!

Mr. McGrath: The determination of what are excess profits is so vague as to be almost meaningless. The bill says that the excess profit margin of a supplier is one which is greater than he would customarily obtain. Just how "customary profits" are to be determined is anybody's guess. We had hoped the minister would enlighten us on that today.

Mr. Stanfield: How could he when he doesn't know?

Mr. McGrath: That is right. That is why we got no further enlightenment from him today.

Another point of vagueness in the bill is the determination of the base price of a commodity under examination. This is to be up to the discretion of the governor in council. In addition, the cost of a product is to be computed on a basis consistent with that used in the last completed fiscal period of the supplier. A determination of profit margins using these criteria could result in gross injustices, both to the producers and to consumers who have to pay the price. So much depends on how cabinet interprets the margin of profit that nobody will know where he stands.

Furthermore, Mr. Speaker, has this government really envisioned the possible implications of its definition of excess profits? According to one economist, it would require a very large group of well informed bureaucrats, each having a sound knowledge of a particular industry, article or product to be able to give proper advice to the government. God knows that bureaucracy is large enough under this government.

Some hon. Members: Hear, hear!

Mr. McGrath: Surely, the minister knows that profits are a cyclical phenomena and that establishing a customary profit margin for a product based on the last decade may not be an easy task. In fact, it may be impossible.

If you base your measure of customary profit margin for a firm on last year's performance, for example, it would not be appropriate for every industry. Some were depressed while some were having a bumper year. Therefore, this government will only be increasing an already large bureaucracy, and God only knows what the result will be. The Food Prices Review Board is a good example. When the Food Prices Review Board was set up on May 28, 1973, its initial budget was $500,000 and its permanent staff numbered about 20. Since then its budget has quadrupled to the point where it is almost $2 million and its staff has more than doubled to 48. In addition, the Food Prices Review Board has entered into 29 contracts for 31 studies, thereby further increasing its bureaucracy.

Let us take a look at the power of this bill. The cabinet is given the ultimate decision as to what action to take with respect to demanding payment from suppliers or price roll backs and freezes under this bill. It may, on its own initiative, declare an emergency situation and refer the pricing policy of a particular supplier to the Trade Practices Commission.

Again on its own initiative, it may order the supplier to pay the Crown what it has decided are undue profits. In my view, that constitutes an arbitrary imposition of tax without reference to a ways and means motion of this House. I hope the hon. member for Peace River (Mr. Baldwin) will have an opportunity to say more about that later.

In order for the cabinet and/or the proposed Trade Practices Commission to exercise the discretionary powers under this bill, it will be necessary to closely monitor the market place. The minister may say that this role will be carried out by the Food Prices Review Board. I see the hon. member for Sarnia-Lambton (Mr. Cullen), a distinguished member of the food prices committee, smiling because he is skeptical. He knows whereof I speak. If we had to depend on the Food Prices Review Board to do the monitoring necessary under this bill, I would tell the House that this speaks for itself. Furthermore, the process by which this bill would become operative could be a long and cumbersome one which would considerably diminish its effectiveness.

Editorial writers and columnists all across the country have either dismissed the bill as so much political puffery, which it is, or have described it as bad law, which it is, that should never find its way as presented into the statute books of this country. The bill is imprecise in its application and vague in its definition. We have a responsibility to all our constituents. It would hang like a sword over every business person in the country because it could be selectively applied at any time. In the words of today's lead editorial in the *Globe* and *Mail* "There would be no fair warning". After the contribution by the minister today, he would do well to sit and ponder what he has produced before this House.

Some hon. Members: Hear, hear!

Mr. McGrath: We believe that if this bill ever passes, and we doubt very much whether it will become law, it should be subject to regular parliamentary review. Let me make it clear that this party utterly rejects the position that it should stay on the statute books of this country in its present form. If the opportunity presents itself, we will be moving amendments to try and strengthen and improve what is good about the bill and delete what is bad.

My point is that this bill is unacceptable to this party in its present form. We merely look upon it as another half-hearted attempt by this government to hang on to power, another half-hearted attempt to fill the shopping basket of the NDP in order to buy time while the Minister of Finance (Mr. Turner) keeps telling us the worst is yet to come.

Some hon. Members: Hear, hear!

● (1620)

Mr. David Lewis (York South): Mr. Speaker, my hon. friends and I have given the bill now before us very careful study. Indeed, we gave it very anxious study to determine whether it is a measure which can really help Canadians, which can really reduce the heavy burden of the increasing cost of living under which Canadian families now labour.

I want to emphasize that this is the only test which should be applied to this bill: will it in fact be of value to Canadian families? The ingenious framework underlying this measure—and it is extremely ingenious, so ingenious that it is a maze rather than a process—can obscure the issue, but cannot help it. We have also studied, for reasons I shall explain in a few moments, statements made by government spokesmen with respect to this bill—statements made by the Prime Minister (Mr. Trudeau) and by the minister who introduced this legislation and who will carry the responsibility for its implementation.

In view of the nature of the bill, we wanted to find out what the intentions of the government as to the application of the bill when it becomes law are likely to be. Mr. Speaker, I want to tell you immediately that on the basis of the bill which we have studied and on the basis of the timid statements made by the Prime Minister and by the Minister of Consumer and Corporate Affairs (Mr. Gray), statements which I shall outline during the next few minutes, we find it impossible in conscience to support this measure.

Some hon. Members: Hear, hear!

An hon. Member: So long over there, its been nice seeing you!

Mr. Lewis: I want to say to members of the Conservative Party on my right that they would be in the same boat if they were across the aisle, because if legislation is to bring effective results for the benefit of the people of Canada at this stage in our history it would be necessary for the government to possess the will and the courage to challenge and reduce the powers of the corporate market. Unless a parliament and unless a government has the will to challenge corporate power in this country, whatever is presented will inevitably be mere window dressing incapable of any effectiveness.

Mr. Speaker, I said we have paid particular attention to statements made on behalf of the government with respect to this bill. Why have we done so? We have done so because this bill, unlike many others, depends entirely—I repeat, it depends entirely—on the manner in which it is implemented by the government. I remind members of the House that the proclamation of the bill is of no effect. If this bill were passed today and proclaimed tomorrow, proclamation would have not the slightest effect. None of the bill applies to anything when it is made law. This is literally the case. None of the bill applies to anything, because before it can make any impact a second step is required—a declaration, as the bill calls it, a declaration by the government making the provisions of the bill applicable to an article or class of articles. The government can either declare the entire bill applicable or they can declare only part of the bill to be applicable; they are not obliged to declare sections 51, 52 and 53 which deal with a price freeze and with notification. They are not obliged to declare those sections if they do not wish to do so.

The bill gives the government a further power, the power to define what is meant by customary profits. This definition is binding on the director of research, binding on the commission, and, presumably, binding on the courts, if an issue gets to the courts. The government is the body which makes the decision as to what is the base price under sections 51, 52 and 53. It is the government which has the power to apply or not to apply the terms of the bill to an article. It has the power to apply the whole bill or to apply only part of it. It has the power to define customary profit, the power to define what is the base price. I say the bill is not worth the paper it is written on unless the government is prepared to take action. In these circumstances, the intention of the government—what the Prime Minister said when he told us the bill would be introduced, and what the Minister of Consumer and Corporate Affairs said when he introduced the bill and made statements to the press outside this chamber—are of great importance in considering whether or not we can support this legislation, since they indicate what the intentions of the government are.

I turn, therefore, to a report in the Montreal *Star* of April 25, a report which appeared in a number of other papers. Here is part of this report. I quote:

> The Prime Minister indicated that the legislation might not be proclaimed until needed. He suggested that the threat of it would be enough to stop companies from profiteering.

Mr. Speaker, the Prime Minister has been making these threats for months. I have not noticed that profiteering has stopped, and to suggest that this might happen is sheer silliness.

Then, I note what the Minister of Consumer and Corporate Affairs said, according to a recent report. Again, I quote:

> The minister indicated, however, that the powers were to be used sparingly. "They would only apply to the most serious and obvious cases".

So those are the intentions of the government. They bring down a bill which gives them the power to act and they inform the people of Canada that they do not intend to act, except, possibly, in the most serious and obvious cases. In other words, a little profiteering is okay, you can get away with it; only when there is immense profiteering on a scale that even the Minister of Finance (Mr. Turner) cannot deny, will the government act. And the Prime Minister says: Maybe we shall not have to act at all.

When the government tells us they are concerned about profiteering I cannot help recalling that both the Minister of Finance and the Minister of Industry, Trade and Commerce (Mr. Gillespie) have been going about the country in the last little while telling everybody within earshot and everybody who can read that profits and high profits are a good thing because they encourage investment and create jobs. Am I supposed to believe that a government consisting of the Minister of Finance, the Minister of Industry, Trade and Commerce and the Minister of Consumer and Corporate Affairs, who made the statement to

which I referred a few months ago, is likely to make this bill work except in cases no one could possibly overlook?

In fact, in one of the supporting documents the minister issued when he introduced the bill—and listen to this, Mr. Speaker; how can the minister expect us to support the measure in these circumstances—the statement appeared: "Available evidence does not suggest widespread abuses". I do not know what the minister means by the word "abuses". All I know is that a report in the newspaper this morning of a private survey of 111 companies in this country showed an increase in corporate profits for the first quarter of this year amounting to 70 per cent over the first quarter of last year. Part of that increase was undoubtedly connected with exports going outside this country but a major portion was made out of the hide of the Canadian consumer. What more evidence does the minister require in order to show that there had been abuses?

We have placed on record on a number of occasions in this parliament the profits made by various sectors of the economy including, for example, figures showing that the profits made by Westons had risen 86 per cent in 1973. When the minister gave us an example in one of the documents he presented—I know he changed it today—he said the customary profit would be the profit made a year ago. That is not going to make George Weston cry or tremble in his boots. He is going to laugh all the way to the bank with that kind of active profiteering. I emphasize again my reference to the Minister of Consumer and Corporate Affairs as that is of particular relevance and particular emphasis because of the fact that under the act he is to administer this bill; he is to implement the bill. If this government continues and the job is left in his hands, in view of the statement he has made, that alone is reason enough for voting against this bill.

● (1630)

Members of my party and I have frequently emphasized that we are opposed to over-all price and income freezes and controls. I could not help but feel a little amused when the hon. member for St. John's East (Mr. McGrath) was castigating the government for the relatively small bureaucracy the bill might produce, and when he was suggesting a comprehensive price and income freeze and control. Really he ought to have had his tongue in his cheek, as I cannot think of anything that would require a larger bureaucracy, than that kind of policy.

An hon. Member: It would help the unemployment problem.

Mr. Lewis: We have opposed this and so have members of the Conservative party in spite of what they say. At one moment they say they want comprehensive price and income controls. At the next moment they say there will be no price control at the farm gate, and that is a pretty good exclusion. At the next moment somebody says that, of course we cannot freeze all wages and we will have to let somebody have a little more flexibility, and at the next moment somebody mentions some other exclusion. The reason they make these exclusions one after the other is that even they realize when they state it that their policy is either unworkable or unjust, and is most likely both unworkable and unjust.

There are a lot of people who claim that certain workers in Canada should be prevented by law from striking. We have had evidence of the fact that because there is a law that makes striking illegal does not necessarily mean some people will not in the tragedy they find themselves, and in the distress from which they suffer, take action which may be unlawful as far as the law is concerned. To suggest that those people should have their wages frozen, that the hospital workers in Ontario should have their wages frozen for even 90 days, and for another year and a half or two years, is really too uncivilized.

We have equally rejected the idea that the government can do nothing, because there are areas in which action is possible. We have suggested among other things four ways in which to ease the pressure of inflation in Canada, and I have chosen my words carefully. I do not think any policy can, in the present international situation, remove the pressure of prices, and anybody who suggests that he can wave a wand and end inflation in Canada completely, does not know anything about economics, or is dishonest, or is both lacking in knowledge and dishonest. It cannot be done.

There are ways in which the burden of the cost of living can be reduced and there are ways in which profiteering at the expense of the people can be effectively stopped. We have suggested an effective agency with power to roll back unjustifiable increases in prices. We have urged an excess profits tax and we have urged a two-price system for a number of major commodities so that Canadians are not forced to pay the price for their own products that the international markets can now command. We have also urged on the government and on the country a policy on mortgages that would reduce mortgage rates to 6 per cent, which would be of immediate assistance to every family seeking a house and to every family renting a unit.

Of course, I appreciate that this bill does accept the idea that there is profiteering and that profiteering should be stopped, but I have no illusions about the fact that it was intended at least in part, before anybody on the Liberal side jumps to his feet, and I would even be inclined to suggest in major part, and even go further than that and suggest a significantly major part, as a sop to the NDP members in this House. But we do not intend to accept a piece of legislation that plays a hoax on the people of Canada.

Let me now deal with the bill itself. Why do I say it is a hoax? First, please note that it does not cover services, and that plays an important part in people's lives, because what is involved in services are not merely lawyers, doctors, engineers and architects, important as they are, but also involves banks, insurance companies, loan sharks, mortgage corporations, restaurants and transportation, although transportation has its own CTC, and all of these areas affect the cost of living directly. I simply do not know what kind of timidity prevents the bill from applying on a selective basis in all the areas that affect the living of Canadian people.

• (1640)

The Minister of Consumer and Corporate Affairs in more than one newspaper report I have read is quoted as having said that this bill does not apply to housing. If that is true, that alone condemns the bill as worthless.

Some hon. Members: Hear, hear!

Mr. Lewis: Just imagine pretending to deal with profiteering and leaving the builders and developers to do as they like with the Canadian people and the lives of Canadian families. That is my first objection, that it does not apply to services, housing and that kind of area. Second, the minister has made clear in introducing the bill that the sections which give the government authority to invoke the provisions of the bill on its own without a prior inquiry would be used only in emergency cases. Those are his words.

In an emergency the government could itself without any prior inquiry declare the application of the bill to an article or class of articles. In order to do that the government would have to have some information. If it is to rely on information from the Department of Finance, from the Department of Industry, Trade and Commerce or Statistics Canada, if that is to be sufficient to deal with the situation, why in heaven's name do we have all this rigamarole about people making inquiries under the Public Inquiries Act? I ask the minister whom he is trying to fool. If it is possible to act on the basis of information already available through the normal departments of government, why is there this rigamarole in respect of this bill? The fact is that it is impossible for the government to act really on the kind of information that is available through the various departments. Therefore, I come to a very major omission in this bill which makes it exceedingly weak if not worse; that is, it does not provide for a continuing agency monitoring and inquiring into prices right across the line in this country.

If one meant business, if one were serious about this, obviously what one would do is have a continuing monitoring agency to see what is happening in respect of prices with the power either under the Public Inquiries Act or special powers, I do not care which, to look at the books of the companies enterprises and concerns involved so that there would be on a continuing basis the kind of information on which a government might quickly act. But we do not have that. We have no monitoring device which has any power. The government is to act on some information undefined at some time, God knows when. That is a big hole in the legislation.

I object as strongly as I can, thirdly, to the fact that the bill is given into the hands of a part-time commission. I just cannot understand that. I cannot understand it because it indicates to me a lack of seriousness. The job of implementing or administering this bill is given to the Trade Practices Commission as it is now to be called, the Restrictive Trade Practices Commission as formerly called, which has an immense job now under the old act. The new competition bill will add tremendously to its duties. It will be very busy dealing with all sorts of things that are now described and defined in the old act and in the new competition bill. We therefore ask whether giving that commission the job of looking after the cost of living of the Canadian people makes any sense to anyone who is serious about the matter.

The government realized what it was doing and in part tried to put somewhere in the bill a clause which says that any application by the director of research to the commission should be given priority insofar as is practicable. Insofar as it is practicable—who is to decide that and when? I suggest it is a sign of a lack of seriousness that the government could not establish a special commission full time that would be allocated to this important job, to this most important job so far as the lives of the Canadian people are concerned. If the government wished to make this a permanent commission, why does it not have a second chairman so that there would be a separate panel of the commission to deal with nothing else but the application and implementation of this legislation. It is my feeling that the absence of a full-time commission to deal with this simply fails to show seriousness.

Then, when we look at the way in which the information is to be gathered, again I cannot understand that. I may be missing something, but I studied the bill for two days. I have re-read it thoroughly until I know it almost by heart, and I just cannot see it. What is the normal process? Remember that the minister said that only in an emergency would the government act on its own motion. The normal process is an inquiry by someone under the Public Inquiries Act, either the Food Prices Review Board or the other inquiry that the minister said the government comtemplates appointing. So, you have one inquiry and on the basis of a report from that inquiry the government makes a declaration applying the act to certain articles. When it has done that there is another inquiry by the director of research and investigation of the Trade Practices Commission and when he has finished there is a third inquiry by the commission itself.

By the time this elongated process ends the skin of thousands of consumers will have been completely taken off.

Some hon. Members: Hear, hear!

Mr. Lewis: I have asked myself a dozen times since I read the bill, if these people mean business why is there this elongated complicated process. You appoint someone to make the inquiry and on the basis, of that inquiry you make a declaration and shoot it to the commission to make the order. If the commission feels it is necessary to have a hearing the parties concerned will have their day in court. This I fully support because it is part of our law and tradition. I have no objection to that. The commission has that hearing by appointing an inquiry before the declaration and after the declaration and then that is followed by a further inquiry by the commission. At every stage there is delay because of the way in which a company could withhold its books, lose its invoices or lose its bills and the way in which it can obfuscate and obscure the facts from the inquiry. The delay at every stage of the process makes this bill not a serious bill.

Then, we have an important part of the bill, clauses 51, 52 and 53, which contains the germ of what we in the New Democratic Party have been after for a couple or more years; that is the power to stop a price increase if it is undesirable and anti-social. Heaven's above, the steel cor-

porations have increased steel prices half a dozen times in the last 12 months, and steel enters into the construction of homes and of every appliance we use. The nickel manufacturers have increased the price of nickel. The prices of copper, lumber, bricks, cement have all increased. All of these things that enter into the cost of living have been increased immensely in the past 12 months. In our submission, these firms should be made to give notice in every case that they intend a price increase.

● (1650)

Some hon. Members: Hear, hear!

Mr. Lewis: When a thorough but quick inquiry is made and a price increase is found to be unjustified, there must be immediate authority to tell the company that they cannot increase their price. I invite members of this House, members of the press and the public to read sections 51, 52 and 53 carefully. What you will find is, first, as I have already said, that the government does not have to declare those sections; it can declare the rest of the act without them. Second, you will find that even when they declare those sections, all that will happen will be that the firm will have to give notice within 30 days or an earlier period. There is nothing in those sections that gives anybody except the court the authority to say to the firms: the price increase you propose is unjustified and you cannot have it.

Neither the commission nor the government is given the power to do that. So, in order to freeze the price after notification of a price increase, the minister was bold enough to say that he had the power to freeze the price. I tell him he is talking through his hat. He does not have that power. In order to freeze the price, the attorney general of Canada (Mr. Lang) will have to go to court and make an application for an interim injunction, which he could get *ex parte* under certain conditions.

I have practised enough law, not for very many years of my life but enough of it, to know that when you start on that road, the consumer will not get any help. There is a hearing in court and probably an appeal from the decision of the court, and God knows when the price freeze will actually apply. Why is that? If the government provides in the bill a way in which people must give notification of a price increase, then what is it that prevented this government, other than its lack of seriousness, from adding a subsection saying that in such cases the cabinet, the governor in council or the commission will have the authority to say: You cannot increase your price unless we give you permission to do so.

Mr. Gray: That is what it says.

Mr. Lewis: It does not say anything of the sort. Let the minister read his own bill. In order to get that, he will have to go to court.

The kernel of the bill, of course, is the definition of customary profit and the definition of base price. Why did the government make reference to what they call "customary profit"? This is where I think my friend, the hon. member for St. John's East (Mr. McGrath), is wrong when he says that this bill represents selective price control. It is nothing of the sort. It is an ill-digested attempt to stop some obvious, serious and visible profiteering, and that is all. If it were going to be a selective price control bill with any meaning, then I suggest that the criterion should have been a reasonable price in the light of increased costs of production, taking into account inflationary influences on the cost of production. An assurance should have been given to the consumers in Canada that the profits which have been made in the last two years at their expense will not be the guide as to what they are to pay after some law comes into effect, but the guide will be the price they paid before inflation became unbearable to the people of Canada, say two or three years ago, adjusted to the increased costs of production including the weight of inflationary influences.

That is not a complicated concept and it could have been written into the law so that everybody would know, not only the consumer but the supplier, exactly what it is we are after, and no selective price control mechanism is of value if the price is held at the level which it has already reached in relation to the profits that the corporations have already made. For heaven's sake, how much more are you going to let the corporations make at the expense of the people of Canada?

I want to express one more criticism of the bill and then make a few more general comments before my time expires. I object to the fact that the bill says that inquiries are to be in private and that even the commission may, if it decides, hold its inquiries in private. One of the values of this kind of legislation is that the people of Canada know what is happening to them.

Some hon. Members: Hear, hear!

Mr. Lewis: Once the cabinet makes the decision that there is enough reason to declare the act applicable to certain suppliers and certain products, there is no excuse for having the inquiry in private, other than the protection of the profiteers.

Over a year ago we urged parliament and the government to establish a Food Prices Review Board with power. We got a Food Prices Review Board without power, and all the time that very intelligent chairman of the board goes around the country babbling things, the prices continue to go up. We agreed to the foreign investment bill, and after urging that it be strengthened we succeeded in having it strengthened, but so far only a part of it has been proclaimed. The most important part has not even been proclaimed, and I do not know what has happened to it. With regard to the Trade Practices Commission, let us remember the years that that commission has taken to deal with anything concerning the Canadian people. Let me remind you of the sugar cartel in Canada. After the three firms involved had already been fined, it took the commission ten more years before they got them into court again, and in the meantime there have been absolutely criminal increases in the price of sugar to the Canadian consumer, while the commission took ten years to find out again what it had found out ten years earlier.

I state to the government, to my friends in the House in all sections through you, Mr. Speaker, that we are not prepared to accept the kind of sop that the Food Prices Review Board has turned out to be.

Some hon. Members: Hear, hear!

Mr. Lewis: The points which I made with regard to the bill, the statements of the government to which I referred, indicate clearly that neither the bill nor the government are serious about assisting the Canadian consumer in a meaningful and effective way. It is a sop to us which we are not accepting. It is a piece of political windowdressing that attempts to tell the Canadian consumer that something is being done for him when in fact nothing is being done for him.

Finally, we reached a decision, not with any glee because the condition of the Canadian people in the present situation deserves the attention of this parliament and of this government. Canadians deserve legislation that will reduce the burden of the cost of living on the Canadian family, that will really hold prices in selective areas at a reasonable level, and that will really hit everybody who is trying to profiteer at the expense of the Canadian consumer. We need such legislation, but we need legislation that is good, that is tough, that is effective, that is serious and that is meaningful. We cannot let the government get away with the kind of legislation it has now proposed, mere gestures in an area which is too serious to be treated with the contempt that, in my view, this bill suggests.

● (1700)

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, once again we find that this government is not interested in solving problems. In an article published in *La Presse* the Minister of Consumer and Corporate Affairs (Mr. Gray) is reported as saying that this bill is first and above all intended as an instrument in the fight against inflation. Going through the bill clause by clause we realize that it will not solve inflation problems but change the name of the "Restrictive Trade Practices Commission" to the "Trade Practices Commission." It is fantastic to see how a name change can help people!

Furthermore, the number of standing members will be increased from 4 to 7. That might at least help create three more jobs but what will people derive from it? Absolutely nothing, probably a little less money. Three jobs will be created at the expense of the people of this country who will have to pay further taxes to pay for those three jobs. People did not benefit from it yet.

What about the authority to appoint five temporary members if necessary. The bill indicates further that that will not be used often.

Third, the commission has no other power than to inquire and report its findings to the minister but not on its own only after securing leave to inquire. They cannot even inquire on their own. They have to secure permission to inquire from the government. And there is still talk about wanting to solve inflation problems, those of the years 1980 or 1985 and not those of today. But when permission has to be secured to do a rush job type of inquiry as witnessed in recent years I am sure that people will feel the taste of inflation problems for a hell of a long time yet.

Fourth, the Governor in Council determines what products will be investigated. It seems to me this bill would allow for pressure to be applied on companies.

Go and see them before the election with the bill and tell them: If you do not contribute to the election fund, your production will be declared under the legislation. If you contribute, we will let you go. The Liberal party is sticking a knife in the manufacturers. No provision of that bill deals with sectors which precisely contribute to inflation in Canada. Service industries, banks, finance companies and real estate operations are left out. Recently, the Bank of Canada was allowed to increase its interest rates. Now automatically, the chartered banks increased theirs, thus raising production costs in Canada. The government is not considering a review of that practice. If it prevented the banks from exaggerating, prices could be reduced and the public would be satisfied instead of leaving the so-called inflation die out, as it is now, but nothing is done.

Finally, the bill states that if there are abuses—after three series of inquiries, as was suggested by the hon. member who spoke before me—if the government decides that abuses actually took place it can force the manufacturer or the company to pay back the excess profit not to the consumer but to the government. This is a new method of taxation. They do not have the guts to go and tax people because it is not politically advisable but they found a new way of levying a new tax through companies. And who is going to foot the bill? Still good old John Q. Public because of shameless gouging not abusive practice on the part of companies but intellectually abusive practice on the part of this government. There is no proposed solution, nothing specific in the sense of facing any or all sectors of the economy with the possibility of consumer protection. The bill says only that if a government feels it should apply the act at some point it will do so but if it does not feel it should at some other point it will apply it in part or not at all. In other words, as was so properly suggested in the heading of a column by an economic critic, "An act that will check absolutely nothing." A non-act. We waste our time discussing pious wishes, leading Canadians to think they will be able to meet all their needs with their current purchasing power. If but a ray of hope could allow them to look forward to that then we could say an effort was made to help them. But Bill C-29 now before us indicates in no way any possibility or ray of hope for Canadians that their current purchasing power will enable them to meet all their needs. As I said earlier, banks and finance companies are allowed to increase their interest rates. There is complaining about higher salaries but the cost of production and production financing is allowed to go up to such an extent that no increase in salaries will ever catch up with production cost. In other words, the government cannot give any guarantee whatsoever, it is not seeking any means to ensure that $1 in wages will equal $1 in production. The situation is allowed to deteriorate and when we compare the figures with those of 1940, we realize that today $1 does not buy $1 in production, but 18 cents. There are loud complaints about inflation, international inflationary pressures, while in our countries, the cost of houses is allowed to get higher. For instance, we still have an 11 per cent tax on building materials that is another factor in price hikes. Nonetheless, we complain about inflation!

Legislation like Bill C-29 is introduced, a bill which is not really a bill, but simply a sheet of paper to make the

population believe that the minister did finally wake up. However, we can be assured that such a bill will represent a considerable amount of work for the members of parliament during the next few days, if only to convince the minister to make some useful suggestions, because it is easy to see that Bill C-29 has missed the boat and missed it lamentably.

These, Mr. Speaker, were the few comments that I wished to make and, in closing, I should like to tell the minister that he should not only try to put the population to sleep but to wake up himself and as soon as possible, because it is not with a bill like this one that he will stop the inflationary price increase and the arrogance of certain companies like the oil product companies, for instance, or the sugar manufacturers, who, as was stated a while ago, could not care less about the government and continue to increase their prices. However, the government helps indirectly these companies to laugh at the government by introducing a bill like Bill C-29, in which they are told quite simply: We are here, but we shall not bother with the problem and if, at any time, we feel that you are acting up too much, maybe then we can apply a little pressure to scare you.

But the government is not at all serious in introducing such a bill, and I hope that the minister will at least have the decency to wake up before third reading and propose amendments to the House or accept amendments which will at last enable the population to have if not a satisfactory legislation, at least a partly logical one instead of a nonsensical one.

● (1710)

[*English*]

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I believe that, once again, the government has introduced a good bill because one hears from the other side of the House speeches of contradictory indignation. The NDP contends that this bill would tie the hands of business and inhibit its ability to compete in world markets, an ability which is important as we are an exporting nation. Presumably the NDP is thinking of the way business should be run under an NDP government. I suggest that under such a government, unemployment would rise to over 20 per cent, and that government would be kicked out, as well it should be. I am referring to the tying-of-the-hands-behind-the-back of business approach of the NDP.

On the other side of the record, we hear the contradictory indignation of the Conservative party. What does the leader of the party suggest we should do with regard to those exorbitant or unconscionable profits being made by a very small segment of our business community. We should, as the Progressive Conservative party suggested in British Columbia, hold an informal inquiry. This bill occupies ground somewhere in between those two positions. We say that in cases where business is making an unconscionably large profit the government is obliged to act. That is the philosophy behind the bill.

I was surprised to hear the leader of the NDP this afternoon say that he could not understand why inquiries in relation to excess profits should be conducted in private. I think he has been a politician too long, and too far removed from the courts and the days when he was a practising lawyer. He stated that if there were some

[Mr. Caouette (Charlevoix).]

suggestion of some particular business making unconscionable profits, that business should be deemed to be guilty and be required to prove its innocence in the full glare of publicity. I suggest, with respect, that is contrary to everything we have been taught under the British system of justice. The hon. member, after the next election, will be given the opportunity to return to the practice of law and learn what justice under our constitution means.

Mr. Baldwin: Has the hon. member some clients from his side of the House lined up?

Mr. Cullen: We also heard members say that the government has done nothing to fight inflation in Canada. We can take that to be nothing but political rhetoric, because when such people are faced either this year or next, with a list of the things the government has done, they will be forced to admit it has done a tremendous amount to combat inflation.

What does this bill endeavour to do. As was indicated in the Speech from the Throne and in speeches of the Prime Minister (Mr. Trudeau) before and since that time, the government has been actively exploring the means to prevent profiteering from increasing prices. As a result, we have the bill before us to amend the Combines Investigation Act in relation to profiteering practices. It will provide the government with authority to protect Canadians from certain price gouging and profiteering practices which can occur in present conditions of inflation. I submit the government is carrying out its responsibility in this area because it is concerned that certain business enterprises have been taking advantage of current economic conditions and unduly enhancing their profits.

The available evidence does not suggest that these abuses are widespread, but if one listens to the political rhetoric of the opposition one might think that they are extensive. I submit that the proposed measure will enable the government to deal with these abuses where they are found to exist. No such legislation now exists, and the government is obliged to bring forward a measure such as this. This is not the only measure, but is one of the measures in this area.

In my view, this bill will be a boon to those businesses making large but not excessive profits, because they will be given the opportunity to put before the commission or tribunal facts and figures to show that their profits are not exorbitant. They will be able to deal with political rhetoric as practised by the NDP, and the NDP will learn that you cannot fool all the people all the time, a message they have been slow to learn.

Recently, the position adopted by the NDP with regard to percentages was attacked by the Ottawa *Journal*, which showed how ridiculous is the approach of that party when it considers increased profits in percentage terms. That newspaper mentioned a mining enterprise which had lost substantial sums of money for 10 years and in one year, according to the criterion of the NDP, had increased its profits by 4,000 per cent. It asked, would this increase in profits be challenged as exorbitantly large in view of the losses sustained over the last 10 or 15 years.

It is interesting to note that when we deal with small amounts of money, or small increases in profits, percent-

ages are quoted. When we speak of return on investment, and there is a minimum return on investment, we hear millions of dollars mentioned, not percentages.

The hon. member for St. John's East (Mr. McGrath) indicated that the Special Committee on Trends in Food Prices met several times and made excellent recommendations, most of which the government accepted. Probably only one has not been accepted, the recommendation with regard to establishing the standing committee on consumer affairs. I bring that recommendation to the minister's attention. It was an excellent one.

It was suggested that the Food Prices Review Board is a monitoring board. The food prices committee did not reach its decision lightly. Our terms of reference said that we had to confine our recommendations to the food industry. It was a Progressive Conservative government of Alberta which recommended that it not be a tribunal with powers to roll back or fix prices. Their recommendation was a monitoring board. In effect, that recommendation came also from other sources. It was solely the decision of the food prices committee. It was the decision of the committee based upon evidence presented to it by no less an authority than the Progressive Conservative government of Alberta. This Food Prices Review Board came up with excellent reports. I am not surprised that it is being attacked by the Progressive Conservative party because it showed the temporary wage and price controls policy of the Conservatives for the sham it is.

● (1720)

In times of shortage, we bring in this kind of legislation to cope with someone who might gouge as a result of the inflation which exists today in Canada. However, in times of shortage you do not put on controls. You do not try to control the import of foodstuffs from outside the country. The Conservatives have yet to indicate how they would control prices established in the international market.

A careful reading of the report of the Special Committee on Trends and Food Prices will indicate that among the recommendations there is a suggestion that one of the causes of inflation, particularly in the food industry which probably has the greatest impact, is the effect of increasing production. It is spelled out throughout the Speech from the Throne that this, in fact, is an area in which we must be moving. We must increase production, not only on the farms, but in the manufacturing industry. That is the approach that will win in the long run, not some temporary panacea such as wage and price controls.

The political speeches we heard this afternoon were almost a gasp of desperation from the opposition. It is interesting that one member says there is no place for a westerner in the Progressive Conservative party. On the other hand, we find that in Quebec there is a place in the Conservative party for a candidate judged to be too separatist by the Union Nationale party.

Mr. McGrath: Mr. Speaker, I rise on a point of order. How can the hon. member who has the floor relate those remarks to the bill before the House?

Mr. Cullen: Mr. Speaker, I would be happy to do so. Apparently the hon. member was not listening to all my speech. He only listened to a part of it. I indicated that the official opposition party, in its attack on this bill, was not making a sincere attack. It is really a desperation measure brought on by the splits within that party. The are not attacking the bill on its merits, but are simply trying to nudge their new-found NDP friends into an election.

No one suggests that this bill is the complete answer to the problem of inflation and rising prices. It is simply an attempt to attack one area where individuals might be taking advantage of the present situation. It is wrong to suggest no other measures have been taken. I could just list a few things. We have lowered income tax, particularly for those at the lower end of our tax scale. We increased family allowances, old age security, the guaranteed income supplement, veterans pensions and the Canada Pension. This is only one more measure in the attack we are making within the scope of an individual country to fight inflation.

If this bill and the other steps I have suggested are not the answer, we have to look to other parties for alternatives. What would be the situation if the official opposition had been the government for the past 16 months? We certainly would not have had a bill like this, although most assuredly we would have needed it. That party was advocating a deficit of $2 billion to $5 billion. It has not made up its mind how far it should go. What would that have done to inflation in this country? We are a trading country. That measure would have induced inflation.

The official opposition has talked of a 90 to 120 day freeze. When criticized, they decided it would not work too well and opted for 90 days until my colleague, the hon. member for Bruce (Mr. Whicher) pointed out that if you interfere in the market place to this extent, you cannot do it on a temporary basis. He said that price increases and production would simply be held back, and we would be hit with their full effect at the end of the 90 or 120 day period. We heard suggestions from time to time that the measure that should be taken would be to put on wage and price controls for a period of two years. I must say that 33 per cent of the young Conservatives had the good sense to realize this was not the policy to combat inflation, particularly the kind we have in Canada today.

We hear the opposition parties talking about the fact that interest rates have been on the increase and should be lowered. They say that money should be lent at lower rates. Who would lend? When I hear that, it reminds me of the story that has been told in this House about the lady who went to a store and told the storekeeper she could buy bananas down the road for 20 per cent less. When the chap asked why she did not go down the road to buy bananas for 20 per cent less, she said they did not have any. The storekeeper told her that when he did not have any bananas, his price was 50 per cent less. That seems to be the philosophy of the opposition party.

Mr. Dick: What is the point?

Mr. Cullen: I am surprised the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) does not understand. He was not listening.

Rather than surrender to inflation, there has been a recognition by this party of that particular factor in our economy here today. Where most parties in past throne speeches have tried to hide behind things difficult for the

country or any political party to face, we spelled out the problem in the throne speech. We indicated the measures to be taken. Just as important, we indicated some of the measures not to be taken; certainly not the imposition of wage and price controls.

This bill is complicated. We are dealing with a complicated situation. We recognize that the majority of businessmen in Canada are not taking advantage or charging exorbitant prices. We have to deal with a very small segment of the community. Sometimes large businesses make excessive profits. These have to be identified and price gouging has to be stopped. This bill is one step in that direction. I am prepared to support this bill, not as the be-all and end-all, and not as the way to stop all exorbitant profits, but certainly as one weapon in the arsenal we are using to fight inflation in Canada.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, many Canadians are asking why the government had the Minister of Consumer and Corporate Affairs (Mr. Gray) bring in this bill as an amendment to the Combines Investigation Act. I suppose some might suggest that this measure is given an aura of respectability in the sense it is not a new act, but an amendment to a long-standing and existing act. It may gain some respectability by appending these new powers to an existing tribunal, the Restrictive Trade Practices Commission, which will now become known as the Trade Practices Commission.

There is another explanation that may have more credibility and which is receiving a much wider degree of acceptance in Canada. It is that the Prime Minister (Mr. Trudeau) or the Minister of Finance (Mr. Turner), who might normally be expected to introduce a legislative measure of this nature, wanted to get as far away from this piece of legislation as possible. Indeed, I think that the presence or lack of presence of ministers in the House this afternoon is a clear indication that the government has some reservations about this legislation. They have thrown it out as a trial balloon. The hon. member for York South (Mr. Lewis) called it a sop to his party. The government has made a scapegoat of the Minister of Consumer and Corporate Affairs because it now appears he will fall flat on his face.

The other significant aspect of this debate is a statement made today by the leader of the New Democratic Party. I do not have the advantage of the *Hansard* record of today's proceedings, but I will quote the statement as accurately as I can. I think it is important, not only in the sense that it tells a story concerning this piece of legislation and the evolution of the NDP, but because it tells the story of this 29th parliament and what has been going on, if the people of Canada do not already know. The leader of the NDP said "We are not prepared to accept again the sort of sop that the Food Prices Review Board turned out to be". To my way of thinking, that is a candid admission that they have been handed sops in the past. They have accepted them, they have been had, and the people of Canada now know that. I do not really want to gloat and say "We told you so" but maybe this is the importance of the conversion we have witnessed today. It is a sign that a minority party in this House, a party which has for so many months prevented the people of Canada from having a say concerning the economic questions confronting this nation, has at last admitted that it is time for a change.

● (1730)

The leader of the NDP attached a good deal of importance to statements made by the Minister of Consumer and Corporate Affairs since this bill was given first reading on Monday. He also referred to statements made by the Prime Minister. Since the powers for which provision is made in the bill are powers which are delegated to the executive, and to a tribunal, and since they do not become operative automatically, but at the pleasure of the government, the hon. member for York South was correct in saying it was important to take these statements into account when assessing what the government will likely do following the bill's enactment. That is a responsible position and it is one which members of my party will take.

I am glad to see the Minister of Consumer and Corporate Affairs in his place because I want to throw out some challenges to him. Perhaps he can arrange for some answers to be provided. Can the minister indicate who are the suspected offenders in terms of gouging and profiteering? What are the mischiefs to which the legislation is directed? Is it the price of oil, is it the oil companies which the government intends to reach through this legislation?

Now, if we look at the bill carefully we find that oil may be exempt. The bill refers constantly to "articles", and the term, "article" is defined in the present Combines Investigation Act as meaning "an article or commodity which may be the subject of trade or commerce". Mr. Speaker, there is another bill before parliament, presently in committee, Bill C-7, an Act to amend the Combines Investigation Act, which extends the definition of "article" and included in that extended definition is "energy, however, generated". We can only conclude that if the government found it necessary in Bill C-7 to extend the definition of "article" and if the bill now before us were to receive speedy passage before Bill C-7, and we had to rely on the old definition of "article", then "energy, however generated" would be excluded.

Let me suggest some further examples. Does the government have in mind the price of eggs? The price of eggs may be exempt under this legislation because it relates to an agricultural product. There may be profiteering on the part of those who sell eggs, but they are exempt. What else does the minister have in mind? He has declined to give us any of the necessary information. The whole philosophy of this legislation, if there is any, is to place these powers in the hands of the Governor in Council, the cabinet, which in turn may seek the advice of the Restrictive Trade Practices Commission. Trust us, they say, and somewhere along the line we may take action. In my view, this is not good enough. It is too arbitrary. It runs contrary to a fundamental rule of law, a fundamental principle which should be contained in all legislation which receives the approval of the House.

Consider certain other sections of this legislation. What about services? Services were mentioned by the hon. member for St. John's East (Mr. McGrath) and by the hon. member for York South. Now the minister certainly mentioned them when he spoke not long ago in the debate on

Bill C-7. They are included in that bill. He said that 20 per cent of the gross domestic product of this country was comprised of services, and that this percentage figure was increasing. Yet for some mysterious reason which the minister could have explained in the last two days, services are not included. Is the minister suggesting that there is no possibility of profiteering or gouging on the part of the professions in Canada? Is he suggesting that management consultants, accountants, those involved in private transportation enterprises, advertising agencies and consumer finance companies are incapable of engaging in profiteering or gouging? Why were they excluded? Again, this is a selective policy, and it is one which should not be supported by members of this House.

Reference has been made to the cost of housing. Again, I refer to the definition of "article" as contained in the Combines Investigation Act. If this bill were to be dealt with expeditiously and passed quickly—I hope it will not—the word "article" which would be applicable would not include housing. There is a new definition of article in Bill C-7 which may include aspects of housing. I quote:

"article" . . . includes:

(b) deeds and instruments relating to or evidencing the title or right to property . . .

(c) deeds and instruments giving a right to recover or receive property . . .

It may be that under the new definition control over inflated housing prices could be brought, partly at least, within the purview of the bill. But they would be exempt under the existing definition. That gives rise to a further problem of legislative structure causing confusion not only to members of this House, who for the last two days have tried to come to grips with legislation and attempted to understand what it is supposed to do, but causing confusion in the sense of putting this bill in the framework of the existing Combines Investigation Act and other proposed amendments to that act.

● (1740)

Bill C-7 was introduced in this House first on March 11, and the second reading debate commenced on March 13. It received second reading approval and was referred to the standing committee on finance on April 1. There have been three sessions of the finance committee to deal with the provisions of that bill at which the minister and his colleague have attended to give evidence. Now, we have this bill given first reading in the House on Monday and brought forward for debate today, and it includes some definitional changes when compared to those in Bill C-7. The point is that there is an overlap, and there has been no attempt to coordinate the two pieces of legislation.

Not only do we have that confusion, we have an indication from the government that this Bill C-29 is not going to be referred to the finance committee which is geared up for the next two months to deal with the very complex provisions of Bill C-7. It is to be referred to the justice committee. That is the committee which the government hopes will give it quick and easy treatment. To confuse the matter further, the Minister of Consumer and Corporate Affairs last Thursday and again last night indicated that there are further amendments to Bill C-7, some of which will muddy the waters a little more because these amendments to Bill C-7 will have an effect on Bill C-29.

Profiteering Practices

The point of my remarks in this area is to suggest to the government that it should try to pull it all together. The government is confusing members of this House and the people of Canada. If it is going to proceed under the Combines Investigation Act it should present us with a package that has been carefully worked out, giving us some examples of where it is going to apply it, and giving us examples of the sort of mischiefs that it is trying to overcome, and some of the alleged abuses existing in the market place. It should tell us how it will work out, and then let the House of Commons and the people of Canada make their judgment. It should not proceed as it has proceeded with Bill C-29 and Bill C-7, and the amendments to Bill C-7, in this haphazard fashion which gives the appearance at least that someone hurriedly drafted the bill on the weekend preceding the day it was introduced.

The most charitable thing I can say about this bill and the way it was introduced is that it was either put together by somebody who really did not know what he was doing or, alternatively, and this may probably be the case, the form of the legislation was lifted from some wartime legislation introduced in the early 1940's or, indeed, in 1916 or 1917. It looks suspiciously like wartime legislation, and the form is very much akin to what Parliament introduced in that period. Certainly, it is not relevant to the real problems of today.

The hon. member for St. John's East pointed out that the substantive difficulty with this bill is that it represents a form of selective price controls and the focus of the legislation is on profit margins in respect of a particular article or class of articles. This tends to be selective because the choice of products or articles is left up to the governor in council. This may go too far. However here we find the nub of the inconsistency between this bill and the prices and incomes policy that has been recommended by the Progressive Conservative party, because that prices and incomes policy, if the hon. members opposite took the trouble to read what that policy is, focuses only on profit margins in industrial sectors, and it is temporary in nature. It represents a more comprehensive approach which does not attempt to single out or select particular articles of trade or particular products for discriminatory treatment.

Indeed, the nature or scope of the term "industry" could be so broad as to include all processing and manufacturing industries, and it would affect profit margins of those industries only in the broad sense, allowing the price of individual articles or products within those industries to be determined by the people who run the industry and who know best through experience and through vigorous competition in the market place, what will sell and what will not sell, and at what particular price.

Where the role of the government comes in with our prices and incomes policy is in setting reasonable profit margins for a given industrial sector, based not necessarily on the difference between a base year and the subsequent year, which could build in all sorts of inequities for both consumers and businessmen, but based on profit margins measured by return on investment. This may involve a "return on investment" concept which is measured over a much longer period of time than one year. The base year concept which is really the basis of this

particular bill, and which will be determined by regulation of the governor in council, may well be a period involving just the year 1973. Indeed, the example which the minister has touted in his press release involves a one-year period, which may be last year, as determining the base year on which profit margins are determined.

What if you have a company, and we have some particularly in the food retailing field, which showed a tremendous profit last year, and that becomes the base year? What this bill suggests to the company is that their profit for that year, will be entrenched into the system and that as long as the company does not exceed that rate in the following year it is okay. But supposing that company in 1973 had been engaging in profiteering and gouging? The mechanism which the government is setting up here might operate to exempt the company from the price freeze and rollback treatment that is proposed by this bill. That is why it is inequitable.

I suggest to hon. members in all seriousness that the bill should not look at particular articles or particular products, but at industrial sectors. The bill should also look at profit margins over the long haul and should key on return on investment. There may be companies that have experienced a loss position for three or four years, and suddenly through changes in the market they may have a good year in terms of profit. That good year may be necessary if that company is to survive, just to recoup its losses for the previous three or four years. One should look at margins over the long haul, and look at them through return on investment. Any governmental agency worth its salt could work with that concept and it is far more equitable.

Quite often not only members of the Liberal party but my friends in the New Democratic Party as well, look at this in an overly simplistic way, taking prices one year and prices the next year, figuring out costs for that very short-term period and arriving at respective profit margins for those years. That is not how the system should work. The system should be based on the concept of return on investment, and it is that concept which determines whether capital is attracted into any industrial sector, whether it be the service sector, the manufacturing sector or the processing sector.

Some mention has been made in the context of this debate of the exemption for agricultural products and fish products. I suppose one really cannot quarrel with these exemptions, except that in this particular bill the existence of exemptions points out the selective nature of the bill. While agricultural producers will be exempt in terms of the products they produce, at the next level up, and I am talking about the distributors of agricultural products, they are going to be subject to the price freeze and rollback regime of government under this bill.

Anybody who knows how a system of this sort has operated in the past, how it has operated in the United States and Great Britain, will know that if the mechanism is invoked in terms of distributors it will only take a matter of a week or two weeks before the freeze or rollback works its way back to the primary producer. Some hon. members opposite may ask: So what? I will tell them "so what". With this bill which is selective in its application the primary producer may find himself frozen in

[Mr. Atkey.]

terms of the price of his product, but he gets hit on the other side because his costs are not frozen. That is the inequitable result of a selective policy of this sort.

● (1750)

That is the reason it is so necessary that any major piece of anti-inflation legislation purporting to authorize price freezes or rollbacks must be comprehensive in nature. It must not be selective. It must cover all aspects of the economy in a broad sense. In case some hon. members might think such a policy as our party has recommended is interventionist in nature, and perhaps as interventionist as the administrative framework which will be set up under this bill, let me again emphasize that it is not necessary to go into an industrial sector and pick out selective products or articles or classes of articles for specific treatment. Indeed, the whole basis of our policy is to preserve the free enterprise system and give it some broad guidelines in terms of return on investment and let it work out its own pricing policy within its own sector. I think our prices and incomes policy is the salvation for business in Canada, small or large, and ultimately the consumer.

I for one would not favour this bill becoming a permanent feature of the statute law of our country. The concepts which were introduced for the first time in this House on Monday are untried and untested. I think at the very minimum, as suggested by the hon. member for St. John's East, there must be some form of parliamentary review. Perhaps we should even consider the concept of a self-destruction clause after a period of one or two years when the bill has had an opportunity to run its course. The point is that Parliament must have an opportunity to look at this sort of legislation if, as appears unlikely, it should pass. This review should be, compulsory because the legislation is dangerous in its delegation of powers to the executive, is untried, and because the minister and the Prime Minister (Mr. Trudeau) today, yesterday and on Monday refused to provide an adequate explanation as to how this legislation will achieve the particular goals that are sought to be achieved and failed to demonstrate an understanding of the nature of the inflationary problem and how to deal with them.

There are some very real, practical legal and substantive difficulties in relation to the specific provisions of this bill. Without wanting to take up too much time I wish to review some of these difficulties because I think it is important that they be placed on the record for Canadians to see. In many respects this bill is an unprecedented delegation of arbitrary power to the executive of this country. Comparisons have been made, suggesting this is almost like wartime legislation, that it is almost like an economic War Measures Act. That may be too strong a comparison. I think it does, however, contain an unprecedented delegation of power which should be of concern to members of this House.

In the first instance, the act may be invoked through the process of a cabinet declaration respecting an article or class of articles. The minister indicated that in the usual case it would be expected that this declaration would not be invoked until after there was a report or recommendation by a body acting under the Inquiries Act such as the Food Prices Review Board. But if one looks at section

50(2) one can see that the Governor in Council can circumvent the section whereby the process is initiated by the report of a body under the Inquiries Act. This is the situation where the cabinet can decide that to "await the outcome of such an inquiry and report would not be in the public interest".

In such a case the cabinet could make the declaration unilaterally without the report merely because, in its own opinion certain pricing practices would be likely to have a substantial effect on the price of an article or group of articles which would seriously affect the living cost of a majority of Canadians. That is a pretty fantastic power. Some may say there is a time limit, and that a declaration is effective only a year. However, in section 50(3) one can see there is a possibility of an extension for a period not exceeding six months. However, that is for only one order for extension. If one reads the section closely it is clear that there could be one for six months and a second order for another six months. It would be very easy for the cabinet unilaterally to keep that declaration in place ad infinitum; in other words, to provide a permanent measure of control for a certain article or class of articles. This is getting as close to a managed economy as one can get all in one fell swoop.

I think that would be a dangerous situation and one which would be seriously debated. I have another concern that the government can exempt any class or classes of persons or transactions from the 30-day reporting requirement under section 52. No standards or guidelines are given concerning the conditions or criteria under which such exemptions could be granted. Would the exemptions be granted to certain industries dealing in products subject to a declaration because they were in financial difficulty and should be allowed to increase their prices without having to give notice to the Director under section 51, or would it more likely be the case that only the friends of the government could secure an exemption.

Mr. Speaker, may I call it six o'clock.

The Acting Speaker (Mr. Laniel): Is it agreed that we call it six o'clock.

Some hon. Members: Agreed.

Mr. Bell: Mr. Speaker, may I ask if someone on the government side is able to confirm that we will continue with this legislation tomorrow?

Mr. Foster: Mr. Speaker, it is my understanding that we will be continuing with this bill, subject to any discussion between house leaders tomorrow morning.

Mr. Bell: Could we have an undertaking in these particularly trying times that if there is a change we will be notified very early in the morning.

Mr. Foster: I will give that undertaking.

Mr. Dick: Mr. Speaker, on a point of order, I think this House would like to have drawn to its attention that approximately one and a half hours ago a former member of this House for many years, and a public servant in Canada for most of his life, passed away, George Doucett. George Doucett was born on May 16, 1897. He was first elected to the Ontario House in 1936. He was re-elected in 1943, 1945, 1948, 1951 and 1955. As a minister of the Crown, he was first appointed in 1943 and re-appointed in 1948, 1949 and 1955 as Minister of Highways and Public Works in the province of Ontario. He resigned in order to run for the House of Commons and was first elected in 1957. He was subsequently elected in 1958 and in 1962. He passed away in Carleton Place an hour and a half ago. I call this to the attention of the House.

The Acting Speaker (Mr. Laniel): Order, please. I am sure all hon. members appreciate the remarks of the hon. member and feel the same way he does. I think we must proceed with the adjournment at this time, and this question could be brought up on motions tomorrow if the hon. member intends to get other messages of appreciation from different parties.

It being six o'clock this House stands adjourned until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 2, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

On the order: Motions:

April 30, 1974—Mr. Fairweather—That the third report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Tuesday, April 30, 1974, be concurred in.

Mr. Speaker: As the hon. member for Fundy-Royal may gather, the Chair has had an opportunity to consider the terms of the report whose adoption he wishes to move at this time. I have to tell the hon. member and the House that in certain respects, in my view, the report as drafted contains terms which are absolutely without precedent in Canadian procedure and practice. I have no doubt whatsoever that the matter has been the subject of serious consideration by the Chairman and his advisers. I might mention in particular that the report, at least in appearance, seems to set up a new authority to authorize expenditure of public funds, an authority which is currently held by the Commissioners of Internal Economy by virtue of the House of Commons Act.

I want to be fair to the hon. member for Fundy-Royal. This is really a caution I am advancing at this time. I would like to have an opportunity to have a discussion with the hon. member for Fundy-Royal before we proceed with the motion. If the hon. member would agree, I would rather do it on this basis.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, wording for the report was suggested by officers of the House of Commons in a form which would allow our committee to have six law students employed should there be a dissolution of parliament. Although I have never been one who is particularly bothered by precedents, I did check with the government House leader and the House leader of the New Democratic Party and assumed there would be no trouble in employing these six students. However, if the motion is in terms that are not proper, I will take other advice.

Mr. Speaker: I appreciate the comments made by the hon. member. I know how strongly he feels and how important it is to get the committee, of which he is a joint chairman, going. I am anxious to co-operate with him in this regard, but I do feel that in its present terms this report may cause some slight procedural difficulty in the future. The hon. member for Fundy-Royal will, I am sure, not deny the Chair an opportunity to discuss the matter with him before the motion is put.

* * *

● (1410)

UNEMPLOYMENT INSURANCE

STATEMENTS PREPARED FOR CLAIMANTS BY INVESTIGATORY OFFICERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a question of urgent and pressing necessity pursuant to Standing Order 43. In view of present procedures whereby investigatory officers for the Unemployment Insurance Commission occasionally prepare statements for claimants in circumstances which call into question the voluntary nature and the accuracy of the information obtained, and which are often used to the detriment of the citizens concerned, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the Minister of Manpower and Immigration reaffirm his directive that no statement obtained by investigatory officers would be used against a claimant in terms of disentitlement or disqualification until the claimant had confirmed the accuracy of the statement.

This practice does not appear to be followed in my constituency.

Mr. Speaker: The hon. member's motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Alexander: Shame!

Mr. Speaker: There is not unanimous consent.

* * *

LABOUR RELATIONS

ALLEGED AGGRAVATION OF FIRESTONE AND GOODYEAR LABOUR DISPUTES BY TIRE IMPORTATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I should like to move under the provisions of Standing Order 43 a motion dealing with a matter of urgent and pressing necessity to my part of the city of Toronto. In view of the fact that serious labour disputes at the Firestone and Goodyear plants in Hamilton and Toronto are being aggravated by the large-scale importation of tires from parent companies in the United States, I move,

seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House request the Minister of Finance to investigate whether anti-dumping regulations are being violated, and to consider imposing a temporary tariff to make sure that further tire importation does not prejudice the outcome of these legal strikes.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ANTI-PROFITEERING BILL AS PART OF GOVERNMENT CONTINGENCY PLAN TO CONTROL INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether Bill C-29, the so-called anti-profiteering bill, represents a part or the whole of the contingency plan the minister has frequently talked about since as long ago as the last budget in connection with the control of inflation? Is this bill part of the contingency plan?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, it is not. It is a measure aimed at profiteering and gouging, as the bill itself sets forth.

Mr. Stanfield: I do not blame the minister for disassociating himself from the bill.

Mr. Hees: As did all other members of the cabinet when it was presented.

Mr. Stanfield: Since this bill purports to deal with excess profits or profiteering, would the minister tell us whether his budget has been prepared or is being prepared on the assumption that bill will pass or that it will not pass?

Mr. Turner (Ottawa-Carleton): I never make presumptions as to what parliament may or may not do with a bill.

Mr. Stanfield: I take it from the minister's response that he does not think the bill has anything to do with any contingency plan.

Some hon. Members: Hear, hear!

Mr. Stanfield: In the interest of all of us, and particularly in the interest of the history of the country, perhaps the hon. gentleman might tell us whether some time this month he would not send the so-called contingency plan to control inflation over to the Public Archives.

Some hon. Members: Oh, oh!

[Mr. Grier.]

CONSUMER AFFAIRS

PROSPECTIVE INCREASE IN PRICES OF CANNED AND FROZEN VEGETABLES—STEPS TO ASSESS JUSTIFICATION

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs arising from the statement made on more than one occasion by representatives of the food processing industry that prices of canned and frozen vegetables will rise between 20 and 30 per cent in the next few months. Will the minister tell the House what steps are being taken to assess whether these increases will be justified?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, apart from the fact that the Food Prices Review Board is available to do that work, one important step is the presentation of Bill C-29 which the hon. member and his party are opposing, thereby showing they are not willing to support efforts to prevent profiteering in this country.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Grier: Mr. Speaker, I appreciate that the minister is under some tension these days but I am surprised that he would stoop to such a low political response. Since he made reference to the Food Prices Review Board, may I ask him whether he has been in touch with the Food Prices Review Board in connection with this matter and, if so, can the minister comment on the statement made by the president of the Ontario Federation of Agriculture to the effect that only a small fraction of the proposed increases in the price of vegetables could be attributed to increased receipts by farmers? In view of the clear contradiction between the assertions of the processors, which I understand the Food Prices Review Board has partly substantiated in a recent statement, and the statement of the Ontario Federation of Agriculture, is the minister in a position to indicate to the House whether he can comment on that position or has had any discussions with the board on this matter?

Mr. Gray: Mr. Speaker, I am aware that the food processors made an informal presentation to the board on this matter. The board has the matter under advisement and we are looking forward to receiving the final conclusions of the board as soon as they are available so as to provide a basis for government action. Certainly the action taken will be in the public interest, not in the way my friend suggested, on a narrow political basis, which is the only way for his party.

Mr. Speaker: The Chair will recognize the hon. member for Toronto-Lakeshore on a supplementary, then the hon. member for Temiscamingue, and we will have other supplementaries on this subject later.

Mr. Grier: Mr. Speaker, one final, brief supplementary. Is it the intention of the minister to make a statement on motions within the next few days in regard to the matter I have raised?

Mr. Gray: Mr. Speaker, it will be my intention on behalf of the government to make appropriate comments once the Food Prices Review Board issues a report containing findings and recommendations.

[*Translation*]

DAIRYING—INCREASE IN PRICE OF MILK—CONTINUATION OF SUBSIDY TO PRODUCERS

Mr. Réal Caouette (Témiscamingue): I have a supplementary for the Minister of Consumer and Corporate Affairs.

Since yesterday, rumour has it that the price of milk will increase by 5 cents a quart before the end of this month. Is the minister in a position to assert that the 5-cent a quart federal subsidy will continue to be paid as usual even if there is a price increase, so that farmers may receive at least the minimum to continue their production?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am informed that the subsidy will continue to be paid because this program has been established on the basis that it was possible to accept a cost increase beyond a certain level and that is what has happened.

[*English*]

EGG PRICES—INQUIRY AS TO REPORT BY FARM PRODUCTS MARKETING COUNCIL ON CHARGES MADE BY FOOD PRICES REVIEW BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs who has referred to the findings and recommendations of the Food Prices Review Board. I ask this question in view of the criticism levelled at the minister and his colleagues by the board yesterday with respect to the slowness of the government in acting on recommendations of the board. Specifically, the chairman of the board referred to the report on egg prices which was given to the minister on January 9 and subsequently referred to the Farm Products Marketing Council for investigation. May I ask the minister when that report will be released in view of the very serious charges made by the Food Prices Review Board in its report, and more particularly in view of the findings of a Canadian Press survey yesterday that eggs, among other things, are going up in price?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am glad my hon. friend has again confirmed his conversion to becoming a supporter of the Food Prices Review Board and its work.

Some hon. Members: Hear, hear!

Mr. Gray: The hon. member might well come around to agreeing that his program of price and income controls is faulty. The major recommendation of the board that there be a special inquiry into the way the egg marketing system is being carried out by the Farm Products Marketing Council, a body set up by parliament for this very purpose. I am advised by the Minister of Agriculture that we can expect their report very shortly.

● (1420)

Mr. McGrath: Mr. Speaker, in view of the fact the minister has demonstrated that he has no confidence in the board, by ignoring the main recommendation in its report which was for an immediate reduction in the price of eggs notwithstanding any investigation that might be made, I would ask him when he proposes to act on this recommendation to bring down the price of eggs or else make a statement to vindicate the egg producers of this country?

Mr. Gray: Mr. Speaker, I am advised by the Minister of Agriculture that the price of eggs has gone down since the beginning of the year. In addition, the recommendation involves action by provincial marketing boards as well as the federal board. The basic recommendation for an inquiry is being carried out. I would advise my hon. friend to take another look at the recommendations.

INTENTION OF GOVERNMENT RESPECTING PROCEEDING WITH ANTI-PROFITEERING BILL

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. As every other member of the cabinet absented himself from the House when the minister presented Bill C-29 yesterday, is it the intention of the government to pull this bill out quickly because it realizes it is a sham and a farce and will not do the job it is supposed to do?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): No, Mr. Speaker, it is the intention of the government to speak actively on behalf of this bill and to demonstrate the unwillingness of members of the hon. member's party and the NDP—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair seeks the assistance of hon. members in moving on to the next question. I note there are several members who wish to ask supplementary questions. I will recognize the hon. member for Saskatoon-Biggar on a supplementary question.

EGG PRICES—POSITION OF GOVERNMENT ON SUPPORT FOR INDUSTRY AND ASSURANCE OF SUPPLY AND PRICE TO CONSUMERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask the Minister of Agriculture a further supplementary question.

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar has been recognized and he should be given an opportunity to ask his supplementary question.

Mr. Gleave: In view of the chaos that now exists in the egg industry, I should like to ask the Minister of Agriculture whether decisions have been made as a result of recent consultations to give some support to the industry

and some assurance to the consumer as to supply and price?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I only want to say that, contrary to what the hon. member for St. John's East and others have said, egg prices have gone down nearly 15 per cent since the first of this year. The egg industry is in utter chaos and nearly going broke. The producers are marketing eggs below production cost at the present time. We are working on a program with the CEMA group, the Canadian egg marketing group. We are meeting with them and I think we are very close to a solution.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Saskatoon-Biggar for a last supplementary on this matter, and then the hon. member for Northumberland-Durham.

Mr. Gleave: Mr. Speaker, after the long lapse of time and hardship to producers, will the minister now tell the House when he will be able to announce what the policy of the government is with regard to egg producers in view of the fact they have organized themselves and are now trying to bring some order into the market?

Mr. Whelan: Mr. Speaker, I would agree 100 per cent with what the hon. member says, that they have organized and have tried to bring stability to the market. We are going to do everything we can to help them, and it would help us if the House would pass the import-export bill as quickly as it can.

An hon. Member: Bring it on.

Some hon. Members: Hear, hear!

* * *

FINANCE

REASON FOR REDUCTION IN GOVERNMENT CASH BALANCES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Minister of Finance. With government cash balances down $1.5 billion in the last quarter including $800 million in March alone, with the result that government cash is now only 4 per cent of government yearly spending, which I think the minister will admit is one of the lowest levels in history, would he indicate to the House if this is the result of government fiscal planning, or has the redemption of Canada Savings Bonds and the Canadian dollar exchange drain taken the government really off guard?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that question is highly argumentative, but I will say this in answer to it. The government consciously drew down its cash balance last year as part of its debt management policy. This had the effect for most of the year, in fact most of 1973, of relieving pressure on interest rates and keeping them lower than they otherwise would have been.

[Mr. Gleave.]

Mr. Lawrence: Mr. Speaker, I was, of course, speaking about this year and the critical situation in which the government finds itself right now. Has the minister given any consideration, for instance, to indexing the interest rate on Canada savings bonds, or any other such measures to try to alleviate the situation in which it now finds itself?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I may have something to say about the entire position of the government in 1973, 1974 and 1975 and I will deal fully with these matters on Monday night.

* * *

UNEMPLOYMENT INSURANCE

USE AS FISCAL TOOL TO REDISTRIBUTE MONEY IN DISADVANTAGED AREAS OF ECONOMY

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the Prime Minister. In light of the fact the Unemployment Insurance Commission is part of the government's social policy, can the Prime Minister indicate to the House if the member for Verdun was stating government policy when he said, "Think of the UIC as a fiscal tool"?

Mr. Speaker: Order, please. The hon. member knows the rule, and I am sure all hon. members do, that a member cannot ask whether a statement made by a member of the House is government policy. Such a question be asked in relation to a statement made by a member of the government outside the House but not in relation to a statement by a private member, albeit the hon. member for Verdun.

Mr. Ellis: Mr. Speaker, perhaps I could rephrase the question. Is the Unemployment Insurance Commission in fact a fiscal tool for redistributing money in the most disadvantaged areas of the country and the economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, obviously redistribution of money through the Unemployment Insurance Act from those who pay insurance to those who are unemployed and drawing payments has very serious and important fiscal effects. This was stated when the bill was presented in the House and it is with this knowledge, I hope, that the opposition parties supported it.

Mr. Ellis: I should like to ask the Prime Minister if he feels this is a crucial part of the social policy that gives the government flexibility to deal with such issues?

Mr. Trudeau: Mr. Speaker, it has important macroeconomic effects in those parts of the country where unemployment is high, and I would hope it would be the desire of the country to see this happen.

Mr. Speaker, while I am on my feet perhaps the Leader of the Opposition would want me to answer some of the statistical questions he asked yesterday.

Some hon. Members: Oh, oh!

Mr. Trudeau: I thought not, Mr. Speaker.

AGRICULTURE

BEEF SUBSIDY—REQUEST FOR EXPEDITING OF PAYMENTS

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In view of the fact many applications for beef subsidy payments have been in the hands of the department responsible for payment since at least April 1, well before the postal strike, can the minister advise these individuals, many of whom now have several thousand dollars in accounts receivable, when they can expect to receive payment?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, they are being processed very rapidly. I am sure the hon. member knows that no government mail was dispatched during the slowdown in the handling of mail at the post office in the capital city. I checked the figures the other day and I think we have paid out nearly $8 million.

Mr. Frank: Mr. Speaker, may I ask the Minister of Agriculture whether he will get together with his colleague, the Minister of National Revenue, and trade some of the interest that department will pick up by reason of people sending in cheques before the May 21 deadline and give it to some of these people who have these receivables?

Mr. Whelan: Mr. Speaker, the people receiving this premium money on beef are only too happy to get it because they will be in a position that they may well be submitting cheques to the Department of National Revenue.

● (1430)

EGG PRODUCTION—INQUIRY AS TO ANNOUNCEMENT OF PLAN TO PROTECT PRODUCERS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is in a sense supplementary to a previous round addressed to the Minister of Agriculture. Inasmuch as the Canadian egg industry has been losing approximately $100,000 a week in sales for the past month because of cheaper United States imports, the price of which, incidentally, has not been reflected in lower retail prices, can the minister tell us when he will be in a position to give us the details of his plan to protect Canadian producers through import controls, limitation or increased support prices?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am glad to hear the hon. member has so many ideas—

Some hon. Members: Hear, hear!

Mr. Whelan: —and I do appreciate receiving them even at this late date. But I can only say to him that he must be patient. All I can say to him is, soon.

Mr. Rose: I am pleased that somebody around here has some ideas.

Some hon. Members: Oh, oh!

Mr. Rose: Can the minister indicate whether or not his assistance to the egg industry will be in the form of either increasing the support price from 28½ cents, which is ridiculous at this time, or in the form of an export limitation?

Mr. Whelan: I am sure the hon. member would not want me to make any announcement now which would make it possible for shylock importers to take advantage of the situation and get an unwarranted rip-off.

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STATUS OF WOMEN

REQUEST FOR LEGISLATION TO ENSURE THAT MARRIED WOMEN WILL BE ABLE TO OBTAIN INDEPENDENT CREDIT RATING

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Labour. Will the minister, on the recommendation of the National Council of Welfare, introduce immediate legislation to end discriminatory practices which now cause married women to lose their independent credit rating and acquire that of their husbands?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think that is a very meritorious recommendation and I also think it should be brought to the attention of the provinces within whose jurisdiction that particular matter falls.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR SUBSIDY TO HOG PRODUCERS—POSITION OF GOVERNMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I realize that the House is really interested in the meat problem today. I wish to put a question to the Minister of Agriculture.

After representations he received from hog producers as well as those I made some weeks ago, can the minister tell the House whether he will be announcing shortly the measures taken to give financial assistance to hog producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I was asked the same question yesterday and I answered that we are considering the different programs in Canada. We have to come up with one that will replace all the programs that the different provinces have. That is not easy, but we hope to be doing something in the near future.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, a supplementary question.

In view of the fact that heavy losses have been suffered by hog producers, in particular since January, would the minister say if he had been advised by his officials of some policy that would offer some compensation for these losses, especially those suffered since January?

[*English*]

Mr. Whelan: Mr. Speaker, we are considering many suggestions that have been made by different farm organizations along with the suggestions the hon. member has made. However, I am sure he is aware of what the Minister of Agriculture from la belle province has done so far as hog producers in his own province are concerned.

TURKEYS—ACTION TO ELIMINATE DIFFICULTIES OF PRODUCERS CAUSED BY IMPORTS

Mr. John Wise (Elgin): Mr. Speaker, my question is supplementary to others directed to the Minister of Agriculture and has to do with the importation of United States turkeys. Does the government intend to take any action to correct this situation which is causing great difficulty to Canadian turkey producers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this matter is being considered together with the programs we are trying to work out with the egg producers of the nation.

ACTION TO REDUCE COST OF BALER TWINE TO ASSIST FARMERS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is also for the Minister of Agriculture. The price of baler twine has increased to a level beyond all reason and will result in unreasonable increases in the cost of baling this year's crops of hay and fodder. Can the minister and his department take any action to reduce these costs to a more realistic level and thus assist the farm economy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I can say that the United Co-operative Growers of Ontario have told me that they have a boatload of baler twine on the way here. We are checking all the world's supply of the sisal product that is used in the manufacture of twine. If we can have it here before the real season is upon us, we may be able to assist farmers a lot more than some of us thought we could a few weeks ago.

Mr. Alkenbrack: May I ask the minister if the price of this new twine will be more realistic and more economical than present prices?

Mr. Whelan: It will be better than has been suggested. I am told by some people that the price has been as high as $26 a bale. It will be substantially less than that.

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HOUSING

ALLEGED SHORTAGE OF MONEY FOR HOUSING—POSITION OF GOVERNMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Is the minister aware of the fact that money for housing has dried up, particularly in British Columbia, because of abnormally high interest rates and, if so, what does he plan to do about it?

[Mr. Lambert (Bellechasse).]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, that is not my information, although recent actions have caused a slowdown in the building of rental accommodation. As I indicated in the House in a speech not long ago, within the budget of CMHC we are giving priority attention to markets such as Toronto and Vancouver to ensure a supply of government funds in those areas.

Mr. Munro (Esquimalt-Saanich): Do I understand the minister to say he is prepared to admit that in the present circumstances NHA loan ceilings are too low to be practical in large urban centres and that he has a policy in the works to do something about it?

Mr. Basford: I indicated two weeks ago that the loan levels under the National Housing Act and other lending statutes were under review. I hope to make an announcement on this very shortly.

APPROVED LENDERS NOW MAKING LOANS UNDER NATIONAL HOUSING ACT

Hon. Paul Hellyer (Trinity): Mr. Speaker, can the minister advise the House which of the approved lenders are presently making loans under the National Housing Act?

Hon. Ron Basford (Minister of State for Urban Affairs): A great many of them are. If the hon. member is referring to one particular company, obviously I would not have details of that in the question period, but all classes of approved lenders are making loans under the act.

ACTION TO ENSURE STEADY SUPPLY OF MORTGAGE MONEY TO BUILD HOUSES

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the fact numerous indications have been received that approved lenders are not in fact making loans at present for mortgages, in particular under the National Housing Act, because of the uncertainty in the financial markets, and in light of the minister's statement last year recorded during the budget debate in *Hansard*, page 1431, which reads as follows:

> If nothing is done, there is a prospect that inflationary expectations will rise. This could disrupt financial markets, drive up interest rates, disturb the exchange market and impose a brake on the economy.

Mr. Speaker: Order, please. Will the hon. member ask his question.

Mr. Hellyer: Yes, Mr. Speaker. The question is: what does the minister propose to do immediately in the short run to ensure a consistent supply of mortgage money for building construction in Canada and at interest rates which are agreeable to both the lender and the borrower?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the private market is pouring about $2 billion more into the conventional mortgage market than it did last year.

APARTMENT CONSTRUCTION—POSITION CONCERNING DEPRECIATION NO LONGER ALLOWED INVESTORS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question is directed to the Minister of State for Urban Affairs. In view of his answer that there is some indication of a slowdown in housing, is the government now reconsidering the position that it took concerning the depreciation that is no longer allowed to investors in that sector in terms of apartment construction?

● (1440)

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I think that question relates to the application of the Income Tax Act and is properly answerable by the Minister of Finance.

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MANPOWER

LAY-OFFS OF EMPLOYEES BY GENERAL INSTRUMENT CORPORATION, SYDNEY, N.S.—GOVERNMENT ACTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Some days ago I again raised the question of the announced closure of General Instrument Corporation in Sydney and at that time asked the President of the Privy Council what the government was planning to do to assist those people who were affected in regard to future employment. The President of the Privy Council advised that he had discussed it with the Minister of Manpower and Immigration, and he said he hoped he would put in place all the available instruments to assist the people so affected. May I ask the minister if these available instruments consist of processing unemployment insurance claims, something which is normal, or does he have other ideas to provide employment for the 600 already laid off and the 400 others who will be laid off?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I had an updated report the other day for the hon. member in anticipation of this question. Unfortunately I do not have it with me now. If my memory serves me correctly, our manpower consultative services met with the principals of the firm in question some time ago and have been working with them to implement all the measures that can be taken, including training, the availability of mobility grants, the development of alternative employment where possible and, of course, the provision of unemployment insurance claims processing. If the hon. member has any further information which would indicate that there is any deviation from that in recent days, I will be very pleased to hear it and I will move on it, but that is the state of affairs as I recall it.

Oral Questions

INCOME TAX

EFFECT OF CUT IN PERSONAL INCOME TAXES REFERRED TO BY PRIME MINISTER IN LIGHT OF INCREASE IN RATE OF INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct to the Prime Minister the questions I asked him yesterday and which it seems he would like to answer today. My first question was:

When the right hon. gentleman says that the government cut personal income taxes last year by about 12 per cent, does he mean that the average taxpayer will be paying roughly 12 per cent less in actual dollars during 1973 than was the case in 1972?

Right Hon. P. E. Trudeau (Prime Minister): What I mean, Mr. Speaker, and what I said in my text, is that the measures in last year's budget provided for a reduction in personal income tax equivalent to 12 per cent lower than otherwise would have prevailed if we had not brought in those budgetary measures. Of course, Mr. Speaker, this is not and cannot be described as an average figure. This is the over-all effect.

Some hon. Members: Oh, oh!

Mr. Hees: Here comes the weaseling.

Mr. Trudeau: I can understand the uneasiness of the opposition, Mr. Speaker, because for some people, especially those at the lower end of the scale, the reduction was not 12 per cent but 100 per cent.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, the second question was—

An hon. Member: Three strikes and you're out.

Mr. Stanfield: You want more than three strikes or this government would have been out a long time ago. My second question was:

In view of the Minister of Finance having recognized, when he introduced the indexing concept, that inflation actually increases the effective income tax rate under our system of progressive taxation, can the Prime Minister indicate whether the cuts in nominal tax rates of which he speaks,—

—and to which he was referring—

—exceed for 1973 the effective increase in the tax on real income which resulted from the increase in the rate of inflation to nearly 10 per cent? Did the cut in the nominal rate exceed the actual increase resulting from inflation and, if so, by how much?

Mr. Trudeau: Mr. Speaker, this is linked to the first question and the reply to the first question. Since there was a very highly progressive cut in personal income taxes, the effect was to leave in the hands of Canadians more money, more take-home pay, than they would have had otherwise had there not been these budgetary measures. I must add that this is not only highly progressive but in terms of effect it has a considerably better effect on the people at the lower end of the income scale than the straight across the board 7 per cent cut that was proposed by the opposition at the time of the last election.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I am surprised that the Prime Minister refers to the last election because both he and the Minister of Finance said that any cut in income taxes would be irresponsible.

Some hon. Members: Hear, hear!

Mr. Stanfield: I would like to ask the Prime Minister whether the cut in nominal rates to which he refers offset the increase in taxes that actually took place as a result of inflation? Can he say yes or no, and never mind all the skating around?

Mr. Trudeau: Mr. Speaker, precisely because there was a very progressive cut I repeat that there is no yes or no for the whole group of taxpayers. We would have to take each one in turn and calculate the effect of the tax cut on them and the effect of inflation on them. I repeat that when some taxpayers, because of this progressive measure, saw their taxes cut 100 per cent, then obviously they are much better off than those at the high end of the income scale.

Some hon. Members: Hear, hear!

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SOCIAL SECURITY

RECOMMENDATION BY NATIONAL COUNCIL OF WELFARE THAT BENEFITS BE ESCALATED IN ACCORDANCE WITH INCREASE IN NATIONAL INCOME

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Is the government giving active consideration to the recommendations of the National Council of Welfare, which were published a day or so ago, especially the recommendation that social security benefits should be escalated according to the rise in the national income of the country and not just on the basis of the rise in the cost of living?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, from time to time the National Council of Welfare has come forward with reports and recommendations that have always been extremely helpful to the social security review we are undertaking with the provinces. Obviously this report will also be considered by the federal-provincial conference reviewing our social security at the present time.

Mr. Knowles (Winnipeg North Centre): I have a supplementary question. In view of the time that will be taken by that review, will the minister give immediate consideration to the suggestion made by the council that there be established a special cost of living index for pensioners and others, an index related to the goods that they actually have to buy?

Mr. Lalonde: Mr. Speaker, I am afraid I can only give to this supplementary question the same answer that I gave to the first one.

[Mr. Trudeau.]

FLOODS

PRAIRIE PROVINCES—REQUEST FOR EARLY PAYMENT OF COMPENSATION—DISTRIBUTION OF COST BETWEEN FEDERAL AND PROVINCIAL GOVERNMENTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. While everyone is pleased with the fact that flooding conditions within the last few days on the prairies have greatly subsided, there is a widespread demand on the part of those who have suffered damages to learn what are the possibilities of early compensation for their losses. What distribution will be made in respect of the total amount of the losses in each province as between the federal and the provincial governments?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, so far as I am aware we have received no official request from the province of Saskatchewan or the province of Alberta. They told us they were going to appraise the situation and then let us know. We have not received this yet. I am sure the right hon. gentleman knows there is a program in which we will participate, a program that has been used by all governments, formulated on a per capita basis, with the provincial government and the federal government paying up to 90 per cent of the losses, and the municipal people paying 10 per cent or the producers paying 10 per cent. This has to be worked out with the provinces.

● (1450)

Mr. Diefenbaker: Mr. Speaker, may I ask the Minister of Regional Economic Expansion whether or not PFRA officials have been asked to make an investigation of the losses and an estimate of the damage done in the provinces, because there is a great deal of uncertainty on the part of those who have suffered damages as to exactly what is going to happen.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I would like to get a detailed answer for the right hon. gentleman. I know that at the height of the problem PFRA officials were at the various sites, particularly in Saskatchewan. Whether they will be asked to carry out additional work I am not sure. I can assure the right hon. gentleman and the House that if their services are required they will be made available.

Mr. Diefenbaker: Mr. Speaker, in view of the uncertainty of the life of the government, would either minister make a general statement before the orders of the day as to the present position on the prairies and give an estimate of the damage and also a general outline as to the probability of early settlements being made?

Mr. Whelan: Mr. Speaker, I might do better than that. I may go to Saskatchewan on Friday and say it right there.

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

Mr. Speaker: Order, please. We are running short of time. There are just a few minutes left before the end of the question period. I shall recognize the hon. member for

Vancouver Quadra, but I believe the right hon. gentleman has a further supplementary.

Mr. Diefenbaker: No, Mr. Speaker, I rise on a question of privilege. I should not have to remind the minister that announcements such as that should be made in the House of Commons and not outside the House.

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, on the same question of privilege, if it were a new policy I would agree with the right hon. gentleman, but as I would be restating the government's program I am sure the right hon. gentleman would not object. Furthermore, I invite him to come with me to Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I always like good company, and I think the minister would be good company.

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URBAN AFFAIRS

DEMOLITION OF BUILDINGS BEFORE COMPLETION OF VANCOUVER WATERFRONT PLANNING STUDY

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Prime Minister. In view of the fact the hon. member for Vancouver Centre, the Minister of State for Urban Affairs, assured residents of Vancouver that no federal agency will be permitted to bypass the planning process relating to Vancouver harbour and that he was completely opposed to proceeding with any Vancouver waterfront proposals until the joint federal-city waterfront planning study had been completed, and in view of the fact that demolition of buildings and property under the control of the Minister of Transport took place late last month, would the Prime Minister tell the House which of his ministers is indicating government policy in this area of great importance to the people of Vancouver?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be glad to take notice of the question and inquire of both ministers what the position is.

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ENERGY

LACK OF FEDERAL REGULATIONS FOR OFFSHORE OIL EXPLORATION ON ATLANTIC COAST

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Prime Minister. On December 6 the Prime Minister said in the House that offshore oil exploration on the Atlantic coast had not proceeded as rapidly as the government would have wished. As lack of regulations creates uncertainty and is a disincentive which is setting back Canada's goal of self-sufficiency in eastern Canada, will the Prime Minister say why the government has not brought in regulations for federal lands as it is now four years since the previous regulations were withdrawn?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House has had a report from me previously about the negotiations the federal government has entertained with the five easternmost provinces. I believe it is now known that one of those provinces has decided to go its own way and not to continue negotiating with the group. As a result I told that premier that we would be prepared to take the matter to the Supreme Court with, hopefully, a form of reference that would be jointly submitted. I have not had any response from him yet. I am referring to the Premier of Newfoundland.

Mr. Bawden: Would it not be possible for the federal authorities to make known their regulations and decide at a later time how the royalties or proceeds would be divided?

Mr. Trudeau: Mr. Speaker, I would certainly consider that, but I hope that we would not be accused then by any Tories opposite that these were tactics of confrontation. However, I thank the hon. member for suggesting that.

* * *

[*Translation*]

AGRICULTURE

ALLEGED LOSSES OF PORK, EGG AND BEEF PRODUCERS—POSITION OF GOVERNMENT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Prime Minister.

Does he know that at the present time pork, egg, beef and milk producers are losing money and also that we are now seeing many more auctions than ever before in our history, because farmers are auctioneering to discharge their debts? Could the Prime Minister tell us whether it is government policy to let things go on as they are now so that in few years Canada will have to import all its food?

[*English*]

Mr. Speaker: The minister might attempt to reply briefly to the question, but it seemed to me to be more a speech than a question.

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): I thought that the question was put to the Minister of Agriculture.

Mr. Speaker: The question was indeed directed to the Minister of Agriculture.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I was not sure whether the hon. member's question was addressed to me or to the Prime Minister. All I want to say is that the record shows that the government does care.

Oral Questions

FISHERIES

CANADIAN POSITION AT FORTHCOMING ICNAF MEETINGS RESPECTING HADDOCK QUOTA

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, my question is for the Minister of Fisheries. Has the Canadian government yet taken a position with regard to what quota for haddock will be sought for the Atlantic area at the upcoming ICNAF meetings?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, Canada's position in respect of these negotiations is currently being developed in close consultation with the industry and fishermen; and the negotiations will take place in about a month's time.

POSSIBILITY OF UNILATERAL ACTION BY CANADA TO PROTECT MARINE RESOURCES

Mr. Walter C. Carter (St. John's West): Mr. Speaker, may I direct a supplementary question to the Minister of Fisheries. Can the minister tell the house what action he intends to take with respect to the recommendation presented to the Standing Committee on Fisheries yesterday by the United Fishermen and Allied Workers' Union and also with respect to the resolution adopted by the standing committee having to do with the taking of unilateral action by Canada to protect our marine resources?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, Canada has never taken unilateral action when there was a possibility of resolving differences with other countries through negotiation.

Mr. Speaker: Order, please. We have reached the end of the question period. Perhaps with the co-operation of the hon. member for St. John's West we might have time for two or three quick questions without supplementaries.

* * *

MANPOWER

COMMUNITY EMPLOYMENT PROGRAM—REQUEST FOR DETAILS ON PROJECTS PLANNED, NUMBER OF PEOPLE TO BE EMPLOYED AND FUNDING

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Manpower and Immigration. If there are only four or five community employment programs planned so far for the next couple of years, how many people will be involved in those four or five programs, how many will be employed, and what is the funding?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, discussion of the community employment program has been taking place between the federal ministers, myself and the Minister of National Health and Welfare, and provincial welfare ministers. At the last meeting on February 20 it was agreed that we would begin to develop and explore through negotiation between the provinces and ourselves 10 to 20 pilot projects for this fall and winter spread across the country, which would then give us a basis for expansion, if it were thought desirable, into a formal program next year. I do not know where the hon. member got his information about four or five programs. We are not in any position to indicate what the funding will be—

[Mr. Whelan.]

Mr. Speaker: Order, please. The hon. member for Hamilton-Wentworth.

* * *

CONSUMER AFFAIRS

POSSIBLE SUBSTANTIAL INCREASE IN PRICE OF PROCESSED FOODS—GOVERNMENT ACTION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Has the minister now fulfilled his commitment, given in the House on Monday, to take a quick look at the brief submitted by the Canadian Food Processors Association and, if so, what action is the minister going to take on the disturbing submission of that report that the price of processed foods will have to be increased by a minimum of 24 per cent?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I checked and was advised that the association did not submit a formal written brief to the commission but made an informal presentation. The action I propose is Bill C-29, which the hon. member's party opposes and therefore is along with the NDP siding with the gougers and profiteers.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please.

* * *

● (1500)

[*Translation*]

CANADIAN BROADCASTING CORPORATION

FAILURE TO TELEVISE NATIONAL NEWS ON FRENCH NETWORK—REQUEST FOR INVESTIGATION

Mr. Marcel Prud'homme (Saint-Denis): Thank you, Mr. Speaker, I knew patience is always rewarded. I should like to put a question to the Secretary of State.

Will he tell the House what circumstances beyond control prevented the broadcast of the national news bulletin on the French network of the CBC last night?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): I am not aware of that, Mr. Speaker, but I will check into it.

[*Translation*]

Mr. Prud'homme: I am sorry, Mr. Speaker, but I believe the Secretary of State did not understand my question.

[*English*]

I could repeat it in English.

[*Translation*]

Mr. Speaker: I indicated a moment ago that we had reached the end of the question period. I allowed two or three hon. members to put supplementaries and—Order! Would the hon. member resume his seat? I understand that it is possible the minister did not understand the question of the hon. member. He may repeat it without adding any supplementary after which I shall recognize the hon. member for Grey-Simcoe.

[*English*]

The hon. member for Grey-Simcoe will have to wait a moment.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, without asking a supplementary, I may want to clarify my question.

Were the incidents which last night prevented the French-speaking population from hearing its news bulletin in French on the CBC TV caused by the fact that the persons responsible for the broadcast took part in the first of May march and, if so, does the minister intend to ask these persons to fulfil their work contract?

[*English*]

Mr. Faulkner: Mr. Speaker, I will look into this matter.

* * *

HEALTH

GOVERNMENT MEASURES TO DEAL WITH ALCOHOLISM

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. I am sure it will be of interest to all parliamentarians. In view of the fact that Canadian consumption of alcoholic beverages has reached an all-time high—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Mitges: —a most unenviable record, I must say, and it has been admitted that the control of alcohol abuse in Canada is fragmented and weak, has the minister any plans to step up all programs in order to try to counteract some of this abuse for the betterment of the health of Canadians at large?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I suggest that the hon. member look at the working document, "A New Perspective on the Health of Canadians", which was tabled in the House yesterday.

Mr. Speaker: Order, please. I appreciate there are a number of hon. members who wish to ask questions. However, I have stretched the situation as much as I can. With the co-operation of hon. members, the Chair will now call orders of the day.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a point of order. There have been communications between representatives of the parties and as copies of the National Petroleum Company bill are now in the hands of the staff

of the House, I wonder whether we could revert to introduction of bills to give it first reading.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

PETRO-CANADA ACT

MEASURE TO ESTABLISH COMPANY AND DEFINE OBJECTS, POWERS AND DUTIES

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-32, to establish a national petroleum company.

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

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, may I ask the government House leader the regular Thursday question about the order of business, perhaps very sadly for the last time in the twenty-ninth parliament.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: Mr. Speaker, today we will continue with the second reading debate on Bill C-29 to be followed tomorrow by the report stage of the Canada Pension Plan. This will be followed by the Prairie Grain Advance Payments Act and the Agricultural Products Co-operative Marketing Act. Do not be sad, my hon. friend, we are going to be here for a little while yet.

Some hon. Members: Hear, hear!

Mr. Bell: Mr. Speaker, may I ask the government House leader if we will be officially starting the budget debate on Tuesday of next week or has a final decision been made on that?

Mr. MacEachen: Mr. Speaker, it had been my intention to call the budget debate on Tuesday. However, since that time I have had further representations. I will probably notify the House on Monday, maybe late on Monday but nevertheless on Monday.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since there is still time for consideration of an important bill, when will we see the War Veterans Allowance Act amending bill?

Profiteering Practices

Mr. MacEachen: Mr. Speaker, the House will have an opportunity to deal with that bill this session. I also remind the House that there are two bills in the standing committees, one dealing with the export-import situation and the other the oil bill, which we really ought to deal with as quickly as possible.

Mr. McGrath: Mr. Speaker, may I ask the government House leader whether he will consider defeat on Bill C-29 as being non-confidence in the government? If so, is the minister prepared to test the confidence of the House before bringing down a budget?

Mr. MacEachen: Mr. Speaker, I have not consulted my colleagues about that question of confidence. It is highly speculative and hypothetical. I think the proper position would be to decide these matters after the vote rather than before.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING PROFITEERING PRACTICES AND PERMANENT AND TEMPORARY MEMBERSHIP OF COMMISSION

The House resumed, from Wednesday, May 1, consideration of the motion of Mr. Gray that Bill C-29, to amend the Combines Investigation Act in relation to profiteering practices, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, in calling this bill today I wonder whether the government House leader is really a masochist or not. Yesterday at the time of adjournment I was discussing the unprecedented delegation of arbitrary power to the executive under this bill. One of the key phrases contained in this bill is, and I quote:

—profit margin . . . that is greater than he would customarily obtain on such sale or distribution;

It is to be the cabinet alone that will determine in its own way what this phrase means.

Mr. Speaker: Order, please. The hon. member for St. Paul's (Mr. Atkey) is having serious difficulty being heard. Perhaps we could have a little co-operation from hon. members.

Mr. Atkey: There are no standards, no criteria or no guidelines in the legislation. The discretion in the cabinet is completely unfettered. Yesterday the minister tried to provide some sort of explanation. I quote from his explanation which is recorded at page 1938 of *Hansard*:

Customary profit margin could be defined differently for each level of distribution. For example, the method to be applied could be different for a manufacturer as opposed to the retailer of a product.

[Mr. Knowles (Winnipeg North Centre).]

● (1510)

For example, the method to be applied could be different for a manufacturer as opposed to a retailer of a product. The term "customary" could be prescribed to the margin realised during a given past period of time.

He then went on to say:

In setting out the manner of determination of customary profit margin, consideration would be given to the prevailing economic climate and the business cycle of the particular sector. In addition, the guidelines would be sufficiently flexible to take into account their application to firms operating at low levels of profit or at a loss, or to new businesses.

Again, this does not tell us what guidelines the cabinet will follow. It is an example of arbitrary discretionary power.

Mr. Gray: How would you define them?

Mr. Atkey: It does not tell us what research work the cabinet will take into account when setting these guidelines or what opportunity will be provided for those affected, such as manufacturers and distributors, to make their views known to the government when a proposed profit margin is to be put in place. Will they be given an opportunity to be heard? None of this is provided for in the legislation and no guarantee was contained in the undertaking given by the minister yesterday. More important still, there is no procedure for reviewing a cabinet decision. It is an arbitrary determination by cabinet, that is all.

I would ask hon. members to consider the powers proposed to be given to the Restrictive Trade Practices Commission. Section 56(1)(b) gives the Commission power to impose what is, in effect, an excess profits tax. This is no ordinary tax. It is a tax imposed in an arbitrary and possibly discriminatory manner, and, as was pointed out yesterday, by the hon. member for St. John's East (Mr. McGrath), it is a tax introduced without reference to a ways and means motion. It is a tax of a nature which provides revenue to the Consolidated Revenue Fund and, as such, it should have been introduced in the course of a budget.

The bill also gives the Restrictive Trades Practices Commission power to accept a report of any government-appointed body or person relating to price increases. It gives the Commission power to accept the results of research and investigation and inquiries leading to related reports. All this information is admissible in evidence before the Commission. Again, no person affected or likely to be affected by an order of the Commission has the right of cross-examination, the right of access to the persons who prepared any of these reports or conducted any of these investigations. There is no right to challenge the validity of any of the information which is placed before the Commission. This is a further example of arbitrary power conferred, in this instance, on a Commission. It is a power which I, for one, will oppose.

But the most arbitrary power of all is the discretionary power of the cabinet under section 58 to vary or rescind any order of the Restrictive Trade Practices Commission. Moreover, changing an order made by the RTPC involves no right to a hearing, no right of defence, no right of review. All the procedural rights given to the parties before the Commission are over-ridden and usurped when

the cabinet steps in to vary or rescind an order. The cabinet has complete discretion in this regard. There are no standards, no criteria, no due process of procedure. It is just gut reaction, and that is exactly what the bill involves.

Our concern in attacking the bill from this side of the House is not founded in any way on a desire to condone profiteering or gouging by big business. The point is that the bill does not do the job. As the leader of the New Democratic Party correctly stated, its proclamation will do absolutely nothing to stop inflation. More important, it may lull Canadians into a false sense of complacency; it may lull them into thinking something is being done about inflation when in fact nothing will be done. To the extent that the government proposes to apply this bill to certain industries or articles, or classes of articles, it would represent an unprecedented exercise of arbitrary executive power, uneven, inequitable, and, in some cases, counter-productive.

I should like to repeat what was said by my hon. friend the Leader of the Opposition (Mr. Stanfield) after the conclusion of the last session of parliament, on January 17:

> My concern and the concern of the Progressive Conservative Party is not for the big interests and the highly organized groups which have enough muscle and financial reserve to remain comfortable through periods of escalating inflation—those which can stabilize their own situation sufficiently to ride high and relatively unscathed through endless boom-bust cycles.
>
> Our concern is for the unorganized worker who sustains terrible losses in real income in today's circumstances and who always faces the threat of unemployment as the cycle moves on. Our concern is for the small Canadian business and for the diligent Canadian salary-earner who has struggled to put a modest amount into savings for his family's future needs and for his own retirement.

That is the concern of the Progressive Conservative Party and the bill before us will do nothing to meet that concern.

In summary, the bill reflects a government without leadership, a government which lacks a firm hand at the tiller. The performance yesterday of the Minister of Consumer and Corporate Affairs (Mr. Gray) prompted an exodus of other ministers from the chamber reminiscent of rats deserting a sinking ship. It is bad enough that the bill was not presented by the Prime Minister (Mr. Trudeau) or by the Minister of Finance (Mr. Turner), as it should have been had the government been really serious about it. But for the minister to be left alone in the House at the peak of his presentation yesterday was the ultimate insult; it supposes the virtual collapse of the government. The bill was hastily conceived and thrown together as a sop to the NDP. It was not carefully thought out either as to substance or as to procedure. It gave no evidence of leadership or firm direction on economic questions and the statements of the minister and of the Prime Minister subsequent to its introduction have done nothing to correct that failing. But most important, it will do nothing to tackle the real problems of inflation.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I rise to take part in this debate for two reasons; first, to reply to some of the rather hasty criticisms which have been made by spokesmen for the opposition, and, second, to expand upon the remarks made by my colleague the Minister of Consumer and Corporate Affairs (Mr. Gray) as to the purpose of the bill and the intentions of the government with respect to its application.

Let me begin by saying this categorically: the Government of Canada is determined to deal with profiteering and gouging.

Some hon. Members: Hear, hear!

Mr. Sharp: If parties opposite wish to take a contrary position, which means taking a stand in opposition to this bill, that is their business. To say the bill is inadequate or imperfect is one thing; there is always the possibility for improvements to be made in committee. But when the opposition simply opposes the bill, I suggest their attitude is hypocritical.

Some hon. Members: Hear, hear!

● (1520)

Mr. Sharp: I interpret that opposition as being political manoeuvring which indicates there is no serious concern for the problems of profiteering and gouging that is basically the reason that this government has introduced this bill. The government has only one purpose in this bill, and that purpose is to deal with profiteering and gouging, nothing else. It is not meant to be a substitute for over-all price and wage control. It is not meant to be a substitute for selective price and wage control, or selective price control as advocated by the NDP. We have taken a position that is in opposition to the application of over-all wage and price control under present circumstances. We are still of that view, though I am not quite sure whether the party opposite is. During this debate I would certainly welcome a clarification of the position of the Progressive Conservative party on the problem of controlling inflation.

One of the reasons I take this position, Mr. Speaker, is this. Yesterday I listened to the reaction to the announcement made by my colleague the President of the Treasury Board (Mr. Drury) of an increase in salary for public servants to reflect, and to adjust their salaries to, the recent unprecedented inflation. What was the attitude of the spokesman of the Progressive Conservative party, the hon. member for Grenville-Carleton (Mr. Baker), when this position was placed before the House by the President of the Treasury Board? He said it was inadequate. This, Mr. Speaker, is the party that is in favour of wage controls.

Does this mean that the Progressive Conservative party is in favour of wage controls for the private sector but not for the public service? Is that what is meant by his statement? Certainly, that is the implication of the position taken by the hon. member for Grenville-Carleton. I suggest this shows that the party opposite, which has pretensions to power, has no policies and does not intend to enunciate any, and hopes that it will drift into office. I doubt whether that attitude is going to appeal to the people of Canada who want action.

I should like to have the positions taken by the various parties clearly defined. Would the Progressive Conservative party let us know now whether they are still in favour of over-all price controls, whether they would still freeze

prices for 90 days, or 120 days, whatever period it is; and since they have had a couple of years to think about this idea, would they let us know what is going to happen after the 90 or 120 day period? It seems to me that a party which is criticizing the government for bringing in a bill to deal with profiteering and gouging, not with price control, should define its own position in relation to these central questions.

Mr. Stanfield: Let us hear from the Minister of Finance on this subject.

An hon. Member: You will on Monday.

Mr. Sharp: Bill C-29 before us is a complicated bill because it is dealing with a complicated question. But may I say this in reply to some of the criticisms that have been made. The bill was not hastily drafted; it was not hastily considered. It has been under consideration for many weeks and months now. I can assure the House that it has been under consideration, not in response to suggestions that have been put forward in the House particularly, but ever since the government announced through the Speech from the Throne that legislation of this kind would be brought forward. This bill is in direct line with the Speech from the Throne and the policies enunciated at that time.

Although this bill was considered over a long period of time, Mr. Speaker, I am not suggesting that it cannot be improved. I have had long enough experience in this House and in the business of government to know that all legislation can be improved. Not only that, but I have great respect for my hon. friends opposite. I am sure they can offer some very interesting and constructive suggestions, whether they are members of the Progressive Conservative party, the New Democratic Party or the Creditiste party.

I should like to deal generally with the procedure that is contemplated in the bill because it seems to me there has been a good deal of confusion which has been compounded by some of the hasty criticisms made by hon. members opposite. Let me refer to the Food Prices Review Board, which is now in place and established. That board has been monitoring food prices now over a considerable period of time and has operated by persuasion. It has had a considerable number of successes and it has also had a large number of critics. But there is one point upon which all parties are now agreed, and that is that the time has come to put some teeth into the recommendations of the Food Prices Review Board. That is what this bill will do. This bill will establish the enforcement machinery.

On paper, the procedure that is outlined in the bill may appear rather cumbersome.

Mr. Baker: That is the understatement of the year.

Mr. Sharp: However, I regret to say that opposition spokesmen, either deliberately or otherwise, have made it appear much more cumbersome than it actually is. The reason for the procedure in the bill is that the government is concerned to be both fair and effective at one and the same time. I make no apology for an attempt to be fair. I do not want this piece of legislation—and I know the government does not either—to be categorized as a witch hunt. That is not its purpose. We have no intention of penalizing the manufacturer or the merchant who is making an honest living and taking a normal profit. Indeed, we on the government side want to encourage business of this kind and will take all measures that are reasonable to encourage businessmen who are honest, who are not profiteering or gouging. Our target in this bill is the manufacturer or merchant who is profiteering and gouging. That is the purpose of this bill and is why I said at the beginning that those who are opposed to the bill are opposed to the attack on profiteering and gouging.

Some hon. Members: Hear, hear!

Mr. Sharp: The second point that I should like to make is that, contrary to the assertions that have been made in this House, the government can act quickly on a report of the Food Prices Review Board recommending action. A price stop can be put into effect immediately without any cumbersome machinery. The opposition has misrepresented the bill in this respect, either deliberately or, perhaps, inadvertently. I am not going to attribute motives here but I can assure the members of the House that the bill is quite clear on this point. A price freeze comes into effect at the time of the declaration if we so wish. There is no cumbersome machinery to be dealt with. There is, however, machinery to protect—

Mr. Lewis: Mr. Speaker, may I ask the minister whether he would be good enough to read the clause in the bill that provides what he says is provided—that is to say, that without any further hearing a declaration is made and the price is frozen. Would he please read the clause in the bill that makes that provision?

Mr. Sharp: I have read it, Mr. Speaker. It would not be appropriate for me, on second reading of the bill, to read clauses of the bill, but I can assure the hon. gentlemen that there is provision for this procedure. As soon as a declaration is made, a price freeze can come into effect, and no one can raise prices for 30 days without notice. This effectively freezes prices for 30 days.

It is also important—and this is why I emphasize the point of fairness—that Canadian businessmen should be enabled to raise their prices if this is warranted by cost increases, and normal mark-ups and profits should be permitted. To act otherwise would be grossly discriminatory. And not only that; it would, of course, act in opposition to what I am sure every member of this House wants, and that is to encourage honest businessmen to produce as much as possible. That is our purpose, and I am sure it is the purpose of everyone in this House. So, we have to establish procedures to ensure that the action we take is fair and legitimate, and that all the merchants concerned have an opportunity of appealing if they disagree with the judgment of the officials.

● (1530)

May I say, Mr. Speaker, that food products are not our only concern. There are other products in respect of which the government believes action may be required and where action will be taken. May I deal briefly with the suggestion made by the hon. member for York South (Mr. Lewis), not only on this occasion but on other occasions. I

think it is part of the official platform of that party, this idea of a general prices review board.

It was suggested that this is an alternative the government could have employed instead of using the procedures established in this bill, that is the government might have appointed a general prices review board. We looked very carefully at that alternative and we came to the conclusion that this would have produced unnecessary bureaucracy. Moreover, it was suggested that we could have included a number of other things including services. It seems to us that the reaction to such a proposal would justifiably have been that this is political window dressing. That is the charge that has been made against this bill. I can assure the House that if the government had brought in a general prices review board which purported to have all these powers which were directed at only the question of profiteering and gouging it would have appeared as an inflated proposal that should be condemned out of hand as unnecessary bureaucracy, and that is why we proceeded as we did.

The basic assumption underlying this bill, and I believe it is a justifiable assumption, is that profiteering and gouging are the exception and not the rule in Canada. It is also assumed that the particular circumstances which have led to recent rapid increases, and that facilitate profiteering and gouging, are of a temporary nature, and, although they will persist for some time, we believe they are not of an indefinite duration. The government therefore decided to monitor pricing practices in areas other than food products by a selective approach, by instituting inquiries in important areas where profiteering and gouging could have widespread and pervasive effects, but also, and this is an important provision of the bill, retain freedom of action to act even without an inquiry.

So this machinery which has been described as cumbersome could in fact be put into effect quickly, and could be very effective in dealing with the only problem with which this bill is concerned, namely that of profiteering and gouging.

Mr. Hellyer: Mr. Speaker, would the hon. minister permit a question?

Mr. Sharp: I do not mind.

Mr. Hellyer: The minister has indicated that it would be possible to move very quickly without an inquiry, and he has also suggested that the bill was given considerable consideration over an extended period before it was drafted and presented to the House. Is he in a position, in view of what he suggests actually took place, to lay on the table at the present time a list of those articles or classes of articles or companies which, in the government's opinion, should be subject to this kind of action in the immediate future?

Mr. Sharp: Mr. Speaker, may I deal with this question very directly as it is an important one. If the government were to institute a number of inquiries, which it could do under the Inquiries Act, into areas where profiteering and gouging were suspected to arise, then unless we had this bill there would be no effective action that could be taken against those industries or those corporations. I suggest to the hon. member in answer to his question that we should get this bill through so the government will be able to act effectively against profiteering and gouging, because without this bill it cannot. That is the situation and that is why I say the members of the opposition have a responsibility to the people of this country to support effective action against profiteering and gouging, and the most effective action that can be taken is to support this Bill C-29.

Some hon. Members: Hear, hear!

Mr. Sharp: I submit that while the action that we are taking looks less impressive than the establishment of a general prices review board, in fact it is likely to be more effective. It is likely to be more effective because it will be a good deal less wasteful and less bureaucratic for the intended purpose.

Now, I come to the question of services. This is another major question raised by spokesmen for the opposition. I would like to deal briefly with it as I would like the opposition to know that we did very seriously consider whether or not we should include services within the scope of the legislation. They were omitted for three reasons. In saying that, I would like to make it clear that if a case can be made for putting some of these services back in the bill, because there are serious omissions, the government would not be strongly opposed. Indeed, we would look sympathetically at any suggestion that would be made in this field, if it were constructive. Let me explain why at the initial stages we took services out.

If you look first at services like hairdressing, laundries and things of this kind, the government was very doubtful whether one would want to proffer charges of profiteering and gouging in service industries of this kind. Then we come to the major service industries in the financial field, like banking, money lending and other financial institutions. The problem here is that they do not lend themselves to the kind of procedures provided in this bill. Moreover, many of them are under the supervision of government agencies and to add them to this bill might create some confusion, and probably would not add to the effectiveness of what is being done now.

The third class, of course, includes services such as transportation, telephone rates. These kind of services are now under public control and certainly there would be no point in putting them under this bill. As I say, these are the reasons we left services out, and if the House or parliament decides in its wisdom that services should be included, the government is not particularly opposed. What we did not want to do was mislead the people. We want this bill to be effective, and the place where it can be most effective is in the field of goods.

We now come to the question of land. Everyone will agree that probably the greatest inflation we have seen in this country is in respect of the price of land. Again, when we looked at the machinery for controlling the price of land we doubted whether the kind of machinery in this bill which is to deal with profiteering and gouging could be applied in any very simple way, at least in respect of the transactions by individuals in land. Moreover, we know from our own experience, and all of us know this, that the provinces in many ways are in a better position to deal with questions of land prices than is the federal

government. As I say, we are not opposed to taking action against or in respect of land prices, but we are a little doubtful whether this is the place that action could be most effective. The main element of increased prices of housing is the increased cost of land. We can take action where the price of building supplies and materials are concerned as that does lie within the ambit of this bill. Therefore, housing is included. The price of land does involve a difficult problem.

In brief, this bill, although far-reaching, and one of the most far-reaching pieces of legislation brought before this House in recent years, is nevertheless limited. It is specifically limited in its approach not because the government is timid, and not because it is lacking in seriousness, but because it wants to concentrate its efforts where practical results have some chance of being achieved. That is the purpose and the philosophy of the bill. That is why I reject the charge of the hon. member for York South that this bill is a piece of political window dressing. It is put forward, I can assure the House, after mature consideration of the alternatives. All the alternatives that have been put forward by the opposition were considered by the government before this particular approach was decided upon. These alternatives were rejected not because the government lacked courage but because, to use the hon. member's own words, we thought it might look like window dressing.

● (1540)

Now, on a subject like profiteering and gouging it is easy to be demagogic. I do not know of any subject on which it is easier to make a rousing speech, but it is not so easy to devise fair and effective measures to cope with unwarranted price increases in a free and open society. This bill may be imperfect but I can assure the House that such imperfections as it may have are not deliberate. It may be perhaps that we have not been able to foresee every issue and circumstance, but I can assure the House that the government intends to use the machinery to do everything reasonable to curb profiteers and gougers starting from the day the bill becomes law.

In this connection I was somewhat taken back looking back at the speech made by the hon. member for York South when he was dealing with this issue. He said he is not opposed to the principle of this bill. He said he is opposed to profiteering and gouging but that he does not think the government is serious about it. He quoted the Prime Minister (Mr. Trudeau), as recorded at page 1943 of *Hansard*:

> I turn, therefore, to a report in the Montreal Star of April 25, a report which appeared in a number of other papers. Here is part of this report. I quote:
>
> The Prime Minister indicated that the legislation might not be proclaimed until needed. He suggested that the threat of it would be enough to stop companies from profiteering.

I would have thought the hon. gentleman would have checked the accuracy of the report or if he did not want to do that that at least he might have looked at what the Prime Minister really said in this House of Commons when similar questions were put to him and in that way he might have ascertained what was the attitude of the Prime Minister and the government. I read from *Hansard* of March 13, 1974 at page 473 where the Prime Minister is recorded as saying:

> When gouging or profiteering has been established before the independent board and those who are alleged to have gouged have been given a chance to state their case, if they do not take corrective action that is when we will act and not on some arbitrary suggestion by the hon. member.

That is the attitude of the government. We would not have brought this legislation forward if we did not intend to use it. Why would we have gone to all that trouble?

An hon. Member: Yes!

Mr. Sharp: I will come to that question immediately. The hon. member for York South referred to this bill as a sop to the NDP which he is not accepting. On reflection the hon. member, I am convinced, will wish he had not uttered that unfortunate remark. Until he said that I had assumed that the support of the NDP was not for sale on any terms, and that no sop of any kind regardless of how enticing it might be would ever be accepted by the NDP. I still believe this because I am a friend of the hon. member for York South, and I believe essentially in his integrity.

I still believe that the NDP support is not available at any price. I am sure the NDP, like the members of this party, try to act in the public interest and that is why I believe he will regret that kind of remark. We on this side of the House have never offered any sop to any party or to any member in order to gain support for the measures we have put forward. We offer legislation which we believe to be in the public interest and it is up to hon. members to decide whether they will support it.

Some hon. Members: Hear, hear!

Mr. Sharp: That is the basis on which we present this bill to the House. In our judgment, it is useful and constructive and indeed essential legislation to curb profiteering and gouging. We do not contend for one moment that it is adequate legislation to deal with inflation. We never said that and I do not say it now. We do not contend that it meets all the problems arising from inflation. No single piece of legislation could possibly do that. We have approached the problem of inflation and are dealing with it through a many-sided program.

We are dealing with it through measures which are in the hands of my colleagues the Minister of Consumer and Corporate Affairs (Mr. Gray), the Minister of Finance (Mr. Turner), the Minister of Energy, Mines and Resources (Mr. Macdonald) and the Minister of Fisheries (Mr. Davis). I could name dozens of ministers who are trying to cope with the problems of a society suffering from inflation. Our attack on inflation is many-sided. The opposition know this. When they characterize this piece of legislation as the government's answer to inflation they know this is not true. This bill is directed toward gouging and profiteering and should command the support of every member of this House.

Some hon. Members: Hear, hear!

Mr. Sharp: So I say to hon. members opposite; let us stop playing politics with this issue and approve this bill in principle, then get it before the committee where members who have ideas, some of them good ideas, can put

them forward. Then, we can get this bill into action so that we in the government can deal with the profiteers and gougers. If we are not in that position we know who will be to blame.

Some hon. Members: Hear, hear!

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, for the Secretary of State for External Affairs (Mr. Sharp) as a person I have the highest regard and, as a friend, I value him highly, but as for the speech he has just delivered, by jove, Sir, he blew with an uncertain trumpet if anyone ever did. I do not know how the minister's speeches are constructed, but I would not be at all surprised if his chief advisors and writers would be some of those who helped him deliver such pusillanimous missiles as when the French were shooting the *Greenpeace* all over the ocean or when speaking up magnificently and strongly—

An hon. Member: You are full of prunes.

Mr. Macquarrie: A brilliant remark. One of the uncertain members of the House opposite said I was full of prunes. How brilliant can they get on that side in times of extremity! I think, too, of the occasion when we had such strong notes about the sale of locomotives to Cuba and the pusillanimous patty-caking that went on over that episode.

What interests me is that this minister of all ministers should be rushing to the aid of the embattled minister of yesterday. Where is the Minister of Finance? Is this not a matter of finance? Why is he not speaking? Where was the Minister of Regional Economic Expansion (Mr. Jamieson)? Why is the Minister of Industry, Trade and Commerce (Mr. Gillespie) not dealing with this measure? The Secretary of State for External Affairs comes in as the one supporter of the embattled minister of yesterday. We might even have heard from that super-oil purchaser, the Minister of Supply and Services (Mr. Goyer) who, if he is on the bit, can get it for 99½ cents a gallon when it is going for 30 cents everywhere else. These are the economic giants who should be speaking. I think there is some rule that even if you are interrupting you do not do so from your seat.

● (1550)

An hon. Member: Where is Gillies?

An hon. Member: Where is that front bench power?

Mr. Stanfield: There is nothing to deal with.

Mr. McGrath: Where were you when you were needed?

Mr. Stanfield: I stay here as a matter of courtesy to the minister.

Mr. Speaker: May we have order please! Perhaps the hon. member for Hillsborough (Mr. Macquarrie) is at the point, now that we have had all these pleasant exchanges, of being given an opportunity to make a speech which, I am sure, will address itself to the bill before us.

Mr. Macquarrie: Methinks that horrendous coming events are having an effect upon the manners of the hon. gentlemen opposite. It is not my fault that these things are happening. I am a mere contributor to bringing about a better day and times.

I was impressed by the minister's unkindness to the Leader of the NDP (Mr. Lewis). Is there no place for gratitude in public life?

Some hon. Members: Oh, oh!

Mr. Macquarrie: What did he mean when he said that the hon. member would regret that kind of remark? I felt quakes and shivers way up in this part of the House.

The minister did say, and I noted this, that the measure before us was not hastily drafted. It might have been better had he admitted it was because, as my colleagues so brilliantly pointed out yesterday,—the hon. member for St. John's East (Mr. McGrath) and the hon. member for St. Paul's (Mr. Atkey)—it is in fact an horrendous piece of legislation unworthy of any government, and certainly one which no thoughtful parliament would dare adopt in its present from if they wanted to keep their respectability and responsibility.

Some hon. Members: Hear, hear!

Mr. Macquarrie: But if the minister suggested that this was not a hasty response to the economic problems of this country, he was most certainly correct in that. There has been no haste in dealing with inflation by that government, far from it. We have had the Prices and Incomes Commission, we have had the Food Prices Review Board, we have had suggestions that inflation was going to be dealt with, that the whole settlement was just round the corner, and we have gone around in circles. There has been no haste in dealing with the egregious problems facing this country.

I am saddened particularly by the document which came in yesterday, the report of the National Council of Welfare on low income consumers in the Canadian marketplace, Prices and the Poor. Here we have documentation by a government appointed body that inflation is so serious in this country that thousands and thousands of Canadians have the nutritional elements of their diet so seriously affected that their health is being impaired. That is the kind of country in which we live and the kind of country which we see being poorly and inadequately governed. I say certainly there was no haste in trying to deal with these situations. This council asks for aid for thousands and thousands of Canadians who cannot continue under the present situation of prolonged inflation.

The minister was a little more political than he usually is. He endeavoured to take a crack at the parties on this side of the House, using such words as "hypocrisy". He made reference to some of the situations dealt with by the Leader of the Opposition (Mr. Stanfield). I would say to the minister: had he listened more carefully over the past many months to the consistent and straighforward suggestions of the Leader of the Opposition on a comprehensive program to control the rampant inflation, we would not be in the situation where the group opposite has failed so sadly.

Some hon. Members: Hear, hear!

Mr. Macquarrie: He even took a swipe at the hon. member for Grenville-Carleton (Mr. Baker) who happened to speak with great clarity yesterday on the inadequacy of the aid which was being offered to public servants in these days of crippling inflation.

Mr. Sharp: What about the wage freeze?

Mr. Foster: The aid is not inadequate, it is your speech.

Mr. Baker: At least we don't have to listen to you.

Mr. Macquarrie: I am enjoying the dialogue so much that I hesitate to resume the monologue.

I do take considerable exception to my former professorial colleague, the President of the Privy Council (Mr. MacEachen) who enunciated an interesting theory today that you vote on a measure and then you decide what you voted for and what were the parameters of the vote. If it is confidence, you do not know until after the vote has been taken. This really stands Beauchesne and Bourinot on their heads and starts them spinning. The minister knows this as well as I do, because he used to study and to teach from such learned treatises as MacGregor Dawson's Government of Canada. He pointed out very clearly that if the House should decide to reject a government bill or to amend it in a way unacceptable to the cabinet, then "Her Majesty's government will consider that it is relieved of the duty of carrying on any longer the government of the country." That is what the constitutional truth of the whole matter is, and if in the latter days of its existence this government will proclaim that this is its best effort, that this is its major contribution, that this is its onslaught against profiteering, that this is its major attack on inflation, then I say: woe to them if that is the best they can come up with. I do not think they will find any constitutional device to allow them to have second thoughts.

An hon. Member: What is your alternative?

Mr. Macquarrie: I hope that before too long the people of Canada will have an opportunity to see what it is.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Surely, the vote of the people would be acceptable even if a vote in the House might be questionable in the constitutional theory of the President of the Privy Council.

Mr. MacEachen: I can quote you Tory prime ministers who made the same statement and lived up to it.

Mr. Macquarrie: I will hear from the minister later because he may need to render his assistance to the embattled minister as well. We may be approaching the time when speeches, even brilliant ones, might not be as useful as the determination by the House. If that is what is desired by the government, I will be glad to surrender some of my time so that we may make a decision upon this matter.

The Secretary of State for External Affairs says that this legislation is pretty good but that we can improve it. I agree with my colleagues who spoke yesterday, and I agree with the Leader of the NDP, that the bill is outrageous, that it is a travesty, that it is inadequate and that it will not do that which the press release accompanying it proclaims. I oppose it. I think the people of Canada will oppose it and if the government stakes its claim to perpetuity on this, it will have a weak and fragile claim.

● (1600)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Secretary of State for External Affairs (Mr. Sharp) who has just spoken on this bill has made a useful contribution in that while he may not have told us what the bill will do he certainly clarified what it will not do. He has told us that it is not going to resolve the problem of inflation, that it is not going to provide selective price controls, and that it is solely aimed at stopping undue profiteering, despite the fact that he then went on to say that profiteering in Canada was the exception rather than the rule, and that the Minister of Consumer and Corporate Affairs (Mr. Gray) has already said that there is no evidence of widespread abuse in the country.

So here is a minister seeking to defend a bill, and doing it very poorly, who has only succeeded in telling us that the bill will not do most of the things that the government has been trying to persuade the public it will do, namely, help in the matter of inflation and provide some protection with respect to price controls.

The minister says that the government has introduced this legislation in order to stop some forms of profiteering. He has made a very poor case to prove that. He says that upon a declaration prices will be frozen. I ask him to find where there is any such provision in clauses 51 and 52? Prices cannot be frozen without a reference to the courts. The minister should know that, if he has read this legislation. I suspect he has not studied it very closely.

He has been dragged in to defend this legislation because the two ministers who are the arch apostles of high profits would cut very inconspicuous figures in this debate trying to prove that we should stop profiteering, profiteering which the Minister of Consumer and Corporate Affairs says does not exist, and which the Secretary of State for External Affairs says is the exception rather than the rule.

I think we ought to take a look at this bill, which is supposed to deal with profiteering practices, in the light of the total picture which faces the country with respect to inflation. I think every member will recognize that the rapidly escalating cost of living is one of the two major problems disturbing the Canadian people. The other, of course, is unemployment.

The problem of rising living costs has aroused the Canadian people as nothing else I have seen in many years. When you have an increase in a living cost of 10.4 per cent, an increase in the price of food of 18.6 per cent, and when you have the cost of living for hundreds of thousands of workers rising faster than their real income then you have a crisis which is stirring this nation as nothing else has done for many years.

Since the beginning of this parliament the members of the New Democratic Party have taken a very realistic approach to this problem. We have recognized that inflation is part of a worldwide trend, and that there are

factors which are beyond the control of any national government. We have said repeatedly that just a freeze on prices and wages is unrealistic and could be very unjust, that there is no way in which the government of Canada can fix the price of imported products—citrus fruits, coffee, tea, cocoa, bauxite, natural rubber, and certain sophisticated machinery which we must buy outside this country. The prices of those commodities are set by the countries that produce them, and we must pay those prices or do without those commodities. There is no way that we can freeze those prices.

We also recognize that merely to freeze wages and prices is to lock in a great many injustices on the one hand, and a great deal of excess profiteering on the other. The report of the Senate Committee showed that there are 500,000 families in Canada, called by that committee the working poor, whose incomes are lower than if they were on welfare. To freeze their incomes is to freeze them into unconscionable poverty. And at the same time to freeze the profits of the banks and the oil companies is to put them in paradise. Therefore, we have suggested a two-pronged attack on this whole question of the rising cost of living.

Since the beginning of this parliament we have first of all suggested that parliament and the government must make provision to help those who are most vulnerable to the rising cost of living. The government has responded to some extent. There were increases in old age pensions. The old age pension was put on the basis of the rising cost of living rather than being limited to a 2 per cent increase. There was an increase in veterans' pensions. Last year there was some reduction in personal income tax for those in the lower and middle income groups. Increased family allowances are another example. These things have helped, but I want to point out that the rising cost of living in the meantime has eaten up all the gains that these people have made.

We pressed for other things. We suggested that commodities which are essential for every family, and particularly for those on lower incomes, ought to have assistance by way of subsidies or by way of reduced sales taxes. Some of this has been done. The government did introduce subsidies on milk, beef and bread. Whether they have reached the consumer or not is something we are waiting for the government to discover because it has not yet completed its studies in that regard. And some sales taxes have been reduced on items like children's clothing. We have not reduced such things as the sales tax on building materials. We have not provided any tax credits for people in lower income brackets. But the government did move, and I want to give it credit. It moved, sometimes reluctantly, sometimes on being pushed very hard, and it did take steps to cushion the effect of rising living costs, particularly on those in the lower income brackets.

But when we come to the second prong of the attack which the NDP had been advocating with respect to the rising cost of living, the government has been adamant in its refusal. Broadly speaking, we suggested four things. First of all, we suggested the setting up of a prices review board to monitor prices, with power to freeze prices where increases were unjustified, with power to roll back prices, and to move into certain areas and hold prices at a level that would be fair and just.

Profiteering Practices

We have said that along with this it would be necessary to establish a two-price system for a great many commodities. If this government merely fixes the price of a commodity and that price is less than the one producers can get on the world market, that commodity will go out of the country. Therefore, we require a two-price system, with export controls and, in some cases, an export tax. There is little value in fixing a price if the commodity is not available. Many commodities are made in this country which bring in substantial profits if they are sold on the world market. I do not see why Canadians should be required to pay high prices for steel, lumber, cement or anything else produced in this country merely because corporations can obtain a higher return if they ship such commodities out of the country. The Minister of Finance (Mr. Turner), when answering the hon. member for York South (Mr. Lewis), has completely rejected a two—price system for selected areas which should be brought under control.

● (1610)

The third thing we have suggested is the reduction of mortgage interest rates to 6 per cent; and the fourth thing, an excess profits tax to siphon off some surplus profits being made at present.

The government should realize that the people who work with hand and brain in this country to produce its wealth, and whose real income in the last quarter of 1973, compared with the last quarter of 1972, was down by $5.50 per week, will not tolerate that situation. When the working people note the distribution of our gross national product and see that the share for corporate profits has gone up and the share for wages and salaries has gone down, they will not accept it. That kind of redistribution of income in reverse will not be condoned or accepted by the Canadian people.

Although the government has moved on the first prong of our attack and cushioned some of the effects of rising costs of living on those who are most drastically affected, it has consistently refused to intervene in the economy, something it must do if the ordinary people of this country are to be protected against profiteering and against the high prices corporations can charge and demand if they threaten to ship their products out of this country.

The Secretary of State for External Affairs who spoke this afternoon said, in response to my leader, that he was sure the NDP is not for sale, that the government did not throw sops to the NDP or anyone else and had acted according to its conscience. His conscience must be guilty.

Mr. Bawden: You must be feeling bad, too.

Mr. Douglas: In the last year, the government has had to be shoved and pushed into accepting changes. Except when it was talking about increasing the old age pension, family allowances or oil policy, the government has always been reluctant—

Mr. Sharp: We were always ready to listen to advice and to recommendations.

Mr. Douglas: The government could respond to the first of the two prongs of the NDP program and raise old age

pensions and other allowances without arousing criticism, but it is not prepared to challenge the corporate structure of this country.

The member who preceded me wondered why the Secretary of State for External Affairs had spoken in this debate, since its subject matter is not within his purview. I suggest he entered the debate to assure the Bay Street barons that they need not worry about this bill because, after all, profiteering is the exception in this country, not the rule. The government's attitude with respect to intervening in the economy to provide equity and economic justice has become increasingly apparent in recent months.

The Minister of Finance (Mr. Turner), addressing a joint meeting of the Institute of Chartered Accountants of Manitoba and the Law Society of Manitoba at Winnipeg, on April 19, 1974, said in part:

> One of the red herrings injected into this debate, particularly by the NDP, is that the corporate profits of Canada's manufacturers and processors are now so high that the reduction in their tax burden is completely unjustified.
>
> Certainly there has been a substantial improvement in business earnings, an improvement in which Canada's manufacturers and processors have fully shared. Certainly there is some point of proper balance to be struck. But profits cannot be considered in a vacuum. They must be considered in relation to our urgent requirement for sharply increased capital investment . . .
>
> It must be obvious to nearly everyone other than Mr. Lewis and followers that the money to finance this huge increase in capital investment by Canadian manufacturers must come from somewhere.

It is apparent that the money is to come from the consumers of this country.

An hon. Member: From ordinary taxpayers.

Mr. Douglas: Yes, from the taxpayers of this country who have had to pick up the burden of the corporate tax concessions which this government provided last year, with the help of the Progressive Conservative party.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) sings a similar song. Speaking to the conference board in Canada in Winnipeg on April 3, he said in part:

> Of course, the problem, according to the New Democratic Party, is profits. The NDP believes profits aren't really necessary. This government knows profits are necessary to continued industrial growth—provided that a significant share of these profits is pumped back into expansion and employment.

Later in that speech he said:

> Putting it another way, the proportion of earnings retained for corporate purposes was at an all-time high. Our manufacturers are using their profits to finance expansion—and that's what we want.

That is the government's position. I can understand why neither of those ministers wants to defend this bill. How can they talk about wanting to stop profiteering when they tell everybody that profiteering is marvellous, that the more profits you make the more jobs you create. It is dangerous to suggest the thesis that the consumer of this country, when he purchases an article, should provide for its cost of production, for the servicing and retirement of capital debt and for a reasonable return to shareholders, and, in addition, enough money to enable the corporation to retain sufficient earnings for future capital expansion. When a man buys a pair of shoes, he can legitimately be expected to pay for overhead and return to the entrepreneur on capital investment. Should he also be required to pay, in addition, for the construction of a new plant or the expansion of an existing plant. That is the thesis the government is advancing.

● (1620)

Now, let us look at another aspect of the government's approach to intervention in the economy. The Secretary of State for External Affairs (Mr. Sharp) made reference to the fact that the Food Prices Review Board was set up. He said this act will now put teeth in the Food Prices Review Board. I ask him what prevented them from putting teeth in that board when it was established.

As a matter of fact, when this matter was before the committee on food prices, representatives of the New Democratic Party moved that the Food Prices Review Board be given the necessary power to freeze and roll back prices where it was found necessary to do so. That amendment was defeated by both Liberal and Conservative members.

When the matter was before the House, the members of this party pleaded with the government to put some teeth in the Food Prices Review Board. The government refused. Why did they refuse? If they now believe the Food Prices Review Board should have teeth, why did they not give it teeth a year ago? The fact is they had no intention of the Food Prices Review Board having teeth. The Food Prices Review Board was set up because there was public clamour for the government to do something. That piece of deception not having worked, they are trying a second piece of deception, that is giving the Food Prices Review Board rubber teeth.

Some hon. Members: Hear, hear!

Mr. Douglas: The government is not going to fool anybody by the kind of statements that were made this afternoon by the Secretary of State for External Affairs. The fact is that this piece of legislation is a last act of desperation. This bill is an attempt to perpetrate a cruel hoax on the people of Canada by seeking to convince them that the government intends to do something when it is increasingly apparent they do not intend to do anything about the large scale profiteering that is going on by the corporations of this country. If the government wanted to deal with profiteering, why has it taken so long?

It is very interesting that when we argued about putting teeth in the Food Prices Review Board, it was the Minister of Consumer and Corporate Affairs (Mr. Gray) who said the government did not have the constitutional authority. That is what he said a year ago. He now finds it has constitutional authority.

I was tremendously impressed by the answer which the minister gave when questioned by the press on this matter. They asked how come he said they did not have constitutional authority a year ago and now he brings in a bill that he claims gives them constitutional authority to do something about profiteering. The minister's answer should be put on the record because it is one of the great and immortal sayings of all times. This is his answer:

> It doesn't appear to me now the way it appeared to appear to me then.

Some hon. Members: Hear, hear!

Mr. Douglas: The minister outdid himself.

Mr. Deputy Speaker: The Minister of Consumer and Corporate Affairs on a question of privilege.

Mr. Gray: Mr. Speaker, I just want to say I was adopting the wording of a learned judge who was asked a similar question. Therefore, I cannot claim originality for that phrase. I also want to add that there was a part of my answer which indicated the views I expressed then were based on advice I received. I think what we are doing is consistent with advice on constitutional authority, especially since we are not attempting to apply this bill solely in a very limited and localized situation.

Mr. Douglas: Mr. Speaker, all I can suggest to the minister is if he acted a year ago on the advice he was getting, he was getting very bad advice. I do not see any indication that his advisers have improved, judging by the legislation he is now trying to put through this House.

Some hon. Members: Hear, hear!

Mr. Douglas: As a matter of fact, the most damning thing about this bill is not just what is contained in it. It is the attitude which the minister and the Prime Minister (Mr. Trudeau) have taken toward the bill.

The Secretary of State for External Affairs chided the leader of our party about the Prime Minister's statement as quoted in the Montreal *Star* of April 25 in which the Prime Minister indicated the legislation might not be proclaimed until needed. He suggested that the threat of it would be enough to stop companies from profiteering. The Prime Minister did not deny that.

Mr. Deputy Speaker: The Secretary of State for External Affairs (Mr. Sharp) rises on a question of privilege.

Mr. Sharp: Mr. Speaker, when I made that comment in my address, I did it on the advice of the Prime Minister (Mr. Trudeau) who denies he ever made any such statement. I suggested the leader of the New Democratic Party should check his sources.

Some hon. Members: Hear, hear!

Mr. Douglas: If we were to try to check the sources of all the off-the-cuff statements which the Prime Minister makes, we would be very busy people because he makes off-the-cuff statements which contradict themselves from day to day. Let's take the Minister of Consumer and Corporate Affairs.

Mr. Alexander: You take him.

Some hon. Members: Hear, hear!

Mr. Douglas: Are his statements equally unreliable when the press quotes him as saying this legislation is going to be used sparingly.

An hon. Member: Sit down, Herb.

Mr. Douglas: We might as well take it all at once, but let me finish the quotation. He said the legislation is going to be used sparingly and only where the problem is serious and obvious. Is that what the bill is for? That is the minister's own statement.

Mr. Gray: Mr. Speaker, I think if you check the press story, you will find the word "sparingly" is not included in the quotation. That is the interpretation of the journalist who wrote the article. With regard to the other part, I think it flows from questions I was asked at the time as to the approximate number of times it might be used. I was attempting to indicate it would be used officially in a certain number of circumstances without making it a form of general price controls to which my hon. friends party objects.

Some hon. Members: Hear, hear!

Mr. Douglas: Mr. Speaker, the minister has not denied it. He merely wants to get it in context. I suggest the context makes it even worse. May I also point out that the background document, which he himself put out, says that the available evidence does not suggest any widespread abuse or profiteering.

Today the Secretary of State for External Affairs said in the House—it cannot be denied because it is on the record—that profiteering in this country is the exception rather than the rule. Therefore, we are going to have legislation to deal with profiteering that is not widespread and profiteering which is the exception rather than the rule.

An hon. Member: And temporary.

Mr. Douglas: And temporary. As a matter of fact, I wonder where these people have been. Look at the oil industry profits for the first three months of this year. Imperial Oil had profits of over $1 million a day for the first quarter with $4 a barrel oil. Imagine what their profits will be with $6.50 a barrel oil.

The minister says that profiteering is the exception rather than the rule. This country today is riddled with profiteering. As the hon. member for York South pointed out yesterday, in the first three months of this year, 111 companies in Canada showed profit increases of 70 per cent over last year. Is that not excessive profiteering? Apparently the Secretary of State for External Affairs does not consider that profiteering.

The fact is this government considers profits to be a good thing. Both the Minister of Finance and the Minister of Industry, Trade and Commerce have said that profiteering helps to create jobs and therefore it is a good thing. Then why this bill? We have this bill because the government knows the public are fed up with seeing the workers' share of the gross national product going down and corporate profits going up. This government knows it has to do something. It is doing something by perpetrating a farce. I say to the Secretary of State for External Affairs that we in this party will not be accomplices to a farce of this kind.

Some hon. Members: Hear, hear!

● (1630)

Mr. Douglas: This legislation is brought in after one year during which the government has consistently refused to do anything about these excess profits. It is

brought in now because the government faces the prospect of going to the country. I have never had much faith in a deathbed repentance and I do not think the electorate will have any faith in a deathbed repentance, either. We in this party do not believe this bill was ever seriously intended as a measure to stop gouging and profiteering. We think that in the main it was an attempt to convince the public that the government was keeping a commitment made by the Prime Minister on February 28 when he said his administration would not allow gouging and profiteering through windfall profits at the expense of the Canadian people.

Yesterday, the leader of our party dealt with his act very effectively. Let me just reiterate three points which I believe ought to be reinforced in view of the statements made by the Secretary of State for External Affairs—they relate to three of the basic weaknesses of the bill. First, it can be put on the statute books without becoming effective in any way, shape or form until a declaration is made by the cabinet. It could sit on the statute books as a monument to the government's good intentions, and nothing more. It could, of course, as the Minister of Consumer and Corporate Affairs has suggested, be a deterrent. I notice he said this outside the House, but so that he will not deny it, let me quote what he said inside the House as reported in *Hansard* at page 1940:

> In any event, the existence of this legislation should act as a deterrent to those who might otherwise feel they can engage in profiteering with impugnity.

Mr. Gray: Would the hon. member read what I said just before that, so as to put it in context?

Mr. Douglas: I think most of the members on this side of the House are quite capable of reading.

An hon. Member: There are exceptions, then?

Mr. Douglas: In essence, the minister said the bill might not be very effective, but it could prove to be a deterrent. And that is exactly what the Prime Minister had said outside the House.

An hon. Member: He did not!

Mr. Douglas: I suggest the deterrent value is negligible.

Mr. Gray: On a question of privilege, Mr. Speaker. In all fairness, ought not the hon. member to read what I said just prior to the passage he quoted, which was that the government would be ready, where necessary, to make use of the authority it is seeking in this bill as soon as it is approved by parliament and proclaimed.

Some hon. Members: Hear, hear!

Mr. Douglas: I will deal with that part of the minister's speech in a moment. I am dealing, now, with statements made by the Prime Minister outside the House and those the minister made yesterday. I am saying to the minister that the deterrent value is negligible. The corporate structure in this country doesn't scare worth a damn and it will not be scared by a bill which is nothing more than a paper tiger. These people are certainly not going to be scared by the kind of statements which were made yesterday by the Minister of Consumer Affairs and by the Secretary of State for External Affairs (Mr. Sharp) today. They have already been promised by the minister that the legislation will be used sparingly.

Mr. Gray: On a question of privilege, Mr. Speaker. I do not think the hon. member—

Mr. Deputy Speaker: Order. The Chair has been lenient, but I do not think that each time one hon. member takes objection to what another hon. member is saying a question of privilege should be raised.

Mr. Douglas: I can understand the minister's concern. He produces a piece of legislation, then he goes outside the House and says he will only use it sparingly and that it will only be called upon to deal with serious and obvious cases of profiteering. When he had damned his own legislation with faint praise I can understand his concern when it is brought to the attention of the House of Commons and the people of Canada. I think the Canadian people will be quick to realise that this legislation is a sham, a snare and a delusion.

The second obvious weakness is that there is no provision for any monitoring agency in this process, though we have talked over the years about a Prices Review Board, about a continuing and on-going process of canvassing prices; about a board with power to impose selective controls, freeze prices and roll back prices. There is no such power here. This legislation covers only a limited field. The Secretary of State was really talking with his tongue in his cheek when he said the reason the legislation did not cover services was that the government did not wish to deal with hairdressers, barbers, people in the service industries. He knows this is not mandatory legislation but permissive legislation and that if the bill covers services, as it should because services represent about 25 per cent of the Canadian economy, the government could be selective. Nobody expects the government to interfere with hairdressing, for example. But it could interfere with interest rates; it could interfere with the profits made by the land developers; it could interfere with what is going on in connection with house-building programs. The reason services are left out is that the government does not want to tackle this important field.

My final point is this. The nub of this legislation lies in the fact that when the minister talks about ability to freeze prices or roll back prices—and I deny he possesses that power, except through the courts—he fails to tell us at what level prices should be frozen, or to what level prices should be rolled back. The words in the act are "to a customary margin of profit". And what is that? The bill does not say. It does not specify a certain return on capital investment. It does not specify a certain return related to the percentage of sales. Not at all, Mr. Speaker. When the minister himself put out the explanatory information for the edification of the public, the information talks of levels of profit for the previous year.

● (1640)

Mr. Gray: That was a hypothetical example.

Mr. Douglas: Indeed, it was a hypothetical example. But why did the minister choose to do that? Surely, the minister did not pull the figures out of the air. The year 1973

was the highest profit year in history. Is that to be the level of profit to which profits will be rolled back? Neither the minister nor the bill has told us that. There is nothing in the bill to indicate that the level of profit will be restricted to a reasonable return on capital investment. All it says is that the cabinet—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him by the standing orders, plus a certain extension because of various points raised during the hon. member's speech, has expired. He might, however, continue if there is unanimous consent. Is that agreed?

Some hon. Members: Agreed.

Mr. Gray: Agreed in spite of his lack of fairness.

Mr. Douglas: I will take only a moment to conclude, Mr. Speaker, and I thank the House for its indulgence. What I am saying is that unless the government is prepared to stipulate some framework within which customary profits will be defined, some basis upon which the government will act with respect to fair and reasonable return on capital investment, then the bill is meaningless. If we were to follow the hypothetical example that the minister himself put forward, that profits at their 1973 level are to become the norm, then we are thrusting upon the Canadian people for the future a distribution of national income in which the corporate sector will have an increased return and the people who do the work in this country will have a lesser return. I say that is not acceptable to this party and I do not think it will be acceptable to the great mass of the Canadian people.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I suppose in light of the queries that have been raised earlier as to why certain member on this side of the House are participating in the debate, someone will be asking what am I doing becoming involved in this particular discussion as well. It is a good question and one I am happy to answer.

In the first instance, my own personal responsibilities in the cabinet have me very much involved in economic matters. Secondly, and more importantly, I take second place to nobody in this House, including the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), in having concern for the people of this country. The "holier than thou" attitude that shines forth, as I have had occasion to say so often, is one that, of course, we can sympathize with, and I am not suggesting that the concern of these hon. members is not genuine. What I do resent is that there is no one else in this House, in their view, who appears to have any concern for the people. I deny that, and our record shows it.

Some hon. Members: Hear, hear!

Mr. Jamieson: The second point is that while I normally have a profound respect for the hon. gentleman who has just spoken, because not only is he a classic debater but he is one who, by and large, respects the decent rules of debate and also decides, generally speaking, to make his arguments on the basis of conviction, if we have 24 hours to analyse the record in *Hansard*, we will see that this afternoon there were more distortions, more half-truths, more repetitions of things that have been repeatedly denied by respected members of this House than I have ever heard before.

Some hon. Members: Shame.

Mr. Jamieson: Mr. Speaker, the hon. member for Nanaimo-Cowichan-The Islands and his leader yesterday made the case that this bill was such that they could not vote for it, even in principle. I say to them, having just heard from them that our attitude is a hoax, that the greatest hoax of all is that phony approach which refuses to let the bill go to committee, where hon. members would have the opportunity, as they have had the opportunity for a year and a half now, and with frequent success, to improve the legislation.

What is more, Mr. Speaker, if hon. members look at the excerpts of *Hansard* that I have here, but which I will not take the time to read, they will see at least 50 requests from that corner of the House for roll-back provisions, for some kind of improvement in the functions of the Prices Review Board, for the establishment of another kind of agency, for a whole range of things for which we have now provided the basis.

Hon. members may not like all of the provisions of the bill, and we have said that it may still contain inadequacies, but the biggest hoax, the biggest phony, is that hon. members will not put the bill into committee where they will have a chance to make improvements to it.

Some hon. Members: Hear, hear!

Mr. Jamieson: What they are essentially saying—

An hon. Member: Have you read the bill?

Mr. Jamieson: Yes, I have read the bill, and this is the other point that I would like to make. Whether it is by accident or design—and I choose, because of my friendship with hon. members, to assume that it is by accident—they have completely distorted the concept of the bill; for example, the reference by the hon. member for Nanaimo-Cowichan-The Islands that the courts would have to put it into action. That is simply not true.

If the bill were to go to committee, if there is an honest doubt on the hon. member's part or there is an ambiguity in the legislation, then such questions could be resolved. The government's intention is not that action should be triggered only by the courts, but that in fact, as the bill is now presented, it does not require to be triggered by the courts. Nevertheless, if hon. members have any doubts on that matter, surely the place to clear them up is in committee. But hon. members will not let us put the bill in committee, because then they would have to give us credit for having done something with regard to this whole profiteering question. Talk about deathbed wishes, Mr. Speaker! They do not want this bill passed by this House just in case we did go to the country, because the bill once again would be to the credit of the government. That is the real reason.

Mr. Douglas: Mr. Speaker, would the hon. member permit a question?

Mr. Jamieson: I think you have had your innings.

Mr. Alexander: Let the minister go ahead. Be fair.

Mr. Deputy Speaker: Order. Is the hon. member for Nanaimo-Cowichan-The Islands rising on a question of privilege?

Mr. Douglas: No, Mr. Speaker. I merely asked the minister whether he would permit a question, and I see he has graciously acceded.

Mr. Jamieson: Yes, Mr. Speaker.

Mr. Douglas: Mr. Speaker, the minister said that it was not true that the act stipulated that the commission could impose a price freeze without going to the courts. I wonder whether he would give us the section or the clause under which that is found?

Mr. Jamieson: Mr. Speaker, I was not going to go into the details of the bill and I do not propose to take up my time on matters which, I repeat, should be raised in committee. However, I think that any straightforward reading of the proposed section 51, linked with I think, section 50 ahead of it, will show quite clearly that when there is a declaration a 30 day freeze goes into effect. I do not think there is any argument on that point.

I say again that it would take a very long time to explain the technicalities of the bill, and that this can be done in committee. But personally, I am satisfied, and I think all of my colleagues in government are satisfied, that that provision is in the bill. If there is any ambiguity in the bill, then we are prepared to remove it.

The other point that I want to make has to do with the first 10 or 15 minutes of the hon. gentleman's speech of about 45 minutes. During that time there was a period when I was almost prepared to concede that he thought we were doing some of the right things over here; and indeed he said so. But what was brought out in that period, which again tends to annoy me I must confess, was not a question relating to profiteering alone. Going back to my quotations from *Hansard*, all that was really talked about was profiteering and a means of getting rid of what is known as gouging. The hon. member for Nanaimo-Cowichan-The Islands opened up the whole question of high profits, big business and uneven distribution. God knows, coming from the province of Newfoundland I am as aware of that as he is, and I say again, nobody in this House is more concerned to see that there is a decent distribution of wealth and that these people at the lower end of the scale get a decent break. I am glad to see finally that they are getting it.

● (1650)

Let me go on to make one point clear, with which I think hon. gentlemen will be in agreement. Newfoundland for the first time, indeed all of Atlantic Canada, specifically the fish plant workers and the fishermen, are getting a decent wage for their work and decent prices. I see that as being just one of the finest breakthroughs we have had in a long time. I am surprised by the suggestion of the hon. member for St. John's East (Mr. McGrath) that we ought to have wage controls in a province like Newfoundland or on the east coast. I thoroughly agree with what another hon. member has said in this regard, that this would be a disaster for the poor people of this country, and I reject that out of hand.

Some hon. Members: Hear, hear!

Mr. Jamieson: Mr. Speaker, I realize that my time may be limited somewhat as a result of the private members' hour, but I do want to say this. I fail totally to understand the attitude of people in that party, particularly that of the hon. member for St. John's East who, as I have said on many occasions, has made significant and important contributions and comments with regard to how this whole problem of prices ought to be dealt with. He himself said yesterday that they had important amendments they believe they could make to the bill if it went into the committee. Other people over there have said that they are looking for clarification in respect of the bill, yet on both sides we hear hon. members saying that they do not want to even look at it in the committee. They want to throw it out before it gets there. That to me is a completely irrational attitude which means only one thing so far as I am concerned. It is pretty hard to believe that this party is genuinely concerned about gouging and profiteering—pretty darn hard to believe it—if they will not take this bill and bring it together in a co-operative way in the committee in order to see what can be done with it.

Some hon. Members: Hear, hear!

Mr. Jamieson: I repeat that it is a much stronger bill than the NDP party in particular has talked about. With his particular kind of rhetoric, and I admire it, of course, the leader of the NDP yesterday talked about the so-called elongated process. Well, it may not be an elongated process, but in his mouth it was a distorted process. What he said was that so many steps had to be taken before a price freeze could come in that it would literally take the skin off the Canadian consumer, and I remember that phrase. He is wrong about that; he is completely wrong. The freeze can be put on, and I hope that if I do not have the opportunity other speakers will go into this in more detail. It is misleading of our position and it is misleading of this bill.

Let me now deal rather quickly with the three points made by the hon. member for Nanaimo-Cowichan-The Islands. He talked about the ineffectiveness of this measure. What he really said was that this is some kind of smokescreen we are putting up. I say to you, that is not so. I say to you that if this House passes this bill I am satisfied this government will act and act at once.

An hon. Member: What about the prices review board?

Mr. Jamieson: My hon. friend uses the prices review board to his advantage when he wants to dismiss it, yet we hear 50 questions asking about what we are going to do, and in some respects praising the prices review board. This is such a double standard I have never seen anything like it for years. I can agree again with the hon. member for Nanaimo-Cowichan-The Islands as I have very little confidence in the business community being threatened by a big stick. I perfectly agree with him that the wagging of a finger is not likely to have much effect.

I repeat that it is our intention, and it will be our intention when this legislation passes, to move and to move decisively. Once this order is issued this price freeze becomes effective. Furthermore, there is the mechanism here for rolling back those prices. I am talking about gouging and the things which the NDP party in particular has emphasized for so long. I am not talking about the whole range of what my friend might regard as inequities in the economic system. There are other measures and other methods of dealing with those. He touched upon some of them when he talked about our bolstering incomes at the lower levels of our society.

I do not question the suggestion that there should be ways for us to get after some of these corporations. Does my friend think that I and a great many of my colleagues here are immune to some of these kinds of things or are unaware of them? That is nonsense. Just put this bill in operation and I will assure you that you will see things move very quickly.

The hon. member talks about continuity once again. I am not sure what he means by continuity, but I do know that mechanisms in the bill provide for an ongoing organization as he will see if he studies the bill objectively. The hon. member's leader yesterday said something about a part-time board, or something of that sort. That is just not the case. It is part of the organization but it will be full-time in the sense of its own activity.

If the hon. member means by continuity a continuing review of prices, we do have a prices review board and other mechanisms through which to do that. The hon. member talks about the complexity of this bill, as have others, and of putting into the piece of legislation one guide as to what constitutes an appropriate level of profit, or whatever one wishes to call it. That is, of course, the height of impossibility. It just cannot be done. Surely, one has to look at each industry, one after the other, in order to determine what represents an appropriate level of profit. For some industries it may very well be a reflection of the investment on earnings, or whatever the case might be, but to suggest that a bill can in fact spell out just how profiteering or gouging shall be measured in all industries, and perhaps do it in one or two sentences, is unrealistic. That merely reflects the total unreality of the arguments that have been coming from the opposition with regard to this measure.

I repeat that hon. members of the opposition said at the initial stages, and I think one or two of their members have said it recently, that our actions in this regard are a hoax. I reject that, and I say that to prove this is not a hoax, let us give second reading to this bill and get it to the committee where perhaps we can bring about the improvements that hon. members would want to see.

Mr. Deputy Speaker: The Chair will see the hon. member for Lanark-Renfrew-Carleton (Mr. Dick), and call it five o'clock.

Vancouver National Harbours Board

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Housing—Newfoundland—Possible extension of residential rehabilitation program to rural areas; the hon. member for Assiniboia (Mr. Knight)—Agriculture—Threat of grasshopper infestation in western Canada this spring—Action to control; and the hon. member for South Western Nova (Mr. Haliburton)—Post Office—Proportion of employees working on mechanical sorting devices recruited from within service.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers) and public bills. There being no private bills, the House will move to notices of motions (papers).

PRIVATE MEMBER MOTIONS FOR PAPERS

[*English*]

NATIONAL HARBOURS BOARD

REQUEST FOR COPIES OF CONTRACTS BETWEEN VANCOUVER HARBOURS BOARD AND CERTAIN FIRMS RESPECTING USE OF PIERS IN 1973 AND 1974

Mr. Paddy Neale (Vancouver East) moved:

That an Order of the House do issue for a copy of all contracts between the National Harbours Board in Vancouver and the following firms (a) Empire Stevedoring Co. Ltd. (b) Canadian Stevedoring Co. Ltd. (c) Canadian National Railways respecting the use of Ballantyne Pier, Lapointe Pier and Centennial Pier for the years 1973 and 1974.

He said: Mr. Speaker, I should like to point out at the beginning of my remarks that I placed Motion No. 10 on the order paper because I am concerned about the future development of the port of Vancouver and also about the manner in which Mr. William Rathie, the local member of the National Harbours Board and Chairman of the Vancouver Port Authority, is acting in administering that port and its facilities. I might also point out, Mr. Speaker, that I asked to have this matter posted for debate because I am not in the least satisfied with the answer I received from the Parliamentary Secretary to the Minister of Transport (Mr. Guay).

● (1700)

The hon. member for St. Boniface (Mr. Guay) stated:

Mr. Speaker, the documents requested are private and confidential. They are contracts for operating certain shipping terminals in the port of Vancouver which actively compete for business with the port of Seattle, and making them open for public inspection could prejudice their position. I would therefore ask the hon. member to withdraw his motion.

Vancouver National Harbours Board

Mr. Speaker, it is beyond my understanding why the parliamentary secretary could come to the conclusion that these contracts are of a confidential nature as they have, to the best of my knowledge, been signed between the National Harbours Board and the stevedoring companies. There can be no question that the release of this information can in any way jeopardize the public interest or Vancouver's competitive position with the port of Seattle. You see, Mr. Speaker, the rates charged for stevedoring are already public knowledge and the contracts signed by the NHB and these companies can have no bearing on these rates.

It is my belief that Mr. Rathie made the unilateral decision to have the NHB operate these facilities simply to allow the companies named in the motion to opt out of their responsibilities to pay the general purpose and business taxes to the city of Vancouver. What happened, Mr. Speaker, was that Mr. Rathie arbitrarily and without consultation with the Vancouver city council changed the operating nature of these facilities by cancelling the contracts in force up to October 31, 1973. This is what Mr. Rathie did on November 19, 1973: He wrote to the Vancouver city assessor stating that the facilities in question, which were under lease from the NHB to these companies, had been cancelled effective November 1, 1973, and further stated that the National Harbours Board was now the owner and occupier of these premises.

In his reply of November 30 to Mr. Rathie, Mayor Art Phillips of the city of Vancouver took the position, with which I fully agree, of supporting the findings of the Vancouver Court of Revision that the companies in question had been properly placed on the city's assessment rolls. The mayor further stated that the current practice could only be regarded as an effort to avoid taxes to the city of Vancouver, as there was no visible change in the use of the properties. I stress that—no visible change in the use of the properties. In his reply of December 10 to the mayor, Mr. Rathie took the position that these changes had taken place on November 1, 1973 and there was nothing further he could do.

Mr. Speaker, I would like to point out to the minister the result of this shady deal between Mr. Rathie and these stevedoring companies. The 1973 general purpose tax assessment, a realty tax for all purposes, was deemed to be $518,781, while the business tax in that year was assessed at $98,940, for a grand total of $617,721. From the position the city has taken, the estimated revenue for 1974 is as follows: General purpose taxes would have been $537,536 and the business tax $110,580, for a total revenue of $648,-156. Under the existing granting formula for grants in lieu of taxes the city expects to receive in 1974 the paltry sum of $153,536, for a loss of revenue of $494,620, nearly half a million dollars the city is being cheated out of by this bit of chicanery.

As you can realize, this is not an insignificant amount. It is close to one-half million dollars. I would point out that in his address to the Vancouver Merchants' Exchange Limited on February 19 of this year, Mr. Del Taylor, Chairman of the National Harbours Board stated:

> . . . about one-half million dollars goes to the municipalities around the Port of Vancouver for our grants in lieu of taxes to pay for the federal government's share of the services we use . . .

[Mr. Neale.]

While Mr. Taylor may be proud of the fact that all the municipalities concerned receive some half a million dollars collectively, I must point out that due to Mr. Rathie's machinations, the city of Vancouver alone stands to lose just about the same amount of money per year. Unless the city fathers can ascertain how much these stevedoring companies, namely Empire Stevedoring, Canadian Stevedoring and the CNR are paying the National Harbours Board per year, they cannot ascertain how big the rip-off is.

Because of the fact that Mr. Rathie is in the position of being a tsar with regard to the port of Vancouver, and because he has consistently acted in that manner ever since his appointment to his present position to the detriment of the port, I am convinced that a totally new structure is needed to administer the affairs of one of the most important ports in Canada. To ensure consultation with the surrounding municipalities and to allow for input from them I would propose the following new administrative structure. I would hope that the parliamentary secretary to the minister would draw this to the attention of the minister in case he does not read this in *Hansard*. Vancouver should be removed as a designated NHB port and reconstituted under the provision of the 1964 Harbours Commissions Act similar to the Harbour Commission operating in New Westminster, the North Fraser Harbour Commission and the South Fraser Harbour Commission. It should be composed of seven members, four from the federal government to ensure federal government control, with one or more of these from the prairie regions because of their concern for grain movements through the port of Vancouver; one from the south shore municipalities; one from the North shore municipalities and one from the western area transport council.

Under this arrangement the port manager would not report to Mr. Rathie but to the assistant deputy minister of marine administration in Ottawa. I might point out that the two Fraser Harbour Commissions operating in this fashion have shown more than marginal profits in recent years, unlike the deficits continually reported for the port of Vancouver. I might say, Mr. Speaker, that I have been in contact with the Vancouver city council and this proposal has the complete support of Mayor Art Phillips and Alderman Setty Pendakur, who is the chairman of the Vancouver City Waterfront Committee.

There is now information circulating in Vancouver that the National Harbours Board, under Mr. Rathie's guidance, is considering an offer to purchase Empire Stevedoring's operation at terminal pier. Because I know that Mr. Rathie is personally involved in a number of stevedoring businesses, I am concerned with a possible conflict of interest in this matter. I am also concerned that Mr. Rathie is using his authority to assist his friends on the waterfront by eliminating their responsibilities to the city of Vancouver and, therefore, I must insist on the production of the contracts, Mr. Speaker.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, I am not exactly surprised that the hon. member for Vancouver East (Mr. Neale) is proposing a motion to the effect of which would be to make public contracts between the National Harbours Board in Vancouver, the Empire Steve-

doring Company Limited, the Canadian Stevedoring Company Limited and Canadian National Railways. However, I doubt very much whether my hon. colleague has directed much thought to the long-term repercussions of taking such a step. After all, regardless of other considerations, we must ask ourselves whether in this House we want to open to scrutiny all documents which have been drawn up on the understanding that they would be immune to public disclosure. Does this House want to set a precedent which might undermine the whole system under which so many of our vital Canadian Crown corporations have negotiated their business in the past.

● (1710)

Does my friend not appreciate that by disclosing the nature and content of contracts between the National Harbours Board and other companies this House might find itself in an irreversible and embarrasing situation? I do not want to believe that this House would seriously entertain a motion which in the long term might seriously jeopardize Canada's ability to compete actively with our trading neighbours to the south, and that is very important.

I am aware of the fact that there is a very legitimate reason for us to be concerned about whether a Crown corporation is operating in the public good. I am certainly not suggesting that there should be any suppression of disclosure regarding the conduct and viability of our Crown corporations. Contrary to what the hon. member said a few minutes ago, there is no purpose served in divulging the details of a grievance between the NHB and private companies which would quite seriously compromise the relatively competitive standing of the port of Vancouver with respect to competitors in the United States.

Surely, we do not want to publicize the details of arrangements between the NHB and private companies, arrangements that by their very nature are designed to give the port of Vancouver special privileges to make it an economically prosperous alternative to ports in the United States. There is nothing insidious or underhand in maintaining this kind of privacy with respect to these agreements. There is, however, a great danger that by disclosing the kind of information proposed by the hon. member for Vancouver East (Mr. Neale) we will be taking, quite unwittingly, action which could permanently damage our ability to compete on a free and open market.

I know that there are a number of other considerations implicit in the motion before us today. For instance, a number of people have expressed concern regarding the question of the NHB paying grants in lieu of taxes. The matter is long and involved, but the NHB has always taken the position that it would pay grants in lieu of taxes as required, but subject to any right of appeal available to any other taxpayer. In the current situation, the NHB has changed its contractual arrangements with operators of terminals in Vancouver so that only grants in lieu of taxes and not full municipal taxes should be assessed. In fact, the city has been collecting full taxes for three years. A judgment was just handed down recently from a provincially appointed hearing and it was in favour of the NHB.

Vancouver National Harbours Board

The NHB has entered into contracts with Empire Stevedoring Company Limited, Canadian Stevedoring Company Limited and Canadian National Railways. In accordance with these contracts, the three companies will provide, perform and carry out services for the NHB incidental to and arising from the operation by the NHB of its premises and facilities as public terminals for the handling, loading and unloading of cargo. In consideration of the said services, the NHB will pay each contractor an amount directly related to the amount of cargo handled by each contractor.

The NHB is the operator and occupier of each facility with supervisory and accounting staff located on the premises. The maximum charges paid by the shipper or steamship line for the use of an NHB facility are controlled by the board. None of the board's facilities is leased and the maintenance of the same is the responsibility of the NHB. As operator and occupier of its own facilities the NHB expects to pay grants in lieu of taxes to the city of Vancouver with respect to each of the three facilities related to the three contracts.

I do not want to get any further involved in the details surrounding these contracts for reasons that I am sure are obvious to all concerned. Various articles have appeared in the press dealing with the subject of taxes paid to the city of Vancouver by the NHB or by tenants of the board. It is quite apparent that these newspaper articles are confusing to the public and some statements have been made which are incorrect.

I do not think that there can be any question that the arrangement which exists between the city of Vancouver and the NHB is an equitable one which allows the NHB to operate a major port facility while extending annual grants to the city. This arrangement has existed for some time and I cannot understand why the status quo has to be upset by speculation alleging that the NHB is somehow deriving benefits from the city of Vancouver at the expense of the taxpayer. Any honest and realistic assessment of this arrangement would prove the contrary, and the port of Vancouver can hardly be considered a liability in terms of its massive and positive impact on the economy of Vancouver and the country as a whole.

Tonnage handled by the port of Vancouver has increased from 35,300,000 tons in 1971 to 36,700,000 tons in 1972 and to more than 40 million tons in 1973. Vancouver is the second largest port in North America. It is rated by the International Association of Port Authorities which met in Amsterdam in 1972, as being the thirteenth largest port in the world based on 1971 figures as compared with Seattle rates as number 25. Vancouver does not want to falter in her position as a major port facility. I believe it should be brought to the attention not only of the hon. member but of all hon. members who may not know that so that they can take it into consideration and understand some of the reasons why the answers were given as they were.

Two new major facilities have been constructed in the inner harbour. Vanterm, a 76 acre container facility, will be one of the most modern in the world and will cost some $30 million. In addition, Lynnterm, on the north shore, a general cargo facility with container capabilities, is being built at an estimated cost of $23 million. As an aside, Mr.

Speaker, construction of a modern dock facility has started at Prince Rupert, and it will comprise 43 acres and cost about $23 million.

● (1720)

In the last two years the National Harbours Board has initiated, and has underway $76 million in facilities. In addition, studies regarding development of the second stage at Roberts Bank, at an estimated cost of some $20 million, are well in hand.

The Port of Vancouver must compete with the port of Seattle where port facilities pay no taxes and a 2 mill levy is applied to property in King County to support that port. It must also compete with Harbour Commission ports in British Columbia where no taxes are paid—New Westminster, Nanaimo and Port Alberni. Thus the Port of Vancouver must keep its costs down.

The National Harbours Board does pay taxes to municipal governments. In 1971 as a system NHB paid $7,418,321, and in 1972 paid $6,640,359 in tax grants to Canadian municipalities. Comments relative to the equipping of the port of Vancouver are not well founded. As a container port it has lacked certain facilities, but in fact Vancouver is bigger, is growing faster and is more efficient than Seattle. The two are not truly comparable. Vancouver is a very big export port. Seattle is very largely a container port.

Comments regarding relatively cheap facilities at Seattle are not well founded. The American Mail Line leases a modern container facility in Seattle, but with no rail connection and no de-stuffing facility. It covers about 20 acres, speaking from memory, and the cost is $1 million per year. That is hardly cheap. No doubt other facilities in Seattle are comparable. They are financed by a tax levy on property and by tax exempt municipal bonds.

It is not the policy of the National Harbours Board to safeguard private companies from taxation. It would be most improper for the board to have such a policy. This is the role of the government, not of Crown corporations unless so directed by government, and this board has not been so directed. The city of Vancouver is in favour of port expansion, and has obvious gains to make. To insist on taxation that would force prices up to a level not competitive with already established west coast ports would be self-defeating.

The board is charged with the responsibility of operating the ports under its jurisdiction in the best interests of Canada. It is under many restraints. Many demands are made upon it by many varied interests. In fact each one of its major decisions is subject to review, and is either authorized by order in council or by Treasury Board. For example, it is required to justify investment of taxpayers' dollars in the major facilities under construction as being in the best interests of Canada and of the port of Vancouver.

The whole subject matter of the National Harbours Board and municipal governments with respect to taxation has been a long and complicated problem for both sides. If we are to take economic estimates of the value of port activities to a municipal area as being equal to $20 per ton of cargo handled, the port of Vancouver meant an annual economic benefit to greater Vancouver of some $840 million in 1973 alone. With co-operation from municipal governments, railways, industry and other levels of government it is suggested that the port of Vancouver will have an impact of at least $1,600,000,000 plus a year by 1980.

In conclusion, Mr. Speaker, I would like to mention that Canada has played an extremely active and aggressive role in terms of promotion of her ports. It would be a sad day indeed if we were to allow this posture to be compromised by the disclosure of documents and information passing between the National Harbours Board and private companies. I strongly oppose the motion of the hon. member for Vancouver East. It would serve neither the best interests of Vancouver nor those of Canada.

The Acting Speaker (Mr. Laniel): Does the hon. member wish to ask a question?

Mr. Neale (Vancouver East): Would the hon. member for St. Boniface accept a question?

Mr. Guay (St. Boniface): Yes.

Mr. Neale (Vancouver East): Do I take it from the hon. member's remarks that the decision by Mr. Rathie, representing the National Harbours Board, to change the structure of these three companies, was deliberately taken to save them the taxes they were paying to the city of Vancouver, or rather the difference between the grants and what they were paying to Vancouver, so that they could become more competitive with the port of Seattle, despite the fact that they paid those taxes for years and remained competitive with the port of Seattle?

Mr. Guay (St. Boniface): First of all, I would like to say that whatever Mr. Rathie has recommended is at this moment in the hands of the department and has nothing to do with the point of view I expressed, although I am aware of what has taken place. I would also like to point out to the hon. member that I recently entertained a delegation from the city of Vancouver, which included its mayor. I am fully aware of all the details of the problem, and took these matters into consideration in the remarks I made.

Mr. Maurice Foster (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the motion before the House this afternoon moved by the hon. member for Vancouver East (Mr. Neale) reads as follows:

That an order of the House do issue for a copy of all contracts between the National Harbours Board in Vancouver and the following firms (a) Empire Stevedoring Co. Ltd. (b) Canadian Stevedoring Co. Ltd (c) Canadian National Railways respecting the use of Ballantyne Pier, Lapointe Pier and Centennial Pier for thhe years 1973 and 1974.

As I listened to the hon. member for St. Boniface (Mr. Guay), it seemed to me that the crunch argument in this whole matter is whether or not these internal agreements will be made public or kept confidential. As I listened to the hon. member, it seemed he was saying that for the sake of the competitive position of the National Harbours Board in Vancouver vis-à-vis Seattle and other Pacific coast ports, the Board wanted to maintain the confidentiality of these documents so as not to reveal input costs. This is a standard business practice. One does one's best not to reveal input costs to a competitor lest he be placed in a position to better them. I have sympathy for the

position put forward by the hon. member for St. Boniface (Mr. Guay) concerning the confidentiality of agreements between the National Harbours Board and private companies.

● (1730)

I wish to add briefly to the discussion which was well covered by the hon. member. It would be fitting for me to deal with the ports of Canada with particular reference to our western gateway, Vancouver, one of our largest and most important ports. Canadian ports are an integral part of our national transportation system, linking water and land modes of transportation. Therefore, policy direction, planning and co-ordination are essential to ensure effective and efficient utilization of port facilities to the optimum benefit of all Canadians. In a trading nation such as Canada a port system is essential as an intrinsic part of a national transportation system. I think we in Canada can be very proud of the initiatives we have taken to promote a sophisticated ports system.

In this regard, the National Harbours Board has been singularly effective and any attempt to limit or modify the role it plays would surely be regretted at a later stage. Efforts to capture markets and traffic have been rewarded by increased cargo volume, and this trend should not be interrupted by misguided notions that public airing of private agreements is in the interest of Canada's transportation development.

The National Harbours Board has been extremely flexible in its response to changes in world shipping trends, technological development and international trade patterns. It has ensured that Canadian ports have been established and maintained in terms of both national and international interests and in keeping with Canada's constitutional responsibilities for navigation, shipping and national defence. It has planned carefully but boldly to ensure optimization in recovery of investment as well as allocation of resources, thereby providing maximum benefit to the country.

The National Harbours Board has also provided an organizational framework which is responsive to our national political, economic and social needs and is capable of operating within a highly competitive commercial environment. Vancouver is gradually emerging as a viable container port. The expanded use and level of acceptance of this dynamic breakthrough in the shipment of goods has terminated the revolutionary phase of its promotion. Import-export trade has demonstrated quite clearly that both shippers and receivers want the container: the list of commodities it can carry seems almost limitless and other benefits abound. The principal advantage to the transportation industry of the use of systems based on the intermodal freight container lies in the potential for increased productivity of capital, coupled with reduced labour costs. For equivalent cargo throughputs, the capital costs for container ports are lower than the capital costs for conventional break-bulk facilities.

Of far greater significance, however, is the dramatic increase, through mechanization, of labour productivity. Estimates indicate that labour at a container port is between 7.5 and 15 times more productive in terms of cargo volume than labour at a comparable conventional port. An equally dramatic decrease is realized in the time required for ship to port transfers of cargo. This is important, as all the time a vessel is tied up in port unloading, the person using the transportation facility incurs costs. So unloading time is an important aspect of containerization. Similar savings can be realized on ocean transport costs through the use of large, high-speed container ships: the sizeable capital costs are more than offset by the economies of scale associated with large vessels and by the increased utilization of container ships resulting from significant reductions in transit and in-port times.

Because of the lowering of costs incurred at interchange points, opportunities for alternative transportation routings are increased with the adoption of container transport systems. Direct ship service between Europe and the Far East by services incorporating a North American land bridge could reduce the total distance by about 2,500 miles. Of course, any system using this land bridge would need to be highly automated and organized. Ships would bring cargoes to our east coast ports, those cargoes would be transferred to unit trains or similar trains, taken across the continent and loaded on other ships. Another example would be the provision of container feeder services to smaller ports from major container facilities, possibly offering a better service than could be achieved through the continued use of conventional shipping.

The shipper of cargo benefits through the security and structural protection provided by the container. Substantial reductions in damage and cargo loss result in greater reliability and a potential for reduced insurance costs. In addition, shipping costs are lowered in many instances because of a reduced requirement for protective packaging of cargo within the container. The advantages of containerization have far outweighed the disadvantages and dramatic increases in the use of containers by the developed nations of the world have been observed over the last few years. At Canadian ports, container handlings have increased in the short space of six years from 8,700 20-foot equivalents handled in 1967 to 316,000 20-foot equivalents handled in 1972. Last year's figures and future projections are equally impressive and encouraging.

The success of containerization in both our international and domestic trades will depend upon a number of factors, including the regulatory environment, container rate structures, competition from existing conventional facilities and possible use by external markets of our facilities. Certainly the publication of private documents relating to agreements between the National Harbours Board and private companies will not help the port of Vancouver exploit the manifest benefits that can accrue to Canada in this regard.

I would now like to move into an area of containerization that concerns all of us, that is, its impact on Canada-United States trade. In this regard there can be no question that Canada is finding herself in an increasingly advantageous position relative to her southern neighbour. The proportion of the diversion accounted for by container traffic diversions is not known but is thought to be significant. Furthermore, it has been suggested that diversion of United States container traffic through Canada could increase in the 1970s. United States imports and exports are attracted to Canadian routes because of fast transit

times, reliability in transportation services, lower rates due to more flexible rate structures applied on Canadian routes and the aggressive marketing policies followed by Canadian port authorities. Among the rate advantages on Canadian routes is the availability of volume rates for rail transportation which offer significant reductions for shipments of over 200 containers per week. The lower rates reflect the higher utilization of equipment and, hence, lower costs associated with larger volume. In general, however, trade diversion between Canada and the United States is a cyclical phenomenon. In any case, the existence of alternative routes outside the home country places some competitive restraint on rates charged to cargo shippers.

● (1740)

I must emphasize that the development of containerization has been assisted considerably in Canada by the maintenance of a relatively regulation-free environment for transportation activities. Multimodal transportation companies are not prohibited under Canadian legislation. The integration of transportation services through such companies has simplified the provision of complete door to door transportation to Canadian shippers. In this case we have a transportation system which can deliver from door to door in Canada, handled by only one carrier.

The shipper also benefits from the effective use of a single, through bill of lading and the simplicity of a single through rate. The development of integrated transportation services is also assisted through the existence of a single body for the regulation of all modes of transportation whose stated aim is the co-ordination of transportation services.

We are looking at a situation here where we have to decide whether we are going to make public the cost inputs of the National Harbours Board, revealing these to other ports with which the board might be competing. There is an old saying that Eaton's doesn't tell Simpsons. I think that is the situation here: one port does not want to reveal its input costs to another. In circumstances where there is no competition, this would not be a factor. In my own constituency I am familiar with the input costs of operating the Tobermory-South Bay Mouth ferry and ports maintained by the Department of Public Works. These documents are necessary to determine the viability and practicality of establishing a new ferry service between the port at the west end of Manitoulin Island, Meldrum Bay and Detour, Michigan. These figures are available because they are not in competition with any other country or company; there is not the competitive factor to be taken into consideration.

With regard to the port of Vancouver on the west coast, we are trying to develop a more effective port which handles more goods and services, including containerization. For this reason I am sympathetic with the view expressed by the Parliamentary Secretary to the Minister of Transport that these private, internal input costs should not be made public because of the disadvantageous position in which it would put that port vis-à-vis ports in the United States with which it is in competition.

Mr. Len Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I wish to say a few words on the motion before us. From time to time in this

House we debate requests for the production of papers. I suppose motions like this are as old as parliament itself, and the process is about the same; many motions are placed on the order paper which would prove very detrimental if accepted and the information made public. Nearly everyone in this House has a reasonable knowledge of transportation costs in a country the size of ours and some of the difficulties we face whether on the basis of regionalism or nationalism. Any information made public that would tend to increase costs and prevent competitiveness on the part of Canadian companies, cities or transportation facilities would only make matters worse for Canadian business in general. We must remember that these businesses pay taxes as well as their employees.

When speaking to a motion such as the one before us we are not just dealing with the companies mentioned in the motion or the National Harbours Board as it pertains to Vancouver harbour; we are speaking about jobs for Canadians. Hon. members are quite familiar with the operations of many Crown corporations. There is a large one in my constituency. It pays grants in lieu of taxes to the municipality in which it is located. At times when I have asked about particular information I have been informed that this type of information is not made public. I am given very good reasons for this, and I accept them.

Looking at the history of transportation in Canada, I think we have come a long way. We have developed new companies and techniques in order to stay in this highly competitive market. Any information made public about the port of Vancouver might be detrimental to the operations of the National Harbours Board, the exportation of Canadian goods and the importation of goods. It would be not only detrimental to the Vancouver area but to a large area—indeed, to Canada in general.

● (1750)

What are some of the competitive factors with which we have to live? We are selling over 15 million tons of coal a year to Japan, and I understand that Japan has built special ships to carry this coal to factories where they manufacture products competitive with our own. This has an effect, of course, on the amount of traffic in imported goods which flows from the port of Vancouver. The enterprising Japanese community has also built ocean-going ships specifically to carry logs. They carry timber to Japan, where it is made into plywood and veneers and brought back to Canada and the United States where it is sold more cheaply than we could manufacture it at home.

I do not think the Canadian public would support an attempt to give out information which would, for example, help the city of Seattle to compete more favourably with the city of Vancouver. Hon. members have heard from two of my hon. friends sound and logical objections to the motion before us. I wish to endorse the position taken by those speakers. We are not dealing here with any partisan issue but with an issue which has a direct economic effect on Canada in general and Vancouver in particular. No one, surely, would wish to see the government establish a precedent which might be dangerous in the future and seriously hamper the efficiency and freedom of not only the National Harbours Board but of Crown corporations in general. Those corporations having been set up to operate in a businesslike manner, it is surely the duty of parlia-

ment to back their efforts and make sure they are protected and placed in a position to conduct their affairs in an honest and profitable manner.

I do not wish to speculate as to the dire consequences which could result from a decision that operating schemes negotiated between the National Harbours Board and private companies could be made public. The only way in which the National Harbours Board at Port of Vancouver, and other ports for that matter, can remain productive is for their operating agreements with private companies to remain confidential in the interest of preserving competitive advantage. If a Crown corporation happens to be located in a particular community, the community will not object to receiving grants in lieu of taxes. These books are audited. Does General Motors in Oshawa pay taxes to all the communities surrounding Oshawa, or does it pay taxes to Oshawa alone?

It seems to me to be futile to make public declarations which would not create a better opportunity to compete with the maximum impact on the international market related to port traffic. To back up this statement I should like to remind hon. members that 25 cents of every dollar Canadians have in their pockets today comes from international trade. For this reason the National Harbours Board plays a very important role in getting goods out of Canada as well as in bringing goods in from other countries.

For all its excellence in the provision of port facilities, Canada does not hold a copyright of expertise and efficiency in harbour operation. We must continue to improve our facilities so as to remain competitive with other countries in the world, in particular on the west coast where competition can become intense. It would be foolish to take action which would fetter our freedom to compete successfully for the cargo traffic which comprises such an important part of our transportation system.

In addition to the principle of confidentiality which is involved here, the motion contains a practical flaw. Information is a delicate commodity and is useful only if it fits the purpose. It is easy to have too much information and not enough knowledge.

In calling it six o'clock, Mr. Speaker, I should like to call the attention of the House to the fact that the hon. member for Vancouver East (Mr. Neale) who is sponsoring this motion has not been in the House during the course of my speech.

Mr. Knowles (Winnipeg North Centre): Do you want us to call a quorum?

The Acting Speaker (Mr. Laniel): It being six o'clock, the hour set aside for private members' business has expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING PROFITEERING PRACTICES AND PERMANENT AND TEMPORARY MEMBERSHIP OF COMMISSION

The House resumed consideration of the motion of Mr. Gray that Bill C-29, to amend the Combines Investigation Act in relation to profiteering practices, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I am rather glad that I am speaking after the dinner break, because a speech immediately following one by the Minister of Regional Economic Expansion (Mr. Jamieson) would be a hard act to follow. It was an excellent act: the style was great, he waxed magnificently in eloquence and delivery but he waned badly in content. In the first half of his oration he attacked his former friends in the party to our left, the members of the NDP. Like a rejected, jilted lover he cajoled and pleaded for a reconciliation. Perhaps the reconciliation has been made; time will tell.

He claimed annoyance that the NDP consider themselves the only people in Canada to be the protectors of the individual rights of Canadians. He says that his party has been against profiteering for a long time. I ask him where, and when? Perhaps he is suffering from selective amnesia, for he seems to have forgotten that his party brought forth a policy to increase the profits of manufacturing through the corporate tax incentives of the last budget. Perhaps he does not understand what it is his colleagues have been saying. They have been saying what the Minister of Finance (Mr. Turner) indicated in Winnipeg in the last week in April when he denied there was any corporate rip-off; the minister said that profits were being properly used to expand capacity, output and jobs. Perhaps he did not understand the Minister of Consumer and Corporate Affairs (Mr. Gray) when he indicated there was no profiteering on a general basis in Canada.

What the minister of Regional Economic Expansion said was mainly an attack on his former friends of the New Democratic Party. But then I think he misconstrued something in his bout of selective amnesia when dealing with what a member of our party said, indeed what our party has stood for for some time. He said that his party had brought about increased wages for the fishermen of Newfoundland and increased wages generally across Canada, and he thought this was great. He said that the Progressive Conservative Party wants to control wages. As I have suggested, the Minister of Regional Economic Expansion suffers from selective amnesia, for indeed he forgot to say how his party has also watched and stood by while prices have risen faster than wages. he forgot to say it was a prices and incomes policy that the Progressive Conservative Party advocated so that prices could be held down.

It appears, Mr. Speaker, that an election must be called in the not too distant future. Yesterday we first heard that the Liberal government was going to try to buy the votes of its employees by arbitrarily giving them $500 each, while at the same time failing to bargain in good faith in contracts presently being negotiated with civil servants.

The government is offering today 2 per cent to 4 per cent increases for openers, finally settling for 7 per cent to 8 per cent, whereas the cost of living nationally is 10.4 per cent and in Ottawa, where most public servants live, it is 11.4 per cent.

Bill C-29, which allegedly deals with profiteering, is in reality a bill dealing with prices and profit margins. These two actions, along with a public-paid junket by the Prime Minister (Mr. Trudeau) last weekend, indicate, to me at least, blatant pre-election politicking. The new rules of procedure in the House which were introduced, and the supposedly better committee system which has been set up, as a result of which the government would have plenty of time to introduce bills and allow for public scrutiny for a week or two between first and second readings, are once again being short-circuited as this government rushes to put supposedly attractive legislation on the order paper for debate less than 48 hours later.

This government is not interested in governing for the betterment of Canada and Canadians. It is using its authority and power for blatant politicking, trying to put the Liberal Party ahead of the interests of Canadians, merely trying to hang on to power and thus perpetuate itself in office. Unconscionable, undoubtedly; but the Canadian public will not be fooled, for they are intelligent and will think of this bill as the cosmetic farce that it really is. It falls into the same type of political manoeuvre as the announcing of a Lake Ontario park in Tronto by the Secretay of State for External Affairs (Mr. Sharp) during the last election, the increasing of wages for the armed forces which was announced during the last election, and even the announcement of the Minister of Finance of redevelopment of Ottawa's historic marketplace, again made during the last election. Where has the government been for the last 18 months, Mr. Speaker? Under what bush has the Liberal Party been lost? Lost in what forest? For surely they cannot see the forest for the trees. Behind whose skirt has the Minister of Consumer and Corporate Affairs been hiding, or should I say jostling for position with the Prime Minister?

Here we have a government which has faltered in its handling of the economy for some six years now, bouncing from pillar to post like a drunken sailor first during this parliament's encouragement of higher profits in the manufacturing industries in order to bring more investment through the corporate tax concessions of the last budget and now with a bill allegedly to control profits, or excess profits. Which is it they really want, as they speak out of both sides of their mouth at the same time? For the last 18 months, since the people of Canada gave notice to the government on October 30, 1972, of their dissatisfaction, the inept handling of the economy has led to a virtual raping of the low and middle-class wage earners' ability to maintain a decent standard of living.

● (2010)

Inflation, which was just over 5 per cent 18 months ago, has rocketed to the uncharted waters of 10 per cent, and now the government, with its own report tabled Tuesday by the Minister of Finance saying that the worst is yet to come, has finally awakened from its arrogant cocoon to say that it must do something about inflation. This is something the Progressive Conservative Party has been saying for well over a year in crystal-clear terms. What a half-hearted, timid approach. The government says this bill is a new instrument in its line of defence against inflation. What other instrument does the government have, and what is its line of defence? What other anti-inflationary policy has this government espoused? I suggest there is none. The only thing the government has done is introduce some measures to relieve the painful symptoms of those who need relief from the pain of the inflation the government has allowed to run out of control.

I say that Bill C-29 is on one hand a timid, half-hearted approach, while on the other hand it is unconscionably dangerous, severe and autocratic. Indeed, on the one side it is timid and is, allegedly, to deal with profits only, with possibly some selective rollbacks, and I emphasize the word "possibly". This government now, some 18 months late, is talking about controls, a freeze on prices and rollbacks, when our party long ago advanced a prices and incomes policy not dealing just with profits but with dividends, rents, salaries, wages and prices. Even the NDP, the timid tigers of this parliament, have gone further than this Liberal government now proposes. That party has for some time talked about price rollbacks and selective controls even though it has not put forward a completely progressive program.

I should point out that last year both the International Monetary Fund and the Organization for Economic Co-operation and Development suggested that Canada should introduce a prices and incomes control policy. The International Monetary Fund, in September, 1973 said:

> Besides cooling off their economies through use of their federal budgets and control of money and credit, nations should supplement these anti-inflationary tools with wage-price controls or other policies affecting income.

In addition, it stated:

> —wage increases were likely to remain high in Canada in the absence of any official action to directly control them.

In December, 1973, the Organization of Economic Co-operation and Development stated that Canada's over-all rate of inflation for 1974 would be higher than in 1973, and that inflation in Canada had developed a momentum of its own and could only be offset by a concerted anti-inflation program. Further, it reported that no such program existed in Canada and that inflationary psychology was so solidly entrenched that Canada needed a comprehensive anti-inflation program that included wage and price controls if inflation was to be licked.

On the other hand, as I have said, this law is too dangerous, severe and autocratic. This legislation on profiteering would make bad law because it is imprecise; it does not say who the law will effect. An accused would not even know he was accused until the government, acting on information provided by those it had appointed to look into price increases, declared the law to be in effect. As a matter of fact, there is some suggestion that this legislation could be retroactive.

This legislation is penal law, and penal laws are interpreted in the strictest manner by our courts, in line with our democratic philosophy that we as a free people are free to do whatever we wish unless it is explicitly prohibited by law. If this ever became the law of the land, I doubt whether there would be a successful prosecution

and it is doubtful if there would ever be any imprisonment. This bill could well be interpreted as a denial of natural justice under which a person is entitled to know in advance what the law is, to know what charge he is facing, to know, prior to the hearing, the case against him, and to be represented at his trial which should be open to the public and to the press.

This proposed legislation by the Minister of Consumer and Corporate Affairs is not explicit as to what the law will be. It lacks definition as to what the article is. It does not define "customary" profits, and it does not explain what is an "excess" profit. It gives no idea what the base price would be or what might be an appropriate profit margin. How would a person or corporation charged under this legislation know what the law was and what had to be avoided? The fact is that a company probably would not know what the charge was, whether it was profiteering through inflating prices, too high a mark-up, or whether it had lowered irresponsibly its cost of production because it became inefficient.

As this legislation is proposed, it would discourage a company from becoming efficient and perhaps increasing its profits, because the profit margin that was set would be increased and the company might be prosecuted, whereas a company which is inefficient could charge more for its goods in order to receive the same profit margin. It is suggested that this law could be hashed out in what is really a secret, star chamber cabinet meeting. The fact that a case could possibly be put to the cabinet, sitting as sort of judge and jury without the company or person knowing, with no provision for representations to be made on behalf of the company or person before the cabinet or executive body, is also wrong; it is a denial of the principle of natural justice for the cabinet to wear three hats, one as informant, one as prosecutor and one as judge. This proposed legislation is autocratic and it is wrong.

Why does this government, now 18 months late, bring forth a bill that is badly drafted, ill-conceived and largely unworkable in its present form? If it feels it can calm the people of Canada with cosmetic legislation, it is wrong. The Progressive Conservative Party and, I believe, the voters are too wise for that. This bill, as has been explained by others before me, deals only with a portion of those things which are causing inflation today. It deals only with unidentified articles, whatever they may be. It does not deal directly with services, housing, rents, incomes—all major factors in our ever escalating cost of living. This bill could well prove to be a bureaucratic nightmare.

Even the Liberal Party has not tried to tell us how this bill fits into the over-all philosophy or direction they are aiming for. It is floundering around, attempting to reach out and clutch at something, anything; the government knows not what. At best, it could be considered a vague, ill-conceived attempt to do something about inflation, but one knows not what for sure. It should have been introduced as a budgetary measure, if it is really to be what the government claims, that is, an anti-inflation measure, with possible taxing provisions, in view of the fact that it does have an impact on the country's economy and business and investment communities. The government is not even sure what this bill is designed for. The government, and the minister who introduced this bill and is responsible for it, can only give legalistic, clause by clause statements as to how it might work.

As the hon. member for York South (Mr. Lewis) and others have said, there have been no policy statements of any significance or depth to which we can look to see how, or if, this bill will ever be put into force. I note there is no certainty as to when the bill will be proclaimed and no statement of assurance as given in the election expenses act. In fact, this bill, if it were to pass, could stay on the statute books for years and never be proclaimed as the law of the land. If the bill were to become part of our law, it would be left open as to when, if ever, it might be proclaimed.

● (2020)

At the very last, the bill needs a time limit on it, and expiry date of, say, 18 months or two years after its proclamation so that if the government of the day wanted it to continue it would have to seek parliament's approval. If this bill by some miracle ever gets to committee, it needs drastic changes by way of amendment. This should be done only after this House is given more guidance as to the government's intentions for this country which, hopefully, will be revealed in the forthcoming budget.

If this bill should go to the committee it should be noted that clauses 7, 8 and 9 are directly related to Bill C-7 which is now in committee. These two bills should be consolidated or at least considered jointly in Committee. The clauses which relate to offences under the Combines Investigation Act and changing the Restrictive Trade Practices Commission to a more powerful Trade Practices Commission should be dealt with at one time. The bill should be expanded to include services and housing. Services have been included in Bill C-7: why have they not been included here?

In respect of the clause dealing with natural justice, all inquiries under this legislation should be conducted in public. This bill is vague, as I have indicated. I do not think there could be a successful prosecution or any imprisonment whatsoever. Bill C-29 is expected to be referred to the committee on justice and legal affairs, whereas Bill C-7 is before the committee on finance, trade and economic affairs. If this bill should ever go to committee, it should be considered by the committee that is considering Bill C-7 and at the same time.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am happy to take part in this evening's debate because, the more progress we make in the debate, the better the climate will be. Before the debate began, the two main opposition parties had already taken very strong positions towards this bill. But after listening to the hon. members who spoke in the House today, I think that the debate has been very useful because several questions have been asked. In my opinion, everyone agrees today on the principle of this bill. Everyone is aware that there are profiteers who make windfall profits. However, when the government decides to act, we can see how the House is divided on this issue.

Profiteering Practices

I listened a while ago to my friend the hon. member for Lanark-Renfrew-Carleton (Mr. Dick), who nearly made us cry by saying that the bill was going to be extremely dangerous, that it would affect the rights of Canadian citizens, that action would be taken against people without benefit of trial, that people would be penalized and indicted without any advance notice, and even that this bill is autocratic. I could find the words that the hon. member used to say that we should not support this bill because it is too harsh. I also heard the hon. member for York-South (Mr. Lewis) and his colleague the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) say that this bill has no teeth, as we say in English, that it did not provide the necessary coercive powers to be effective, that this bill—

[*English*]

The Tories, on the one side, say it is too strong and the NDP, on the other side, say it is not strong enough. Again, this is a good sign that we are moving in the right direction.

Mr. Speaker: Order, please. Is the hon. member rising either on a point of order or a question of privilege?

Mr. Dick: On a question of privilege, Mr. Speaker. I would like to point out that it appears I have been misunderstood, or misquoted, or that the minister is suffering from selective amnesia. I said this bill was a very timid, half-hearted attempt. I also said it was too strong in the sense of denying natural justice in certain respects. The minister should speak of the whole and not just of half.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I thank the hon. member. Once again, he admits that we are right. He confirmed what I said namely that the bill, from a certain procedural point of view, was too difficult or too hard on the citizens. On the other hand, the NDP member stated that it was not hard enough. In my opinion, Mr. Speaker, it must be another one of those fine measures, as advocated by the philosophy of the Liberal party, which tries to find natural justice in a middle course.

For months, Mr. Speaker, we were told that the Food Prices Review Board, the Plumptre Board, was not strong enough, had not the necessary coercive powers to be efficient. Amendments were introduced. It would perhaps have been advisable then to carry the amendments and grant coercive powers. However, we did not want to follow that policy. We thought that the people indulging in fraudulent and profiteering practices to make profits understood they could not take advantage of the conditions in the country.

Today, the Minister of Consumer and Corporate Affairs (Mr. Gray) upholds a bill to meet requirements made by opposition members, particularly the NDP. Today, they say this is a timid and complicated measure. They suggest there is no authority to freeze prices. To suggest things like that is to distort the facts. Provision is made in the act that the government can at some point declare that prices are immediately frozen. The hon. member for Lanark-Renfrew-Carleton (Mr. Dick) is opposed to that because he suggests that it might be too strong a discretionary power in the hands of a government.

[Mr. Chrétien.]

On the other hand, the NDP do not see any real power in the hands of anyone. And that freeze for 30 days, Mr. Speaker, will be followed by inquiries and could in instances of non-compliance be followed by injunctions from the courts. If a company or its directors are found guilty of profiteering the act states that they are liable to fines of up to $10,000 and, if required, to imprisonment for up to two years. I for one feel that that is going quite far. And if NDP members are not satisfied all they have to do is to move on second reading that the fine be increased from $10,000 to a maximum of $50,000, or $100,000, if they can manage to convince all hon. members that the $10,000 fine is inadequate. If they feel that the present term is inadequate they can try and move amendments.

Hon. members will have an opportunity to improve the bill. But to say that it does not provide for any penalty and any authority for enforcement, that it is toothless is I think an exaggeration. This bill goes as far as saying that if a company or a director is found guilty of profiteering and found guilty by the commission they will be paying back the excess profits to the consumers. If this were to prove impractical because, for instance, an individual or a company having charged 3 cents too much on each tin of canned tomatoes sold in Canada it would be difficult to reimburse 3 cents to each consumer, the government could then order the manufacturer or the officials of the company to pay the government the excessive profits, in addition to incurring possible personal fines and prison terms.

Mr. Speaker, if that makes a bill timid, such timidity worries me. Had the hon. members of the opposition only taken the trouble of reading the bill, the might have come to the conclusion that—

● (2030)

[*English*]

The Acting Speaker (Mr. Boulanger): Order, please. Is the hon. member rising on a point of order?

Mr. Blenkarn: I was wondering if the minister would permit a question. Could he tell me where agricultural products are included in this bill? I thought that tomatoes were an agricultural product. Where are they covered in this bill?

Mr. Chrétien: I am sorry; perhaps I used the wrong example when I spoke of a can of tomatoes. I should have used the example of a pair of shoes; the hon. member would have had no problem with that. Your party says you would freeze the price of everything in this country, but you start by excluding agricultural products. You are not very logical in your policy.

[*Translation*]

Mr. Speaker, had they only read the bill they would perhaps have reached a very simple conclusion, that found in the editorial of the newspaper *Le Devoir* on April 30, 1974, and I quote:

To those circumstances . . .

The Acting Speaker (Mr. Boulanger): I am sorry to interrupt the minister but I must remind the hon. member that the minister, who has the floor, has the right to be heard by the Chair and the other hon. members.

Mr. Chrétien: Mr. Speaker, I am not surprised at all at the attitude of the opposition: they do not want to hear anything about this bill. They want an election as soon as possible in order to, as we say in Canada, "patch up their problems".

Le Devoir said, and I quote:

> To those circumstances we owe the fact that even today we have a bill capable of stirring a salutary fear in industry, as well as bringing to their knees those who are too stiff-necked. The reform presented yesterday by the Minister of Consumer and Corporate Affairs (Mr. Gray) offers the advantage of not doing away with what already exists; for example, the Plumptre board will go on with its work.
>
> On the basis of a report of an inquiry commission, the Cabinet will have the power, through an official proclamation, to freeze temporarily the price of some given article and request intervention by the director of research and inquiries. After investigation, the director will submit the evidence to the new Trade Practices Commission, which in turn will have the power to put an end to the objectionable trade practice and to force the supplier to roll back the prices or to refund customers or, if this is not feasible, to pay to the Crown its surplus profits.

Mr. Speaker, this bill must be examined, but both opposition parties refuse to give it second reading to amend it. We do not think this bill is perfect. The hon. member for York South said that its operation seems too complex.

If such is the case, it can be improved at the committee stage. But what we want, and I think we all agree on that, is to catch as soon as possible those who take advantage of the situation and make excessive profits.

I do not understand why the bill cannot be studied in committee and amended. The procedure may be complicated but on the other hand we must be careful. One should not convict everybody in advance and without trial.

The corporations as well as their directors have a right, like every citizen, to present their case before being convicted. That is why they are called to appear before the commission. I do not agree with the NDP theory that they must be convicted more or less without trial, without knowing exactly their position.

I think that the rights of citizens apply to everyone, the poorest as well as the richest, because we are all equal before the law in Canada and that is why we prefer to live here.

On the other hand, there are certain points which could be clarified. Dissatisfaction has been voiced because the bill excludes certain services. However it must be understood that they are services and often we have absolutely no control over services.

Let us take the example of bus tickets. The price of tickets is determined by the transport commissions. The federal commission cannot intervene in an area of provincial jurisdiction.

The same thing applies in the area of trucking, hospital services, telephone rates and other public services. It would not be appropriate for a federal commission to intervene in areas of provincial jurisdiction. If there are abuses it is up to the provincial governments to take their responsibilities.

Reference has also been made to housing. To my mind, the legislation covers also the field of housing, and profiteering on building materials, for instance, would then be corrected.

On the other hand, the housing problem has many elements that cannot be controlled by such a commission. For instance, wage earners have negotiated collective agreements, approved by provincial governments. It would be improper, by passing federal legislation, to try to intervene in those areas which have a strong impact on housing costs.

The same can be said of utilities related to housing: water and sewers. Such services are often provided by municipalities and these are autonomous. It is not the role of federal government to tell municipalities what to do in their own jurisdiction.

However, as I have said, if this measure can be improved upon, let us give the House at least the opportunity to do so by sending this bill to committee after second reading. Notably in the speeches of our friends at the far right of the House, the New Democrats,—

An hon. Member: Of the far left—

Mr. Chrétien: Of the far left. No, they are sometimes confused; one would not know.

Benefits are all they talk about. Such company made 25, 30, 40 or 50 per cent more profits than the year before, but that does not mean anything or almost, because for instance a company whose capital would have yielded 40 per cent in 1972 would have made excess profits. The same company which, the following year, 1973, would have had profits of 36 per cent would effectively have suffered a 10 per cent decrease and would still be making excess profits. So the fact that the company received less profit would not be a good enough reason not to submit it to the control of the board.

On the other hand, if the profits of a company amounted to 2 per cent of its capital in 1972 and to 4 per cent the following year, that means there was an increase of 100 per cent, but it would not be considered sufficient.

We must therefore stop using slogans such as those, to be fair to everyone. As the hon. member for Nanaimo-Cowichan-The Islands suggested, we should consider the return on the capital, not only the profit realized compared with the preceding year.

Even then, there could be hidden facts. Excessive profits might have been hidden in the figures of executive salaries or in inflated advertising contracts or subcontracts which could be a temporary camouflage of the profits of the company. Mr. Speaker, the opposition baffles me. Frankly, I am rather disappointed to see that opposition members do not even want to give the House an opportunity to study the bill.

● (2040)

[*English*]

The leader of the NDP, the hon. member for York South (Mr. Lewis), has said that this legislation is a last minute sop offered to the NDP. Mr. speaker, we are not afraid of an election. We were returned to office in 1973, and everyone predicted that we would not last one week. Now we have been here for a year and a half, and we have not "sopped" anybody. We have passed good law for the benefit of Canadians, and that is why we are still here today.

Some hon. Members: Hear, hear!

Mr. Chrétien: In a time of inflation the people of Canada want the members of this House to do their best. They want us to try to cope with the problem, as we are doing through this bill. But if hon. members opposite cause an election, we will not mind. We will be back on this side. We are not afraid of that. The government is fully dressed, fully prepared with this piece of legislation. It is the NDP that has been caught naked, with its pants down. Its members are unwilling streakers. They are not really prepared to accept effective legislation.

Canadians want the government to crack down on price-gouging practices. This legislation provides the necessary powers, machinery and penalties. Why are the members of the NDP so upset because the government is doing its job? As usual they are all talk. They are afraid of losing one of their handy slogans. They could not continue to barrage the Canadian public with inflated verbal rip-offs. Slogan politics fall apart when faced with effective government action.

The government has every intention of using the new powers proposed under this bill to protect the Canadian consumer from unfair trade practices. But, Mr. Speaker, we do not intend to go on a witch-hunt. I recognize that business depends on profits for growth and investment. This bill does not outlaw profits. It gives the government the power to freeze and roll back prices where suppliers are taking unfair advantage of the consumer. A businessman is entitled to profit but he has no right to use the present situation to abuse the consumer. We will put those guys in their places with this bill. Both the Conservatives and the NDP want to go in another direction. The answer of hon. members opposite is to freeze everything but they opposed the President of the Treasury Board (Mr. Drury) when he gave an increase to the civil service. They said what he was proposing was not enough. Others said it was far too much. Hon. members opposite have their own internal problems.

I think that this piece of legislation is good. Of course, it is not perfect and we are willing to discuss amendments, but the public should not be left with the impression that there is nothing in this bill. We do not want to create injustices in this country, but we will not permit profiteers to exploit the situation.

Some hon. Members: Who are they?

Mr. Chrétien: The gougers.

Some hon. Members: Name them.

Mr. Chrétien: If we want to get them, we will get them. We must have inquiries. Of course, the NDP would like us to do things right away. But there must be investigations. Then those found guilty will have to pay a fine or be put in jail. As a result, more people will not abuse the situation. We will always allow a fair margin of profit for business people. They are entitled to that. But we want to get at the gougers, and to do that we want this bill to receive second reading. Then hon. members will have plenty of opportunity to make suggestions for amendments. But the public should not be deceived. Hon. members opposite are afraid of the effectiveness of this bill. That is why they do not want it passed. The people of Canada would then see them in their true light.

[Mr. Chrétien.]

Some hon. Members: Hear, hear!

Mr. Don Blenkarn (Mississauga): Mr. Speaker, the minister who preceded me suggested that members on this side had not studied the bill. I suggest to him that we have indeed studied it very carefully. We studied it to see if it had anything worth amending in it in the first place. Unfortunately, the bill is so hoary-minded, so vague, so incomprensible in its details that it is not worth sending to committee.

The problems that this country faced prior to October 30, 1972, were inflation, unemployment insurance, the unemployment problem itself, lack of industrial growth, lack of processing of raw materials in this country and development of a nation. The country still faces those problems. We have the answers to solve them and we will let the minister hear those answers on election platforms. And if he is successful and returns to sit in this House in opposition, we will also let him hear them here.

This bill seeks to amend the Combines Investigation Act. It is the second amendment to that act introduced since the Speech from the Throne was delivered last February. The first amending bill, No. C-7, is still before committee. Clearly, if the present bill had been intended to be part of the government's strategy in solving inflation problems, it would have been introduced with the previous bill as one package and would have been introduced earlier this session. But the truth of the matter is that this bill was flung together over a weekend. It was dumped on this House to appease the NDP, to suck them in so they could say they were doing something about profiteers and price gougers. But the members of the NDP are a little smarter than that. Opposition members as a whole are a little smarter than that. The government must think we are pretty foolish if it pretends that this bill will do anything about inflation and price gouging.

We are all interested in stopping profiteering. We are all concerned about inflation. But this bill is merely fluff; it is merely bluff. It does not do anything with respect to these problems. It does not do anything about house prices, about the price of houses already built, for which the materials have already been paid, yet the prices of those houses are raised by as much as $3,000 to $4,000 over one weekend. That may be gouging, that may be an unrealistic price increase and certainly it cannot be treated as conscionable, yet this bill does not touch that problem. Actually, it deals with hardly any problems.

● (2050)

What is the bill supposed to attack? It purports, to deal with the price of articles which seriously affect the living costs of all, or a great majority of Canadians. Therefore, the bill applies only to those articles which seriously affect all Canadians, or the great majority of them. A few weeks ago our newspapers spoke of a certain optical company which manufactures eye glasses: it was accused of gouging. Do eye glasses affect the living costs of all, or a great majority of Canadians? I suggest that the majority of Canadians do not wear eye glasses, not even the majority of the members of this House. So eye glasses are not included. The minister who spoke before me mentioned shoes. Are we talking about men's, or women's, shoes? If we mean women's shoes, they certainly do not affect

living costs of a great majority of Canadians. Perhaps of half the population, but not the great majority. The same applies to men's shoes. This bill is to affect the price of articles used by all, or a great majority of Canadians. Remember that.

What about the price of bricks? How many Canadians actually use bricks? I suppose those who are thinking of buying or building a house need bricks. But do all Canadians, or the majority, use bricks? No, sir. And what about lumber? Lumber is not included, if we apply the same definition. How many things are included? Food is not. Yet we all eat, I trust.

Mr. Stanbury: It is included.

Mr. Blenkarn: What about agriculture? That is not included.

Mr. Stanbury: Read the bill.

Mr. Gray: Mr. Speaker, would the hon. member permit a question? Is the hon. member not aware that the bill provides that only agricultural products, when they are in the hands of primary producers or at the moment they are sold by them, are not covered and that the bill covers these products at every level of trade beyond that?

Mr. Blenkarn: Mr. Speaker, with respect I suggest that the bill covers only the processing of agricultural products, at the processing stage, but does not include agricultural products as such. For instance, it does not cover tomatoes sold by the greengrocer who may have overcharged you, unless they happen to be in a can or soup or something like that. It does not cover agricultural products. It does not cover the vast majority of things.

Mr. Gray: Mr. Speaker, would the hon. member accept another question?

Mr. Blenkarn: Yes, Mr. Speaker; the minister may tell us what the bill does cover.

Mr. Gray: Mr. Speaker, may I refer the hon. member to section 50(5) which states unequivocably that the natural products of agriculture are not included. The subsection reads in part:

—this part does not apply to an article . . . that is owned by a primary producer or fisherman or to any sale or distribution of such an article in an unprocessed state by such a primary producer or fisherman.

Does he not realize that such language makes the bill apply to those products at every further level of trade beyond that?

Mr. Stanbury: No; he has not read the bill.

Mr. Blenkarn: Mr. Speaker, I do not accept that suggestion. How can the bill attempt to control the price of agricultural products when it obviously does not cover fertilizer and other things used by the farmer. In fact, it covers hardly any product. This bill does not include very much. It covers only articles which are consumed or used by all, or a great majority of Canadians. That puts a serious limit on the scope of the bill.

What does the bill require? With respect to those articles on which excessive profits are being made, the bill says that two things must happen. First, the commission or board to be set up must recommend action to the cabinet, and the cabinet must decide if something is seriously wrong. When it is so satisfied, it may invoke the act and direct that guidelines shall be established to deal with the industry or product in question. Remember, it must be a product which is used by all, or the majority of our people. Then the director must inquire as to what action must be taken, then the company involved may be taken to court. That is the sort of bill this is—and this sort of legislation is supposed to control the price of certain articles.

Clearly, as the *Globe and Mail* said today, this bill is a paper tiger. Earlier today a minister of the government, using all his rhetoric said, "Fellows, why hold the bill up in the House? Would it not be better to send the bill to committee, where it can be fixed." This bill is so bad that we despair of fixing it. The bill is a sham, notwithstanding all the rhetoric of ministers who have spoken today. The government should withdraw the bill. I suspect that after tonight it will be filed away under the table. Probably it will never see the light of day again. It has been shown to be a sham and a sop to win the support of the NDP.

In this country we need some method to control inflation. The government could use several such methods. We have suggested an income policy and a commodities policy under which more commodities would be processed in Canada. As well, we support a monetary policy which would separate our money supply from the New York market. We would attack government expenses. This bill represents the beginning of an incomes policy. Sir, we need a comprehensive incomes policy. Our program would begin with a 60 to 90-day freeze on wages, prices and profits and would be imposed for two reasons. First, it would show the country that we really mean business and that those who are anticipating further price rises are likely to be disappointed. We would want to curb inflationary expectations in society.

Second, we would need time to develop, with the provinces and other bodies, a comprehensive program to control basic costs across the board. That is what our incomes program would involve. We would set up an incomes and prices review board which would set up realistic guidelines to cover wages and salaries, including salaries paid to executives. We would not be concerned only about the poor guy who works on the line but would include the executive who draws a large salary. The board would determine the profit that a company would need to attract further capital and to expand. It would determine what the real input costs are and what the real price structure should be on a fair basis. However, this proposal by the government does not do anything of the kind. The program at the outset suggested by the Leader of the Opposition (Mr. Stanfield) on a comprehensive basis would probably be for 18 months to two years. It perhaps might even have to be longer than that. Indeed, it might have to become part of a permanent competition policy.

● (2100)

In that regard, may I point out the difference between the philosophy of an incomes policy as prescribed by this party and the woolly, button-down, wing collar approach or look of society as visualized by the government party. We do not live entirely in a marketplace economy. We do

not live in an economy of open and complete competition. Certainly some parts are open, in complete competition. Small stores compete with other small stores perhaps; small businesses compete with other small businesses in the same trade, perhaps. But the great part of our industrial might is involved in large organizations that have a monopoly or oligarchy position in our society, where the price they charge for their product does not necessarily bear any true relation to cost.

We have a situation where big industry, big labour and big government are not subject to the marketplace forces of competition. In the past, the answer by the government to this condition has been the Combines Investigation Act. I say that is a useless act in the ultimate. It really has not done anything to affect the oligarchies or to create competition. It may well be—and I will speak about this later—that it is not necessarily desirable in some fields that there be competition. Under the provisions of the Combines Investigation Act, the only people who have been caught have been stupid. People who make mistakes are caught under that act, but by and large it is only when they make a goof that they are caught.

Prices are charged by big business and big labour on the basis of what the traffic will bear. It is almost ridiculous, but the bill refers to profit margins that are "customarily" obtained. The bill even recognizes that it is all right to have these profit margins. If your profit margin is always 100 per cent, that is all right. But if you make 200 per cent, that is bad even though possibly you should not have made 100 per cent in the first place.

We must recognize the realities of 1974. Big business operates on a price leadership basis. Does anyone here seriously believe there is any competition between our big banks? Just a week and a half ago the Bank of Canada raised the re-discount rate. Suddenly the Royal said, "ten and a half it is," and five other banks instantly said it was 10½ per cent. The Commerce took another day and a half to get to 10½ per cent for the prime rate. Does anyone believe there is real competition between the banks? The only competition is in the advertising—Susie of the Commerce and little Mary of the Royal Bank.

Is there any real competition in automobiles? Is there any real competition between the oil companies? I was in Saskatchewan recently. I noticed oil company prices posted on the five pumps were about the same as I pay in Ontario. In fact, in one town it was a little more. I happen to be at this end of the pipeline, and they are at the other. The price in the Texaco pump in Mississauga is 59.9 cents a gallon. The refinery is right in Port Credit, in Mississauga. When I travel 60 miles to my cottage, the No. 2 Texaco gasoline, which comes from the same refinery, is 54.9 cents a gallon—what the traffic will bear.

This government has to understand the whole question of competition and the kind of society in which we live. This government is completely out of it. Last fall there was a strike in the oil refinery at Port Credit. I went to see the strikers and talked to them and their union leader. The leader of the Oil, Chemical and Atomic Workers Union said they were not fighting over money. They had agreed on that. The oil companies and the union had already agreed on the wages for refinery workers. That was agreed in the package. What was the strike about? It was about

[Mr. Blenkarn.]

safety conditions in that particular refinery, and the way the supervisory force acted. The wages had already been settled. They had been determined by big labour and big business operating in concert, quite able to pass it on right through the system. They are able to do this because of their size.

Within the past week or so we have witnessed an example of price leadership. Many of us applauded the activities of the Steel Company of Canada saying to its union that it was necessary to increase wages for its employees. Immediately, Falconbridge, Inco and Westinghouse increased wages. It went right through the big structures in society. Perhaps it was necessary because of inflation. But what do we have? We have bigness. We have the large, uncontrolled organizations in our society able to do just about what they want.

The purpose of an incomes and prices review board is so that we, the public, have some say because there really is no competition in the market that will control prices. It has been suggested we can control prices by bringing in imports and creating foreign competition. However, when Ford and General Motors have plants in every country, do you really control prices by allowing imports? Not on your life!

We need big corporations, oligarchies and monopolies. There is nothing wrong with Canada having these. After all, Canada is a nation of only 22 million people. It needs an economy on the scale that bigness gives. It needs the R and D expertise that can be developed in big corporations. But there has to be some control over their activities. That control has to be a comprehensive incomes policy applied to the oligarchic and monopolistic situation in our economy. We need something to replace competition. Competition to control these things went out with the wing collar. That is the philosophy of the Liberal Party—wing collar, button-down shirt, dickie and big, starched cuffs. They have not had a new idea in years. They keep bringing in amendments to the Combines Investigation Act.

● (2110)

Big business, large unions combining together can pass on their costs and take all the traffic will bear. They can exact an ever increasing share of the economy. They can use their price leadership and power to take over small corporations. This is part of the reason we need an incomes policy, to make things fair, to give the rest of us more protection against the taking of more and more from the total pot.

An incomes policy is not just an attack on profits. Profits are not the total picture. A small corporation may not make any profit at all. The chief executive may own a yacht and receive a salary of $100,000, but the company may not make any profit. Suppose there is no actual figure below the line, but the controlling corporation in some other country takes a royalty which makes sure that the company concerned never actually makes a profit. The whole picture must be kept in mind, including wages and salaries, including whatever is paid in directors' fees, compensation, royalties and expenses for travel, and so on. The bill before us acknowledges the existing accounting system and says, "As long as you comply with that system,

you are all right." The bill does not really get at the problem.

We need a comprehensive policy, a policy which covers, or is capable of covering, the entire system. We need a policy which is not confined to those few articles which are consumed by all Canadians, or by the vast majority of Canadians. After all, we live in an interdependent society and if I get ripped off for glasses, somebody else may get ripped off for a wheelchair. These articles may not be covered by the bill, yet all of them add to my cost of living or to my neighbour's cost of living. So a selective approach of the kind contemplated can do nothing. It is merely window-dressing.

As the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) said, the bill sets up a bureaucracy with a star-chamber procedure; the star-chamber, or commission, is policeman, judge and jury, and it is under the control of a political cabinet. Isn't that a fine state of affairs in a free country? On this basis alone, the bill constitutes an attempt to deny natural justice.

The problem we should be attempting to meet is the menace of inflation. This is the problem which occupies the thoughts of my constituents; this is the topic about which I am continually hearing from those who come to my office, from my employees, from my wife. They see the cost of ordinary things going up from week to week. It used to be one could buy a Volkswagen for $1,600. Now the price is $3,200.

Inflation is the challenge, but the bill before us does nothing to meet that challenge. We are asked to send it to committee for second reading. But before this is done, the House must approve the principle, the general design of the bill. And when the general design of the bill is so fraudulent and so misleading, how can it possibly be corrected or improved in committee? Surely the supporters of the government know this. Surely they have read the bill.

Mr. Woolliams: Oh, they know.

Mr. Blenkarn: My hon. friend says they know. Mr. Speaker, this bill is proof they are bankrupt of ideas, that they are full of puffery. They know their bill is a fraud and they know their government is a fraud. They have introduced this bill as a last straw to grab at as they prepare to go before the people in a general election. They want to say, "We intended to do something about profiteering and gouging, but the opposition would not let us." Mr. Speaker, they have no intention of doing anything. They know they have no such intention; and even if the bill were proclaimed immediately and action were taken immediately, it would not succeed. After all, the legislation covers only a limited range of articles, and of these government spokesmen have not mentioned one; they have not told us what articles they would go after or what companies they would go after. They have shown no reason for advancing this proposition. The bill is a fraud, the government is a fraud, and the government must go.

Mr. Andrew Brewin (Greenwood): Mr. speaker, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) pre-empted the phrase with which I intended to open my contribution to the debate. It was a good phrase, it aptly describes the situation, and with slight variations I want to use it now. In my view, the legislation before us is a snare, a delusion and a trap and we do not intend to fall into it. It is clear that the legislation is both too little and too late. The barn door has been locked long after the horse has been stolen. Without attempting to go into details of the bill, it seems to me it is cosmetic in nature and designed to win the support of this party at the last minute, and it will not be used in any effective effort to stop inflation or prevent profiteering.

Our leader, the hon. member for York South (Mr. Lewis), in his usual clear and forceful manner exposed the major and overwhelming weaknesses of the bill. I fully agree with his criticism and with his conclusion that we cannot possibly support such a measure. Nor do I think this conclusion requires us to make any apologies for trying to make parliament work as we have over the past 18 months. If I thought for one minute that the bill would work and that it would make any contribution toward solving the problems of inflation or profiteering, I would be glad to support it, but I do not see how I can support a measure which deals so ineffectively with such a crucial subject. We have voted for other government legislation on its merits, and we have voted against government legislation on its merits. I refer to the reduction in the corporation tax as an illustration of this. We will vote against this bill because we do not think it has any merit.

● (2120)

One has to remember, of course, that the wording of the legislation is not all-important. What is important is who is responsible for the enforcement and carrying out of the act. It was pointed out earlier in this debate that the act's enforcement depends entirely on the Liberal cabinet. Its real intent and the real content of the legislation have never been revealed. We have not been told, even in outline, what policy the government intends to adopt in regard to declaring that the bill applies to any article or articles. We are told nothing of this. The procedure is to be based, in part, on reports under the Inquiries Act. At the present time the only authority to make such inquiries is the Food Prices Review Board, whose jurisdiction is confined to food prices. It is true that proposed section 50(2) of the bill gives the governor in council authority to make a declaration, notwithstanding that there is no report and inquiry. But this, as the marginal note to the section says and as the minister himself has said, is only to be employed in cases of emergency for very unusual circumstances.

The key phrase in the act is "exceptionable trade practices". These are partly defined in section 54 as the exacting of "a profit margin on the sale or distribution of the article that is greater than he would customarily obtain on such sale or distribution". The words "customarily obtain" are completely vague. Here again, the government is required to step in and issue guidelines relating to the manner of the determination by the supplier of an article of the profit margin that he would customarily obtain.

However, the government has not seen fit to tell this House what sort of guidelines it has in mind. I have not heard a word about that in this debate. It seems to me to be an insult to parliament to ask parliament to pass legislation conferring wide powers on the government without

indicating in any way, shape or form what the government's intentions are with respect to the exercise of those powers. We do not know in what type of cases it proposes to make declarations. Nor do we know its thinking as to the definition of the guidelines which will set the standards to be applied. We are, indeed, being asked to buy a pig in a poke.

I have already mentioned that the important question is, who is responsible for enforcing and carrying out the act? In this case it is in the hands of the government itself as to whether the act will ever be enforced or carried out. The likelihood of its ever being effectively carried out must be considered in light of the statements made by the Prime Minister (Mr. Trudeau) and the minister which were recited to the House by the hon. member for York South yesterday.

The minister has told us that in his opinion there has been no profiteering up to the present time, or at any rate no proof of profiteering, and that he only intends to apply the act sparingly and in serious and obvious cases. That alone indicates that there is no intention to enforce this act. This attitude is, of course, on a par with the record of the Liberal Party in this field for generations. A Combines Investigation Act in various forms has been on the statute books for roughly 50 years. Its proposed purpose was to deal effectively with combines and monopolies. Its effectiveness can be judged by the fact that according to "Reynolds on Competition", and to our common knowledge, as well as in the views of other authorities, no modern country has been so ridden with monopolies or oligopolies as Canada.

The legalistic steps provided for in the Combines Investigation Act have turned out to be ineffective. Corporate organizations which are in fact combines have been prosecuted at great expense and with great delay. Even if convictions are registered and fines are paid, a new form of organization has been thought up by some well-informed, astute lawyer, has been established and an effective monopoly has carried on restrictive practices untouched by the legislation.

This bill, like the Combines Investigation Act, shows very little evidence of serious intent behind it. It has glaring gaps and omissions. Services, as has been said before, are not included, and unless the definition in the new competition act is enacted and applied to this act, the act will not apply to housing, interest rates, and many other important services. As the field of services in our economy expands, this means that some of the most important items which enter into the inflation picture are not covered by this measure at all.

The hon. member for York South has said there is no continuing monitoring agency to act in the field of profiteering. This bill, as is obvious to anyone who has read it, is highly complex. It provides for a complex and tangled process which may take months, indeed years, to work out. One starts in the ordinary case with an inquiry. Inquiries are often prolonged. If you hire a good lawyer, he is quite expert at prolonging inquiries. The inquiry is followed by a report, which may in turn be followed by a declaration by the governor in council. Finally, this may lead to a hearing before the Trade Practices Commission and some direction from them.

[Mr. Brewin.]

Involved in the process, of course, is the issue of guidelines. This will be no simple task since the guidelines will presumably be applicable to each class of goods covered. There is ample provision in the act for exemptions by the governor in council. Interim injunctions, which are the only effective method of getting an immediate price freeze, can only be issued as a result of proceedings in the courts. Those with court experience know that you do not get an injunction just like that. The power of the Trade Practices Commission to make a cease and desist order is limited to the stage following the hearing and determination that an exceptionable trade practice has occurred. The Trade Practices Commission has no power to freeze prices while the investigation is going on.

There must be very few of us in this House, Mr. Speaker, who are not conscious that spiralling inflation and the cost of living present to very many Canadians a situation of tragic hardship. I know in my own constituency of rising cost of rentals which has completely eaten away the increases that this parliament voted our old age pensioners and other people dependent on small and fixed incomes. Escalation in accordance with the cost of living, a provision we have legislated, is not sufficient for those who have not the means to buy houses, who cannot pay large rentals and are being forced out of homes that they rent at the present time. Every weekend when I go home I hear of instances of this tragic situation. It is my view, Mr. Speaker, that if we supported this bill we would be deceiving our constituents. We would be building up a hope for them, a hope that would inevitably turn out to be a false hope. I, for one, do not wish to have any part in such a deception.

The Minister of Regional Economic Expansion (Mr. Jamieson) made a good, fighting speech this afternoon which we all enjoyed. The only real point that he made was that the opposition parties should accept the bill on second reading and let it go to committee where it could be improved by amendment. The trouble is that he missed the point entirely. This bill is so bad, so amorphous that it cannot be effectively amended in committee. You cannot write a bill in committee, Mr. Speaker; you have to have some principle on which you can graft amendments that are proposed. Committee is a place to improve the details of a bill. It is not a place to write a bill, to put principles into a bill which has none. What is needed is a totally new bill. We need a new start on this effort to deal with profiteering and gouging.

We cannot be asked to accept this bill in principle, because there are no principles in it. Or if there are, they are concealed behind these phrases which nobody in the government has taken the trouble to explain to us. I want to make it abundantly clear that to say this is not to approve of gouging or profiteering. It is to demand that if you go out to fight such an all-pervasive institution as profiteering, you choose weapons that can do the job. This bill is like using a peashooter to destroy a tank: it simply will not work.

● (2130)

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, it is customary on this side of the House to hear two members of the Progressive Conservative Party expressing conflicting views. It has happened on a number of occasions.

Recently, on the question of transportation and the Canadian National Railways, we heard the hon. member for St. John's West (Mr. Carter) asking for a reduction in fares, and a member of the same party, the hon. member for Parry Sound-Muskoka (Mr. Darling), asking that the Canadian National be run in a businesslike manner.

There have been conflicting positions taken by members of that party also on bilingualism, unemployment insurance and a score of other things. But yesterday the hon. member for St. John's East (Mr. McGrath) outdid his own colleagues by performing the acrobatic feat of condemning the bill while at the same time declaring his readiness to move amendments so as to improve what is good in the bill and delete what is bad. Having done that, Mr. Speaker, the hon. member for St. John's East attacked the selective price control policy because he is in favour of a comprehensive policy, and shortly after expressed his dismay about the size of the bureaucracy and suggested that bureaucracy was large enough as it is—all this within the same half hour.

I would ask the hon. member for St. John's East whether he realizes that he will need a larger bureaucracy, about which he is so upset, in order to implement the comprehensive policy he is advocating. Does he not realize that? This is typical of members of the opposition. But yesterday he really outdid his own colleagues by this phenomenal feat, in the same speech—expressing a policy position and an objective, and then expressing dismay about something he will definitely need in order to implement what he wants to achieve.

Conservative speakers have criticized the lack of more precise definitions in our proposals for customary profit margins and a base price.

An hon. Member: Hear, hear!

Mr. Caccia: I hear hon. members agreeing. However, they do not put forward any alternatives indicating how these terms could be more precisely defined or what these definitions should be. If there were a general system of prices and income controls, which they have been proposing, definitions of base prices and customary profit margins would be required for the entire economy and not just for particular sectors as proposed in this bill. Yet the Conservative members have said nothing about how they would do this, whether by regulation or by definition in the law itself. Instead, they say they would have a general freeze and then they would figure out what to do.

The hon. member complained, also, that there were no discussions about philosophy in the speech by the minister yesterday on second reading. This is not correct. The philosophy was set out in the opening portion of the minister's speech. We all know that the Canadian public wants action more than just philosophy, and that it will not accept and put up with the nonsense put forward so far by the opposition during this debate.

There have been complaints on the part of spokesmen for the Conservative Party on consumer affairs that there has been no action on reports by the Food Prices Review Board, yet the government's decision to put in place special subsidy programs to restrain increases in the price of bread and milk, and the government's decision to advance the timing of the increase in family allowances, came from recommendations of the Food Prices Review Board. Contrary to what the hon. member for St. John's East said yesterday, bread and milk subsidy programs did restrain increases which otherwise would have taken place. Contrary to what he said, the government has carried out the basic recommendations of the Food Prices Review Board in respect of the egg marketing agency, that is, that a special inquiry be held into the entire operation of the marketing plan. The government gave this task to the Farm Products Marketing Council and the inquiry is under way. Contrary to what the hon. member for St. John's East said yesterday, the bakeries did agree to abide by the Food Prices Review Board findings. They did, in fact, restrain or roll back prices at the request of the minister, on a voluntary basis, to the levels considered acceptable by the Food Prices Review Board.

We also heard the hon. member for St. John's East yesterday speaking against the proposal that the Trade Practices Commission order a profiteer to pay back excess gains. What does the Conservative Party want to do with excess gains? We have not heard any submission on this aspect of the proposals contained in the bill. Having not heard what they want to do with excess gains, I think we are reasonably and legitimately entitled to think that this indicates support by the Conservative Party for big business and for excessive gains.

The final part of the criticism put forward yesterday by the hon. member for St. John's East was in the form of a quotation from Tuesday's *Globe and Mail* editorial which expressed skepticism about Bill C-29. He evidently forgot to mention that in the same editorial there was complete rejection of the Progressive Conservative proposal for a general system of price and income control.

Yesterday we heard the hon. member for York South (Mr. Lewis) and we were rather surprised, I must say, because he either did not understand or did not want to understand what is contained in this bill. For a long time that hon. member has been calling for a means to enable the government to take action against profiteering, but when he and his party are put to the test they reject the chance to enable a bill for this purpose to become law. That hon. member takes the position that no bill and no action is preferable to the government's proposal because he disagrees with some of its details, mainly because of misunderstanding.

The hon. member went on to say that the government does not indicate any intention to use the law it passes, yet the minister in his speech yesterday specifically said just the opposite. If the hon. member for York South really wanted to enable action to be taken against profiteers now, he would support the bill basically in its present form, giving the government the responsibility for using the powers provided in this bill. He would be putting the government's intentions to the test; and if he were not in agreement with the way the government used the law when it should have done so, he and his party could vote no confidence in the government. This would seem to me the more sensible line of approach for the NDP to follow, rather than to prevent even the likelihood of action that is now intended in this very important field of endeavour.

There were comments made yesterday about the question of monitoring price development. The minister did

say in his opening remarks that the government was prepared to set up additional boards immediately upon passage of the bill to monitor certain sectors where such action appeared necessary. Contrary to what the member of York South was suggesting yesterday, this government is not proposing to wait for a report of a board of inquiry. If the government has adequate information from other sources, this bill would enable the government to act without waiting for such a report.

● (2140)

Again, contrary to what the hon. member for York South suggested yesterday, the proposed Trade Practices Commission is not, and will not be a part-time commission. The proposal in the bill would enable a sufficient number of full-time members to be available to carry out the work required by the bill, and anyone with eyes to read can look up section 16(1) in the bill which contains the definition of temporary additions. There is definitely a distinction in the English language between "part-time" and "temporary" which perhaps escaped the hon. member for York South who, by the way, seems also to misunderstand the proposal in the bill for dealing with profiteering.

The inquiry and report of a board prior to a declaration, the inquiries by the director and the hearings by the Trade Practices Commission are not the same thing and are not for the same purposes. The inquiry and report by a board prior to a declaration would be about a sector, industry or class of products generally to help provide the kind of general information which would provide a basis for the government to decide on the making of a declaration. The declaration, once made, and accompanied by or including the three notification procedures and definitions of customary profits, would immediately create a 30-day freeze on the products covered and would create the legal obligation that all suppliers of the products not sell them at prices that would cause the customary profit guidelines to be exceeded.

The procedure set out in the act for inquiry by the director, the hearings and orders by the Trade Practices Commission, would be the procedure required to enable appropriate accumulative, punitive action to be taken against individual suppliers who do not live up to the legal requirements created by the declaration, guidelines and regulations. There must be some procedure for determining who is not meeting the requirements of the guidelines and regulations—a good, sound and fair procedure—in connection with a declaration and for then going on to impose the sanction of the law against that person. Our system of law must ensure that the alleged lawbreaker has a hearing before the sanction of the law is imposed on him. This is the purpose of the inquiry by the director and the hearings by the commission.

The hon. member for Sarnia-Lambton (Mr. Cullen) yesterday stressed very well the necessity and importance in principle of this kind of approach in our legal system. The director's inquiry would determine whether there is evidence of an offence sufficient to bring the matter before a body which could make a decision about it. The bill does set out the kind of approach the hon. member for York South said is necessary. I quote from page 1946 of *Hansard* where he is recorded as having said:

When a thorough but quick inquiry is made and a price increase is found to be unjustified, there must be immediate authority to tell the company that they cannot increase their price.

Those are the words of the hon. member for York South. This is the effect of a declaration with accompanying prenotification requirements and customary profit margin guidelines. Once they are provided, they would apply to all firms selling the category of goods at the level of distribution mentioned in the declaration, and not just one firm.

The hon. member for York South was completely wrong yesterday when he said that the bill does not give the government, a commission or anyone the power to freeze prices for 30 days. These powers are spelled out in section 51 very clearly. No one could raise the price without first giving the required notice up to 30 days and this means, as the section says, a freeze for the period of the notice.

With regard to the method of determining or defining the customary profit margins, the government never said that one should compare current profits only with the immediately preceding year. The speech made by the minister yesterday suggested the opposite approach. The example used was just a hypothetical one for the sake of explaining the matter, but evidently it was not understood. The hon. member for York South is concerned that it would be up to the government to decide whether a declaration should be made to bring the powers of the act into force for any class of article or sector. Surely such an authority to intervene in the economy with what possibly could be disruptive effects must be in the hands not of an appointed body but one accountable to the public through parliament.

This approach very often has been raised as one of the basic principles in our democracy. Very often we hear members opposite complain about the fact that there are too many bodies not directly responsible for their actions to parliament except once a year when they appear before the committee. Here the government has met that criticism in sections 51, 52 and 53 by saying it should be the decision of the governor in council and that this power should not be made available to a body removed from parliament itself.

If action had to be taken automatically on the request of an appointed board, what would the NDP say if the board was not willing to make the kind of recommendation that parliament and the public generally felt would be required? The NDP would be the first to object to this approach. The NDP criticism, unfortunately, means that the government should not be given the power to take action against profiteering, something directly opposed to what the NDP claims is necessary for the protection of the public. In conclusion—and this is a very sad conclusion because we had thought a matter of this importance, in the interests of the Canadian people, would have received support from all sides of the House—I can only say it is my distinct impression that the Canadian people will not take lightly the fact that both the Progressive Conservative Party and the New Democratic Party backed off with excuses when the crunch came to deal with profiteering in a serious and responsible manner.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to take this opportunity to say a few words about

the bill before us because I think it is tremendously important. I also think that it might not be necessary to discuss it because even if it were passed, this bill would not remedy the situation or save the victims of the system.

Mr. Speaker, even if this bill is not really important it is considered as such. At least it is very important for the New Democrats. I think myself that it is a minor issue but the government intends to prevent some businesses from making undue profits. We have to define profits and establish who makes such big profits, who will be taxed, who is responsible. Mr. Speaker, if this bill were comprehensive, it would benefit the whole economic sector and the whole business system. This bill will cover only some of the citizens while others who might be making 100, 200, 1000 times more profits will not be affected at all.

Mr. Speaker, any legislation must be as fair as possible. I find this measure unfair because it does not meet our needs.

The bill before us should include some provisions to lower prices and the cost of living at the consumer and producer level. If we want the cost of living to be reduced at the consumer level, it must first be reduced at the producer level.

And the cost of production is increasing, as it has always increased because of various factors, economic factors particularly, which are attributable to the governments, since several governments are involved in this "economic affair".

Mr. Speaker, if we really want to have just and reasonable laws, we shall never achieve our aim by imposing surtaxes on those who make profits to develop their business, and create new institutions. If we prevent them from making certain profits, we shall also be preventing them from developing, and when they need this development, they will be told to go to the Industrial Development Bank and borrow at 12 per cent, or to go to the new Business Development Bank that we are now establishing, where they will again borrow at an interest rate of 12 or 13 per cent. There is undoubtedly no limit to this type of thing. Therefore, the intention is to restrict profits by other means, but not to restrict the action of the government, and more specifically that of the Industrial Development Bank or of the new bank which will be established, or of all the financial institutions which make undue profits and exploit Canadians. Let us compare these profits with those of companies or associations. Who do we want to tax now? Whose profits do we want to cut? It is easy to see that other institutions depend on them and make two or three times as much profits, and even more. These institutions are not bothered, they are sacred, holy.

Yet all that boosts the cost of living because the manufacturing companies that make profits are indirectly financed by the financial institutions. Financial institutions make profits, not companies involved in production. They are the ones that deal with the capital, make the capital, handle the capital and turn in the profits. This is where the money and the profits go. This is what nobody attacks!

Mr. Speaker, we should like to be on the side of those who support this bill; we do not object completely to the bill, but we know that we work for nothing. We know that what we are doing will not matter at all, that it will not improve economic conditions but will worsen them. Mr. Speaker, the more we cling to the present system. the more we support and enforce it, the more we contribute to the imbalance of the economy. The more also we thus contribute to inflation, rising prices and the increased cost of living.

Inflation is due to the fact that the financial system is not consistent with the realities of production or consumption. The monetary accounting of the system is wrong and only honest accounting would correct inflation without being prejudicial to the legitimate individual interests. We would need an accounting consistent with reality. This would entail the application of financial data stated by the economic expert C. H. Douglas fifty years ago and known under the name of Social Credit. If those financial data had been applied, such a reform would have avoided many troubles to the people.

Mr. Speaker, if the rise in price shows that the system is lacking and should the financial system were in accordance with reality, not only would there be no inflation but on the contrary prices would gradually decrease as technical progress and manufacturing processes would facilitate production.

May I call it ten o'clock, Mr. Speaker?

• (2150)

[*English*]

Mr. Speaker: Is it the wish of the House that the Chair call it ten o'clock?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, due to the indefinite nature of activities tomorrow, may I ask whether we will be debating the pension plan bill first?

Mr. Foster: Tomorrow we will continue with the report stage and go on to third reading of the Canada Pension Plan bill. If we complete that, we will go on to the Prairie Farm Advance Payments Act and, depending on the progress that has been made, if the import-export permits bill is reported back from the committee we will go on to that bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

HOUSING—NEWFOUNDLAND—POSSIBLE EXTENSION OF RESIDENTIAL REHABILITATION PROGRAM TO RURAL AREAS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, as is customary I want to state that my reason for rising at this time is to try to impress on members of the House the need to emphasize the question that I put to the Minister of State for Urban Affairs (Mr. Basford) on April 15. It had to do with the announcement of the minister to extend the residential rehabilitation program for housing beyond the restricted policy under the act to qualify citizens in neighbourhood improvement areas.

When the minister gave us particulars regarding the new rural and native housing program under which some 50,000 homes would be built over the next five years to enable citizens within that category to build a house in rural areas, he stated that under that new policy citizens in rural communities would qualify beyond the provisions of the National Housing Act. Furthermore, the new rural and native housing program would allow citizens in rural communities to take advantage of the residential rehabilitation program. I can only say that this program would benefit my constituents, and that it is certainly what is required.

With regard to the original program, I have been one of the minister's most staunch supporters in the introduction of this program and even more so when he extended the program to those in rural Canada, because it lifted the restriction which required those benefitting under the program to live within a neighbourhood improvement area which had to be designated by the province concerned. Furthermore, only $10 million was provided for this program across Canada, and for Newfoundland only some $660,000 was provided. I mention this because the housing situation in Newfoundland can only be classified as disastrous.

● (2200)

It is obvious to everyone that with rates of interest advancing it will be almost impossible for those on low incomes to acquire new homes. But as is provided by the amendments to the act, this program would provide an opportunity for those living in substandard homes to improve the condition of their homes, homes which are deteriorating due to the fact that with the cost of building materials rising because of inflation the occupants on the lowest income scale cannot afford to improve them. I maintain that every effort should be extended to make funds available to allow every Canadian falling within this category to take advantage of the $5,000 loans available, with the forgiveness of $2,500 if their income falls below or is equal to $6,000, and beyond that to reduce the forgiveness by $1 for every $2 of income in excess of $6,000.

I realize that the minister is restricted in directing this program until agreements are signed with the provinces and until minimum standards are laid down by municipalities or by the provinces. But when I am overburdened with letters from constituents begging me for assistance to improve their homes it is most frustrating that these restrictions exist. I can show you, Mr. Speaker, from applications made to housing corporations in my district, that literally thousands of citizens are living in

[Mr. Foster.]

the most precarious circumstances even beyond the control and the ability of those who are designated to help. It becomes a frustrating experience trying to help alleviate a problem which is beyond anyone's power to control.

If I can use only one example, one does not have to go beyond increases in the cost of home heating oil. Citizens on welfare, who live mainly in substandard homes, cannot even cope with the cost of fuel, especially in the winter months. And the provinces are unable to cope with the cost of the increase in home heating oil beyond the increases which are extended to citizens through social assistance. I therefore suggest that the residential rehabilitation program should be extended to provide insulation for such substandard homes. This would not only save money for the citizens affected, but if one adds up the thousands of homes falling within this category it would save the government millions of dollars and many millions of gallons of fuel.

Probably I should not even say this, Mr. Speaker, but I feel very strongly that the residential rehabilitation program is admirable. I give full marks to whoever was responsible for introducing it. But when one experiences the bureaucratic nightmare that exists, one doubts the sincerity that is extended to those to whom the program is directed. Realizing the problems that the minister faces in dealing with provincial and municipal regulations, my main task is to try to impress upon him that every effort should be made and every initiative used to come to an agreement with the provinces concerned, so that this program can be put into effect at the earliest opportunity. I ask the representative of the minister here tonight to reply to me in earnestness on the progress made up until this time to help relieve the burden of low income earners in whatever category they happen to fall.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): First, Mr. Speaker, I want to assure the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) that he has the minister's full sympathy. I know the minister fully desires to do something as quickly as possible about the extremely serious conditions which a large number of the hon. member's constituents face with respect to housing. As quickly as I can, I will run over what has happened and what is likely to happen.

Since the announcement of the rural and native housing program, several federal initiatives have been taken in order to get this program under way. Provinces have been contacted in order to further explain the program, and meetings are being arranged with the provinces in order to discuss the content of the program. Meetings have already been held with the officials of the provinces of British Columbia, Alberta, Saskatchewan and Manitoba. At these meetings several subjects were examined and tentative agreement was reached.

The main points which have been covered in our discussions have been area designation for program implementation, definition of targets, maintenance and occupancy standards applicable to rural and remote areas, participation of local organizations in the program delivery system, the relation of RRAP to other NHA programs, budget allocation, the innovative features of rural rehabilitation association programs such as delivery, trades and local involvement, the meshing of federal-provincial programs

whenever possible, the best form of agreement to facilitate program flexibility, and the establishment of a federal-provincial committee to co-ordinate the total activity of the program.

The minister will be meeting shortly with the officials of the province of Ontario, and meetings are now being arranged with the Atlantic provinces through the federal-provincial committee being set up for the co-ordination of this program. Officials at CMHC are in the process of producing guidelines for rural community standards and general instructions for program delivery.

Interdepartmental committees are planned so as to bring together federal and provincial departments who may have relevant programs to support the successful delivery of the rural and native housing program. Efforts are being made to obtain successful agreement on this program. The minister hoped, when we visited the three prairie provinces, to have this matter tied up by the end of April. Unfortunately, that has not happened. We hope that by the middle or the later part of May the program will be under way across Canada. The minister recognizes that the program should be in effect so that we can take advantage of this year's construction season.

Officials of Central Mortgage and Housing Corporation are presently having discussions with the province of Newfoundland concerning this program. Negotiations are progressing well, and the minister hopes to meet again with Newfoundland officials in the very near future to discuss all matters related to the program. The interventions of the hon. member for Humber-St. George's-St. Barbe since the introduction of the legislation have been most helpful and the minister has not forgotten this.

AGRICULTURE—THREAT OF GRASSHOPPER INFESTATION IN WESTERN CANADA THIS SPRING—ACTION TO CONTROL

Mr. Bill Knight (Assiniboia): Mr. Speaker, I see that one of my fans is still here.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Knight: I rise tonight to expand on the question I asked of the Minister of Agriculture (Mr. Whelan) several weeks ago concerning any controls the minister may have in mind for dealing with the potential outbreak of grasshopper infestation which this year could destroy a major portion of the crops in western Canada. When I raised this matter which is of concern to my constituents, the minister said, as recorded at page 1120 of *Hansard* for April 3:

> —we are offering to the provinces to set up control centres, with equipment and insecticides, and people who are willing to staff these centres, to make sure we are in a better position than we have ever been to control grasshoppers

I am awaiting the response of the hon. member who will reply on behalf of the minister and who has some farm background. I shall be interested to learn details as to how the program for controlling grasshoppers is to be administered across Canada. People in Canada may wonder why grasshoppers should be discussed in the House of Commons. May I point out to those who live in urban areas and have expressed concern about food costs and supplies that Mother Nature has played a dirty trick on us. I am talking of what has happened with regard to food production within the last four or five years. In the Peace River country wheather conditions have been such that millions of bushels of Durum and hard wheat have been lost. A map showing areas of potential grasshopper infestation will show that we stand to lose further hundreds of millions of bushels of western grain used for bread.

This infestation is not new. When I came to the House in 1971 I told the House that there were was the potential for an outbreak of the grasshopper plague and that measures should be taken to help affected areas and municipalities fight this outbreak. The outbreak was worse in 1972. It was again worse in 1973. In 1974 we will be faced with a severe situation. I have raised this question with the minister on previous occasions. In spite of opposition from the Conservative Party, the agriculture committee passed a motion that the funds remaining in the old PFAA fund be put into a disaster fund to help fight regional disasters in this country, such as severe outbreaks of grasshoppers. I might point out to the hon. member who will be replying this evening that in the southernmost part of my constituency grasshopper eggs have been hatching at a tremendous rate. Later in the spring we will see the serious results of this hatching. There seems to have been very little winter kill.

● (2210)

Recently I sent a questionnaire to my constituents which was responded to in large numbers. I asked the following question:

> The Prairie Farm Assistance Act has some funds left in its account in spite of it no long being in total operation. Would you agree with these monies being used to establish an emergency fund to assist with regional disasters such as severe grasshopper infestation?

These funds were collected from farmers in the prairie region; therefore, it was not an easy question in the sense of knowing what the response would be. The response was that 83.5 per cent of the producers in my area said yes, 7 per cent said no, and 9.5 per cent did not know one way or another. I suggest to the government that in the time frame of this year a concerted effort will have to be made to bring this pest under control, otherwise we will stand to lose millions of bushels of wheat and millions of dollars.

There is the long-range question involving the grasshopper problem. It may seem preposterous—and there was great hilarity when I raised this before, including members from western Canada on the agriculture committee, but not from the minister because he knows these studies are taking place—but one aspect of interest to people in the Far East is the fact that the grasshopper is edible. It is a delicacy on the Japanese market. Many people have been critical of me for suggesting that with a long-range program we may be able to avoid all the insecticides and debate about the harmful effects of insecticides. We could use a mechanism to harvest grasshoppers, turning them into a marketable commodity for the Far East.

I want to point out, in the few moments I have left, that I have not gone completely "bonkers" as a result of working too hard in the last couple of weeks. I quote as follows from an article in the *Western Producer*:

> Grasshoppers will probably never make the Winnipeg Commodity Exchange—

We should not put anything else on the exchange, either.

—as an international crop but there is a good chance that Manitoba—

This bothers me, because they leave out Saskatchewan.

—grasshoppers can be sold directly to Japan.

I want the hon. member to pay particular attention to this passage:

More than 500 metric tons of grasshoppers are eaten annually as a delicacy in Japan. And the market is still growing.

A representative of one of the major trading companies in Japan has been in Canada to speak to the Manitoba government on this matter. What I am seeking is some assistance at the federal level to take seriously the concept of marketing this pest. If we can get over floods such as we had this year, fertilize our crops and market grasshoppers at the same time as wheat, the producers in my area will feel we have gone a long way. There is a trading company which is involved in this industry. I will not try to pronounce the name because I do not want to mispronounce it. It is prepared to seek to market grasshoppers in the Far East because they have high protein and are marketable.

Mr. Len Hopkins (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, one has to witness the damage done by vast numbers of grasshoppers in order to understand in all its seriousness the situation we are discussing. There is not much I can add to what the minister said in reply to this question by the hon. member on April 3. The federal government has offered to co-operate with the provinces in establishing some type of federal-provincial pest control group or groups within each of the three prairie provinces. One function of these groups, as we see it, would be to make sure that pesticides were available, that equipment was in readiness and that the logistics of the operation are studied and worked out so that in the event we are faced with a grasshopper problem the most effective means possible will be in place to combat it. The minister has heard recently from two of his provincial colleagues and they advise him that their departments have made, or are making, all necessary preparations. The minister's offer to co-operate with the provinces still stands.

The hon. member has suggested that we sell grasshoppers to Japan. This may not be such a bad idea, but I suggest he direct questions on this subject to my colleague, the Minister of Industry, Trade and Commerce (Mr. Gillespie).

Mr. Knight: You'd never believe it.

Mr. Hopkins: I might say the minister did discuss this possibility with the Japanese minister of agriculture—

Mr. Knight: Hear, hear!

Mr. Hopkins: —when they met some months ago. The research which has gone into this subject is very revealing. I am informed that one steer weighing approximately 1,000 pounds consumes only half as much grain to produce the same amount of protein as thousands and thousands of grasshoppers consume to produce an equal amount; that is, Mr. Speaker, the little hoppers eat twice as much per pound of protein produced.

[Mr. Knight.]

POST OFFICE—PROPORTION OF EMPLOYEES WORKING ON MECHANICAL SORTING DEVICES RECRUITED FROM WITHIN SERVICE

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, I rise to pursue a question which I directed to the Postmaster General (Mr. Ouellet) on April 1 requesting him to advise us what proportion of code operators had been recruited from within the postal service. At that time it was Your Honour's pleasure to say that it was a question asking for statistics and one which the minister could not be expected to answer during the oral question period. With all due respect to Your Honour, the question was not statistical in one sense, because the answer was "none", and I believe the minister could easily have answered it. Not a single full-time postal employee accepted the offer made to people within the service to operate the machines.

The reason was obvious. They were offered a lower paying job. This has led to one of the most urgent and demoralizing problems within the Post Office. The minister established a new category of employment for code operators. As I understand it, it is the lowest category of all. In spite of repeated evidence of basic union objection to this new and lower classification, in spite of the fact that other countries operating coding machines pay operators more, rather than less, than manual sorters, and in spite of the fact that being a code operator is a much less desirable job because of noise, isolation and boredom, the minister has refused to reconsider his position. He refused to classify code operators as sorters. He refused to have meaningful discussions with the representatives of the employees. He insisted that they be paid 50 cents to 70 cents an hour less. I am not sure of the exact statistics because there are some conflicting figures on this.

● (2220)

I know that the minister was perfectly within his rights. I also know job classification is a matter for management to decide. But it was patently irresponsible for the minister not to read the storm warnings. Morale is low in the Post Office and it is getting lower. The minister did nothing to defuse the power keg; he just put his fingers in his ears and waited for it to blow. And as we all know, it blew.

The minister had one very important way in which he might have eased the tension. He wrote into the collective bargaining agreement of May, 1973, a provision for a manpower committee. I gather it met once or twice some time ago, but the committee spent its time haggling about organizational matters and never did discuss the real problem affecting management and employee relationships. That committee could have provided an excellent opportunity to work out any differences between management and labour, but the minister did not call it.

The people of Canada have now had to pay with a strike, a strike that should never have happened. They have had to pay a heavy price for the arrogance of a minister who looked so promising when he came to his post a couple of years ago. I remember very well, as will many Canadians, his promise at that time that a new day of co-operation and consultation with his employees had dawned. The Canadian public has had to pay the price, Mr. Speaker, and that price, as we all know, is pretty high—millions of

dollars of lost mail service and, to add insult to injury, during the strike thousands of dollars spent to advertise the minister's excuses for a strike by his employees.

Canadians are anxious to have an efficient and economic mail service in Canada. Naturally they are angry with the postal workers for their actions of a few weeks ago. Moreover, they are angry with the minister for having failed entirely to deal with the obvious problems with the postal service. The minister represents to the Canadian public that this code sorting system is the answer to all our postal problems. Well, Mr. Speaker, if he could not sell the code, and the jobs it offered, to his own employees, it will be interesting to see how he expects to sell it to the Canadian public.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I am happy to be able to reply to the question asked tonight by the distinguished member for South Western Nova (Mr. Haliburton). The minister would have wished to be here himself, but has gone to Winnipeg tonight to launch a new stamp tomorrow morning. The question that the hon. member raised is, as we all realize, a very important one, and as we all realize relates to the national postal conflict during the last few weeks. The matter is still under study by representatives of the ministry and those of unions under the direction of Mr. Eric Taylor.

If the hon. member would switch on his simultaneous translation, I will give him the balance of the reply tonight.

[*Translation*]

The Post Office Department has only two highly mechanized offices at the present time, one in Ottawa and the other in Winnipeg. When the automation process is completed, there will be 26 such offices altogether. In the two offices where the mail is sorted automatically, there are 67 coders, 43 of them in Ottawa and the remaining 24 in Winnipeg.

How many coding machine operators are former Post Office employees? Out of the 43 operators working in Ottawa at the present time, 26 were not employed by the Post Office Department, while the remaining 18 were casual or part time employees.

As for Winnipeg, while five coders are former casual or part time employees of the department, the remaining 19 were recruited outside the department.

[*English*]

In closing, Mr. Speaker, the minister has asked me to extend his gratitude to the member for South Western Nova for having last week, when the matter was scheduled to be before the House, abstained from pushing the question. This would have meant possible embarrassment to the minister in his negotiations, and he is most appreciative of the hon. member's patience in this regard.

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

HOUSE OF COMMONS

Friday, May 3, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second Report, in both official languages, of Standing Committee on Finance, Trade and Economic Affairs—Mr. Trudel.

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

* * *

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN THIRD REPORT OF STANDING JOINT COMMITTEE

On the order: Motions:

April 30, 1974—Mr. Fairweather:

That the third report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Tuesday, April 30, 1974, be concurred in.

Mr. Speaker: Yesterday, when the hon. member for Fundy-Royal proposed to move this motion, the Chair drew the attention of hon. members to a difficulty in relation to the form of the third report of the Standing Joint Committee on Regulations and Other Statutory Instruments.

I think I should insist on the fact that it is not the substance of the report which concerns the Chair, but rather its form. As I stated yesterday, there is a procedure established by the House of Commons Act and the supply legislation for the employment of committee staff. The method suggested in this case appears to the Chair to be inconsistent with that observed in the past. I am aware, however, that arrangements have been made in the other place to overcome the difficulty, and I would think that in the circumstances it would be in order to put the motion.

I might also add that, as the hon. member for Fundy-Royal pointed out yesterday, there have been consultations of which I was not aware, which puts a different complexion on the situation. I have to assume that this motion is being put by consent, so it will not necessarily constitute a precedent. This having been said, I am sure hon. members will expect the Chair to put the motion.

Mr. R. Gordon L. Fairweather (Fundy-Royal) moved:

That the third report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Tuesday, April 30, 1974, be concurred in.

Motion agreed to.

* * *

[*Translation*]

FINANCE

SUGGESTED REDUCTION IN INTEREST RATES ON LOANS TO FARMERS AND SUBSIDIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to discuss a matter of importance and urgency.

In view of the present inflation and constant increase in prices generally, in view of the absolute necessity that foods be available in sufficient quantities and at reasonable prices, I move, seconded by the hon. member for Témiscamingue (Mr. Caouette):

That this House recommend to the government that it immediately lower the interest on farm loans in addition to subsidizing farm production needs where the threat exists of shortages or excessive price increases.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

LABOUR RELATIONS

ILLEGAL STRIKES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise under the provisions of Standing Order 43 to request the consent of the House to move a motion on a matter of urgent and pressing necessity. In view of the growing number of illegal strikes which have had the effect of completely paralysing major sectors of our economy, and in view of the fact that no steps have been taken by the government to prosecute individuals disregarding legal contracts or back-to-work orders, and inasmuch as

this has had the effect of encouraging future actions of this sort, I move, seconded by the hon. member for Hamilton Mountain (Mr. Beattie):

That immediately upon the next such violation by any individual or group of individuals so involved, the Solicitor General be instructed to proceed with charges against them and that maximum penalties be sought, and that all matters pertaining to illegal strikes be referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: This motion, put forward under the terms of Standing Order 43, requires unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

PROTEST AGAINST PROGRAM, "LES BEAUX DIMANCHES"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Marcel Roy (Laval): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to discuss an important issue concerning the unity of Canada. I therefore move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That the president of the CBC be invited to appear at the next meeting of the Standing Committee on Broadcasting, Films and Assistance to the Arts to explain why the program "Les beaux dimanches" was broadcasted on the French network on April 28, 1974 and allow the members of the committee to see the video tapes of the program whose purpose was to ridicule the federal institutions with public funds voted by the Canadian Parliament.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

● (1110)

[*English*]

TWO-PRICE WHEAT ACT

PROVISION FOR PAYMENTS ON WHEAT PRODUCED AND SOLD IN CANADA FOR HUMAN CONSUMPTION

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-33, to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada.

[Mr. Jelinek.]

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

* * *

NATIONAL HOUSING ACT

AMENDMENTS TO BROADEN FEDERAL ASSISTANCE FOR MUNICIPAL SEWAGE TREATMENT FACILITIES AND MAKE TRUNK STORM SEWER SYSTEMS ELIGIBLE

Hon. Otto E. Lang (for the Minister of State for Urban Affairs) moved for leave to introduce Bill C-34, to amend the National Housing Act.

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

* * *

STATUTE LAW (STATUS OF WOMEN) AMENDMENT ACT, 1974

PROVISION OF EQUALITY OF STATUS UNDER CERTAIN STATUTES FOR MALE AND FEMALE PERSONS

Hon. John C. Munro (Minister of Labour) moved for leave to introduce Bill C-35, to amend certain statutes to provide equality of status thereunder for male and female persons.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INTENTION OF GOVERNMENT RESPECTING INTRODUCTION OF CONTINGENCY PLAN TO DEAL WITH INFLATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the Prime Minister has said that Bill C-29, the so-called anti-profiteering bill, is not an anti-inflation bill and is not a price control measure. On the other hand, the Minister of Finance has told the House that it is not part of the government's contingency plan. I ask the Prime Minister whether it is still the government's intention to institute its contingency plan dealing with inflation rather than limiting itself to a bill such as Bill C-29 which has found so little favour in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the logic of the question escapes me because it assumes that price and wage control, which is the contingency plan, would find the favour of the House and I am doubtful also that that would happen. Perhaps the Tories will have a chance to speak about it on the hustings. I am quite certain it is not the right approach to inflation and, more importantly, it is not the best approach to profiteering.

As the hon. member knows, the bill is attacking special cases of gouging or profiteering, whereas the approach to which he alludes, that of the contingency plan, is an over-all freeze. As the Minister of Regional Economic Expansion indicated yesterday, it is not an approach that we favour. We do not want to put a freeze on the wages of the small earners.

Mr. Lambert (Edmonton West): Is there still in the mind of the government an anti-inflation contingency plan, and is it still the Prime Minister's position that the government will institute such a plan at some undefined or indefinite time during an inflation emergency?

Mr. Trudeau: Yes, Mr. Speaker.

Mr. Lambert (Edmonton West): What is it?

* * *

HARBOURS

CONSTRUCTION OF CARGO VESSELS BY KAPOOR HOLDINGS LIMITED ON BURRARD INLET WATERLOTS WITHOUT PERMITS AND CONTRARY TO STOP-WORK ORDERS

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, in view of the absence of the Minister of Transport and his parliamentary secretary, who may be away nationalizing the CPR, I should like to direct my question to the Acting Minister of Transport, the Minister of Regional Economic Expansion. In view of the fact that bulk cargo facilities are being constructed on Burrard Inlet waterlots by Kapoor Holdings Limited without the permits required under the Navigable Waters Protection Act, and in view of the fact the work is proceeding illegally over stop-work orders issued by Burnaby municipality, does the minister intend to contact National Harbours Board officials instructing them to investigate this disturbing local situation and to report to the minister whether Kapoor Holdings are in violation of any federal act or regulation?

Hon. Donald C. Jamieson (Acting Minister of Transport): Mr. Speaker, I would be very pleased to investigate both of these matters. My recollection is that the Navigable Waters Protection Act is not administered by the National Harbours Board, but I can see the relationship between the two and I will have the matter investigated.

Mr. Nelson: In view of the fact this activity contradicts the municipality's plans to develop this area as a marine park facility, and in view of the fact there are awesome powers given the board under sections 9 to 12 of the National Harbours Board Act, including expropriation powers, does the minister intend to instruct the National Harbours Board to meet with the Burnaby municipal council with a view to acquiring the Kapoor site for the public recreational benefit of all lower mainland citizens?

Mr. Jamieson: Mr. Speaker, with regard to the objectives of such a meeting I cannot comment, but I am quite sure that the National Harbours Board, if it has not already done so, would be glad to meet with any representative group such as the one the hon. member mentions. I will call it to their attention.

NATIONAL HARBOURS BOARD

INTENTION OF GOVERNMENT RESPECTING REAPPOINTMENT OF WILLIAM RATHIE AS MEMBER

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the total dissatisfaction on the part of the Vancouver city council with recent decisions of Mr. William Rathie in regard to the port of Vancouver, and in view of controversy over the recent decision of Mr. Rathie to allow three companies operating in the port of Vancouver to opt out of paying their fair share of city taxes, has the government made a decision whether to accept the recommendation of the Minister of State for Urban Affairs not to reappoint Mr. Rathie or the recommendation of the Minister of the Environment—

Mr. Speaker: Order, please.

Mr. Neale (Vancouver East): —that Mr. Rathie be—

Mr. Speaker: Order, please. I had the impression that the hon. member was rising on a supplementary question. The question has been asked and perhaps the minister might reply briefly, after which I will recognize the hon. member for Champlain. I apologize to that hon. member.

Mr. Turner (Ottawa-Carleton): It's a mischievous question.

Mr. Speaker: I gather that the import of the question has been missed. Perhaps the Chair might be allowed to see the hon. member for Champlain and return to the hon. member immediately after.

* * *

[*Translation*]

SOCIAL SECURITY

POSSIBILITY OF LOWERING AGE OF ELIGIBILITY FOR OLD AGE PENSIONS TO 60 BEFORE ELECTION

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Prime Minister.

Could he tell us whether his government is considering a reduction of the eligibility age for the old age security pension to 60 before the next election?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have three or four years to think about it. I will let the hon. member know my answer in due time.

Mr. Réal Caouette (Témiscamingue): I have a supplementary for the Prime Minister.

Can he tell whether this problem will be settled once and for all three or four years from now?

Mr. Trudeau: Mr. Speaker, in view of the rapid pace the Liberal government has set for itself in the adoption of social measures to help Canadians in need, I think chances for this are good.

● (1120)

[*English*]

Mr. Speaker: I will return to the hon. member for Burnaby-Seymour—the hon. member for Vancouver East—and then try to get reorganized.

* * *

NATIONAL HARBOURS BOARD

INTENTION OF GOVERNMENT RESPECTING REAPPOINTMENT OF WILLIAM RATHIE AS MEMBER

Mr. Paddy Neale (Vancouver East): Mr. Speaker, my question to the Prime Minister is a very simple one. I just want to find out, without going through the preamble again, whether the government has made a decision concerning the reappointment of Mr. Bill Rathie as one of the four members of the National Harbours Board in view of the controversy surrounding the gentleman?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was not aware that his appointment is up for renewal, but I will certainly look into the matter. If the hon. member will indicate the date of that reappointment and if it is very urgent I will try to answer it tomorrow. If not, perhaps he could put the question on the order paper. I did not mean tomorrow, Mr. Speaker. I forgot that this was Friday because we have had such a peaceful and short week.

* * *

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—ANNOUNCEMENT OF APPLICATIONS APPROVED OR DISAPPROVED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Manpower and Immigration, but in his absence I shall direct it to his parliamentary secretary. It has to do with the very disappointing press release issued on May 2 indicating that a total of 661 jobs have been created through 102 OFY projects. As it appears that approximately 24,000 jobs are to be created and as the announcements were supposed to have been made by April 26, I would ask the parliamentary secretary what is the reason for the holdup? What is the problem, and when can we expect an announcement indicating full approval or disapproval of the projects which have been submitted to the minister's department?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the latest figures are as follows: number of applications approved, 1,353; number of jobs approved, 8,559, and the number of man-weeks of work approved, 82,623. We hope to be able to announce all the remaining projects at the first of the week.

Mr. Alexander: Mr. Speaker, I thank the parliamentary secretary for that answer, but I would remind him of the precarious position of this parliament—

Some hon. Members: Oh, oh!

[Mr. Trudeau.]

Mr. Alexander: Well, that does not need any explanation. I think all hon. members know what I am talking about. I hope the parliamentary secretary can give us some assurance, as a matter of fact, complete assurance, that the announcement which will be made next week, I hope before Wednesday or Thursday, will deal with the matter in its entirety. Can he give us that assurance, because these young people are looking for this money?

Mr. MacGuigan: Mr. Speaker, I am sure the hon. member realizes that these announcements do not depend on the continuation or non-continuation of parliament. I can give him the assurance that by the first of the week the vast bulk of the applications will be approved or rejected, that is the decisions will be made by that time.

* * *

FINANCE

POSITION OF MINISTER ON AMOUNT OF INCREASE IN MONEY SUPPLY—RESPONSIBILITY FOR ACTIONS OF BANK OF CANADA—POSSIBLE TIGHT MONEY SITUATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. On May 1, as recorded on page 1931 of *Hansard*, the minister said that "the objective of the Bank of Canada and the banking system is not overly to increase the money supply". Would the minister indicate to the House if the increase of 80.2 per cent in currency and total deposits from March, 1970, to March of this year reflects the objective he mentioned on May 1 ?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the governor of the Bank of Canada in his recent annual report dealt with that situation adequately and I would refer the hon. gentleman to it.

Mr. Stevens: In view of the minister's statement, does he categorically accept responsibility for the actions of the Bank of Canada, including interest rates?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman has read the relevant statute. The government must be in general accord with the monetary policy as set by the bank. Individual, specific movements of interest rates or bank rates are, of course, his responsibility within that general tack. If the minister were to disagree with the monetary policy under the amendments that were prompted by an incident some years ago, he would have to address that difference of opinion by a memorandum in writing to the governor.

Mr. Stevens: With chartered bank liquidity in April at an all-time historical low for Canada, with the banks having borrowed up to this week over $2.5 billion, $450 million alone in the last week, in foreign currencies, an all-time high, and with federal bonds now yielding 9 per cent, would the minister indicate if he is in agreement with the Bank of Canada action resulting in higher interest rates and if in fact the expansion of our money system is topping out and we are in for tighter credit?

Mr. Sharp: Ask Jim Coyne.

Mr. Stanfield: One might as well for all the answers one gets.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, my colleague was more direct in the allusion which I think has already reached the attention of the hon. member for York-Simcoe. The governor of the bank has made it clear that the money supply is being increased only at a rate sufficient to accommodate the necessary expansion in the economy and that, in so far as the liquidity of the chartered banks is concerned, the accommodation of loans should be directed first to capital investment and then to the range of small businesses and those areas of the country with a less rapid rate of growth.

Mr. Stevens: In short, tight money.

* * *

REGIONAL ECONOMIC EXPANSION

PRINCE EDWARD ISLAND DEVELOPMENT PLAN—SUGGESTED PUBLICATION OF SECTOR EVALUATIONS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Regional Economic Expansion and it relates to the Prince Edward Island development plan. Has the minister yet reached agreement with officials of the government of Prince Edward Island with respect to the publication of the extensive evaluations of the various sectors of the P.E.I. plan in light of the conclusion of the first phase of the plan in March of this year and the present negotiations, I assume, with respect to the second phase?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): No, Mr. Speaker, during the past month I have not had any discussions with Premier Campbell with regard to the release of the documents. I am not sure what will happen now that the election is over in that province. No doubt the negotiations will be resumed. But up to the present time I have not had any talks with him with regard to the ultimate disposal of these papers.

Mr. MacDonald (Egmont): Would the minister indicate whether he or his officials have taken the position that it is important for the people of P.E.I. as well as the people of Canada, in view of the extensive commitment of both financial and human resources to this plan, that there be full publication of these objective evaluations before the negotiations are substantially under way and certainly before they are concluded on the second phase of the plan?

Mr. Jamieson: In principle, in so far as the federal government is concerned of course we want to have as much public disclosure as is possible. But in matters of this kind, if my memory serves me right, there is an understanding that any publication would have to be approved jointly, and I will be glad to discuss that. I would not be surprised if there were a willingness to do so. Since some people chose to put out all the negative ones, maybe it would be a good idea to make the full story public.

PRINCE EDWARD ISLAND DEVELOPMENT PLAN—POSSIBLE RENEGOTIATION OF FINANCIAL ASPECTS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a supplementary question. As it seems to be indicated that the tax base in Prince Edward Island has not expanded at a rate adequate to finance the province's share of the cost of the remaining years of the plan, is it the intention of the government to agree to renegotiate the financial aspects of the plan with the government of the province?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, apart altogether from the premise of the question respecting the tax base, with which I am not personally familiar, renegotiation and the beginning, if one wants to describe it that way, of phase two are already under way as was required when the plan was initiated some years ago. Since that renegotiation is now taking place, the vast majority of the issues involved are all subject to renegotiation.

* * *

● (1130)

ENERGY

SEEKING OF FURTHER FUNDS BY PANARCTIC OILS FOR GAS EXPLORATION—POSSIBLE INVOLVEMENT OF MORE COMPANIES AND COMMITMENT OF FUTURE SUPPLIES TO UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development arising out of a report from Calgary to the effect that Panarctic Oils Limited over the next few weeks will be offering "outsiders a piece of the action" in order to secure funds for further gas exploration. In view of the fact the government has a 45 per cent equity in Panarctic Oils I want to ask the minister if this solicitation of capital funds involves more companies coming into the picture, thereby reducing the government's equity in the company, or whether the company intends to secure loans on the basis of committing future supplies of natural gas to American gas companies?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the proposition of Panarctic Oils Limited does not in any way lessen the Canadian government's participation. The percentage of actions in the company will remain unchanged, at 45 per cent. The proposition made by the president of Panarctic Oils Limited is to invite other companies to participate in exploration projects in the Arctic to hasten the pace of drilling and discoveries. All this is done on a basis of sharing in the formation which is explored rather than in the company's assets.

[*English*]

POSSIBILITY OF FEDERAL GOVERNMENT SUPPLYING ADDITIONAL CAPITAL TO PANARCTIC OILS FOR GAS EXPLORATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I take it the minister is suggesting common procedure. In view of the fact that in 1971 Panarctic committed itself to hypothecate very large quantities of natural gas to American gas companies in return for a $75 million loan, which has been criticized very severely by Canadian gas companies, does the Canadian government intend to supply additional capital, either through the government directly or through the Canada Development Corporation, in order not to commit any future Canadian supplies of gas to the American gas companies?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to correct the impression that the hon. member is creating. In the 1971 deal there was no commitment of gas to the American companies. Those companies were given first refusal rights if Canada decides to export. If Canada decides not to export we have only to pay them back their money. We have not put a mortgage on anything. We have given them the right to acquire gas in the United States if the Canadian government decides to export. Canadian interests are completely protected in that deal.

Some hon. Members: Hear, hear!

Mr. Chrétien: I think that in terms of the financing of Panarctic—

Mr. Speaker: Order, please. I rise simply to express the wish that the minister will reply briefly and quickly to the hon. member's supplementary, because we should try to get on and move a little more speedily without these lengthy supplementaries and replies.

[*Translation*]

Mr. Chrétien: As to the financing, Mr. Speaker, the Canadian government intends to make in Panarctic Oils Limited investments proportional to those of private participants.

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EXTERNAL AFFAIRS

NEGOTIATIONS BETWEEN QUEBEC AND SAUDI ARABIA FOR ESTABLISHMENT OF OIL REFINERY IN PROVINCE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

Can the minister tell the House whether Canadian diplomats who have been approached by Arab officials have advised him of Quebec's negotiations in Saudi Arabia concerning the establishment of Arab oil refining and processing facilities in Quebec?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have been familiar with this proposal. I do not think it was necessary for any one of the Arab countries to notify us about it. It has been common knowledge.

[*Translation*]

Mr. Wagner: Mr. Speaker, I would like to put a supplementary question to the Minister of Energy, Mines and Resources, who seems to be more knowledgeable of this subject.

Has the minister been officially advised by his officials of SOQUIP's Arab projects and does he intend to consult in some way with his Quebec counterpart and to assure the Quebec authorities of federal government assistance in this matter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have heard that some discusions are taking place between SOQUIP and Saudi Arabia's Petromin. We have not been informed of the details of such a project, but we have been in contact with Quebec officials on this subject. During my visit to Saudi Arabia, I had the opportunity to speak with the president of Petromin and with my counterpart, and they both indicated that such projects concerning the refining of crude oil in foreign countries had very low priorities for them.

* * *

[*English*]

AGRICULTURE

INCREASE IN FERTILIZER PRICES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. On March 15 the minister, speaking at Wyoming, Ontario, said that ammonium sulphate was available at $32 per ton, which resulted in a price of fertilizer to the farmers of $52 per ton. Since then the price has gone up, according to his own statement, to between $85 and $92 per ton. As a result of his back to the wall, ear to the ground, shoulder to the wheel, nose to the ground, eye on the ball, finger on the switch, and foot in the mouth—

Mr. Speaker: Order, please.

Mr. Korchinski: —can the minister indicate what are the results of the investigation that he has conducted pertaining to fertilizer prices?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all I want to say to the hon. member that if the bill that is before the House at the present time is passed, and if our investigations show that there has been exorbitant profiteering, something that has not been shown yet, I will be able to do something about it. At the present time there is not much we can do with legislation we have to make them roll back their prices and stop them from taking excessive profits. I point out that this minister has always said that any producer in this nation is entitled to a reasonable profit, and I still say that no matter what the hon. member's party contends.

Mr. Korchinski: Does the minister intend to drop the whole matter now and allow the prices to go up?

Mr. Whelan: Mr. Speaker, the bill is still before the House and the hon. member, I hope, knows that.

* * *

AIR TRANSPORT

STEPS TO ENSURE SAFETY IN EVENT OF SUDDEN INTERRUPTION OF SERVICE BY AIR TRAFFIC CONTROLLERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Acting Minister of Transport. Can he assure the House and the country that the ministry has taken the necessary steps to make advance preparations for a possible walk-out by air traffic controllers, since it is obvious that if there is a sudden interruption in the services of these men aircraft in Canadian air space at that time will be in jeopardy if the ministry has not made proper arrangements?

Hon. Donald C. Jamieson (Acting Minister of Transport): Mr. Speaker, as of this morning I have not had an opportunity to be fully briefed on the contingency plans. However, I do know there is a standing arrangement in relation to these matters which is always operative, and I think it is safe to assure the House that any operations affected by the air traffic controllers in Montreal would be entirely safe.

STEPS TO RESOLVE DISPUTE WITH AIR TRAFFIC CONTROLLERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I thank the minister for that answer. I understand some of the controllers may be out at the present time. I would like to ask the President of the Treasury Board to indicate briefly what steps he has taken, formally or informally, officially or unofficially, to resolve this dispute, keeping in mind that the margin of dispute between the two parties appears to be around 2 per cent?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think most hon. members will be aware that an eminently fair and just offer was accepted by the air traffic controllers' executive. They have proposed its acceptance to their membership. The current events in Montreal are a withdrawal of services for the purpose of considering this offer, and the normal procedures of union consultation and intercommunication are taking place. I may say, in line with the motion that was introduced at the beginning of today's proceedings, that the government has indicated in respect of the mail strike that acts which are illegal and endanger the safety and health of the public henceforth will not be tolerated.

● (1140)

Mr. Speaker: Order, please. The hon. Minister of Labour rises on a question of privilege.

Mr. Munro (Hamilton East): With your indulgence, Mr. Speaker, I wonder if I could quickly clear up an unintentional error on my part when a question was put along these lines by the hon. member for Central Nova the day before yesterday. I indicated in answer to the question about pilots that it did not fall within my jurisdiction. Of course, that is not correct. I thought he was referring to air traffic controllers but he was not.

Mr. Speaker: The hon. member for Burnaby-Richmond-Delta has a supplementary and will be recognized for that purpose and then the hon. member for Lafontaine.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, it was really a point of order but I will put a question to the President of the Treasury Board. He said that the members had withdrawn their services to study the offer made. Is it not a fact that 86 per cent of the air traffic controllers in Montreal voted against acceptance of the offer and the reason he gave is not the reason they are having a study session?

Mr. Drury: Mr. Speaker, I do not know precisely what went on within the union discussions. No such result has been officially communicated to the government.

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[*Translation*]

FINANCE

POSSIBILITY OF ASSISTANCE TO PRIVATE PENSION RECIPIENTS IN BUDGET IN LIGHT OF COST OF LIVING

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, my question is for the Minister of Finance.

Can he indicate whether, in the preparation of his budget, he considered the possibility of granting income tax points to non-government and private pension plan recipients, who are not eligible to any pension escalation clause based on the cost of living increase?

Hon. John N. Turner (Minister of Finance): I realize the hon. member's concern. I am compelled to stress that tradition in this House precludes my giving anything in the nature of a more direct answer, but I can assure him I completed many studies recently on the matter.

* * *

[*English*]

HOUSING

REQUEST FOR LEGISLATION TO LOWER MORTGAGE INTEREST RATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of the Minister of State for Urban Affairs I will put my question to the Prime Minister. Considering that NHA lending rates went up to 11 per cent last month, an increase of one per cent over the previous month, and considering that the amendments to the National Housing Act in the bill introduced by the minister today for first reading contain no reference to interest rates in any form, is it the government's intention some time in the future to introduce a bill that will have the effect of bringing down interest rates so that the average Canadian can once again buy a home?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the time of the House is pretty well occupied in

the next several days, but if the hon. member wants me to consider introducing such a bill a few weeks from now I will undertake to look into the matter.

Mr. Broadbent: Since most Canadians still have the naive assumption that some day soon they will be able to find a house under the present government, would the Prime Minister disabuse them of all such illusions by announcing that the official policy of the government is to have interest rates at 25 per cent so that Canadians can forget about homes?

Mr. Speaker: Order, please. I doubt whether that question is in order. The right hon. member for Prince Albert.

* * *

TRADE

NEGOTIATIONS WITH ISRAEL CONCERNING PURCHASE OF NUCLEAR REACTOR FROM CANADA--PRESENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and concerns the negotiations with the Israeli government about the purchase of a nuclear reactor by that country. What is the present position of the discussions?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not familiar with the latest information but I would be pleased to make inquiries and provide information to the right hon. gentleman.

Mr. Diefenbaker: The minister's recent safari to the Arab countries to promote the sale of STOL aircraft, nuclear reactors and the like apparently was not as successful as the minister had hoped for. Under the circumstances, is the government giving consideration to providing for the sale on credit of a nuclear reactor to the Israeli government rather than asking for cash, which of course is impossible for that country to consider in its present circumstances? Is the government willing to give favourable consideration to this type of assistance by way of a loan, particularly at a time when all over the world we are pouring out money to countries that would not show the appreciation that Israel would if this were granted?

Mr. Gillespie: Mr. Speaker, I am sure the right hon. gentleman would want me to correct an inadvertence on his part. I should like to reassure him that the trade mission to the Arab countries was indeed a great success. Further, I should like to say that very substantial interest was shown in the CANDU system. There will be negotiations with them also on the sale of Canadian reactors. On the second point the hon. gentleman raised, I can tell him that I believe officials will be coming from Israel to Canada in the very near future to discuss the possible acquisition by that country of a Canadian reactor.

Mr. Diefenbaker: Does the minister regard it as a success that he was not able to induce any of the Arab countries to purchase a nuclear reactor or the STOL plane that he placed before them? Does he call that success?

[Mr. Trudeau.]

Mr. Gillespie: Mr. Speaker, I would commend to the right hon. gentleman's attention the communiqué that was signed with the Iranian government—

An hon. Member: Oh, sit down!

Mr. Speaker: Order, please. Would the minister resume his seat. This is obviously debate between the right hon. gentleman and the minister. We are running short of time. The hon. member for Compton.

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[*Translation*]

THE CANADIAN ECONOMY

INCREASE IN COST OF LIVING—GOVERNMENT ACTION

Mr. Henry Latulippe (Compton): Mr. Speaker, my question is for the Minister of Finance.

About the statistics of the CTC, what measures are being considered by the government about the escalation of prices, which makes the gains realized in 1971-72 lower than the increase in the cost of living, i.e. $5.50 a week at the end of 1972-73?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I hope the hon. member will be in his seat Monday night. I will then try to give a more specific and general answer to his question.

Mr. Speaker: I recognize the hon. member to allow him a supplementary question. I hope that in the next few minutes, because we only have a few left before the end of the question period, we will all try to limit the supplementary questions.

The hon. member for Compton.

Mr. Latulippe: Mr. Speaker, would the minister tell us how he intends to intervene and counteract the decline in the standard of living of Canadians and the high rate of unemployment which result, in spite of the economic growth of the last few years, in the fact that the average worker and a large number of companies did not reap their share of the profits?

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[*English*]

BUSINESS OF THE HOUSE

REQUEST THAT BILL AMENDING EXPORT AND IMPORT PERMITS ACT BE GIVEN PRIORITY

Mr. William C. Frank (Middlesex): Mr. Speaker, in the absence of the President of the Privy Council I should like to direct a question to the right hon. Prime Minister. In light of the fact that Bill C-4, which encompasses amendments to the Export and Import Permits Act, is an urgent priority for the House as well as for the Minister of Agriculture, and as it was passed by the committee last night, will the Prime Minister permit this bill to be the first item of business on Monday?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we on this side and I think many members of the House

would be glad to agree to pass this bill forthwith without debate. If that agreement can be achieved, I would be delighted to do so. If there is agreement generally to deal with the report stage and third reading forthwith without debate after calling orders of the day, that might be made an order of the House.

Mr. Frank: In the event that may not happen, I should like to direct a supplementary question to the Minister of Industry, Trade and Commerce. In view of the fact the Prime Minister has been saying emphatically that he will not call an election, and consequently we could be here for some time, when does he foresee Bill C-4 receiving third reading?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the acting House leader has made it very clear that the government is prepared to see it go through right now this very minute.

Mr. Speaker: The hon. member for Winnipeg North Centre rises on a point of order.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, I rise on a point of order. May I say that there have been discussions and so far as this party is concerned we are prepared to give this bill the report stage treatment and third reading as the first item of business today without any further debate.

Mr. Bell: Mr. Speaker, we will need more consideration of what the total package is going to be in these few days. We are not putting one bill here and one bill there. We want the business conducted in a sensible, businesslike way in the days that are left.

● (1150)

Mr. Lang: On a point of order, Mr. Speaker, I want to say it will be our intention to bring this matter forward as soon as we can, notwithstanding the obstruction from the Tories standing in the way of this legislation which is for the good of the farmers.

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FISHERIES

REQUEST FOR INCREASED SURVEILLANCE OFF EAST COAST BY ARMED FORCES AIRCRAFT—REQUESTS FOR STATIONING IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Defence. In view of the impending increase in fishing activity, will the minister indicate to the House if there will be an increase in the capability of air surveillance over the east coast in order to give our fishermen protection against foreign draggers, which they have not had in past years?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I believe the hon. member knows that the Department of National Defence responds to the Minister of the Environment and the Minister of Transport. We have recently increased air surveillance over the fishing fleets.

Mr. Marshall: Will the minister indicate whether he has received representations from the province of Newfoundland requesting that deployment be effected of the air rescue element of the services to the province of Newfoundland in order to be able to react more quickly?

Mr. Richardson: Yes, Mr. Speaker, we have had representations of that kind from many sources in Newfoundland but not directly from the government of Newfoundland.

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EXTERNAL AFFAIRS

RECOGNITION OF NEW REGIME IN PORTUGAL

Mr. Barnett J. Danson (York North): Mr. Speaker, my question is for the Secretary of State for External Affairs. When may we expect some further word or announcement relating to recognition of the new regime in Portugal?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, all the usual Canadian criteria have been satisfied and full diplomatic relations with Portugal are now being resumed.

Some hon. Members: Hear, hear!

* * *

SCIENCE AND TECHNOLOGY

ALLEGED REFUSAL OF DEPUTY MINISTER OF NATIONAL HEALTH AND WELFARE TO ALLOW HEALTH PROTECTION SCIENTISTS TO ATTEND FORUM ON SCIENCE POLICY

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I was going to direct this question to either the Minister of National Health and Welfare or his parliamentary secretary but as they are not in the House I will direct it to the Prime Minister. Is the Prime Minister aware that the Deputy Minister of the Department of National Health and Welfare forbade scientists in the health protection branch from attending a professional forum on science policy now being held in Ottawa on the ground "that this whole area of science policy is one which is in such a ferment at the present time and so deeply tied in with basic government policy that it would be inappropriate for our scientists to be in attendance"?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not heard of this. I would certainly want to make sure that the form in which the question is put is accurate. Perhaps the hon. member could let me see the exact quote. I must say I have very great confidence in the ability, integrity and dedication to Canada of the present deputy minister of health.

Some hon. Members: Hear, hear!

Mr. Reilly: Mr. Speaker, I am only too happy to let the Prime Minister see the document. As a supplementary I

want to ask the Minister of Science and Technology whether it is a fact that at this forum one of the prime topics under discussion will be the total absence of a national science policy on the part of the government?

Hon. Jeanne Sauvé (Minister of State for Science and Technology): No, Mr. Speaker, I am not aware that is one of the main questions being discussed. I am aware that they are discussing science policy.

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PENITENTIARIES

NUMBER OF INMATES RELEASED ON PAROLE UNLAWFULLY AT LARGE—POSSIBLE DANGER FROM THOSE CONVICTED OF NON-CAPITAL MURDER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Solicitor General whom I thank for information I have received. My question arises from the small fact that as of February 28, 1974, a total of 79 inmates who had been released on temporary absences were unlawfully at large and three of those 79 had been found guilty of non-capital murder. Have any corrective measures been taken to avoid this large number of people unlawfully at large? Second, are the three who were found guilty of non-capital murder in fact dangerous criminals?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the hon. member is referring to a letter I sent him in answer to a question he asked me earlier. I do not have the letter before me or the details. I know we are continually taking steps to tighten up and improve our temporary absence program. On the whole, the percentage of those at large is small. However, there have been, and in fact still are, some people at large. I can get more details for the hon. member.

Mr. Woolliams: When providing the information would the minister be prepared to name the three found guilty of non-capital murder? As the Solicitor General knows, there are two kinds that are convicted of murder. Will the minister set out very clearly for the protection and security of society that these three are not in fact the kind that would be very dangerous to the community if they were unlawfully at large, as the minister has admitted?

Mr. Allmand: I will check into that, Mr. Speaker.

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CANADIAN BROADCASTING CORPORATION

PROTEST AGAINST PROGRAM, "LES BEAUX DIMANCHES"

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I wish to ask the Secretary of State whether he received a complaint from the ex-leader of Her Majesty's Loyal Opposition concerning a CBC program last Sunday, Les Beaux Dimanches, and what action did he take following this program's unusual exhibition of lack of taste?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am not aware that I have received such a complaint, but I will look into it.

[Mr. Reilly.]

EXTERNAL AFFAIRS

REQUEST THAT GOVERNMENT ASSIST BRITISH COLUMBIA IN HEARINGS BEFORE INTERNATIONAL JOINT COMMISSION INVOLVING PROPOSED FLOODING OF SKAGIT VALLEY

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the letter the Minister of Lands, Forests and Water Resources of British Columbia has forwarded to the chairman of the International Joint Commission requesting that the commission revoke its 1942 order with respect to the raising of the Ross Dam and that the commission direct the city of Seattle to take no steps pursuant to the order until the commission has heard and determined the province's application, will the minister advise whether he has received a copy of the letter and will the federal government support and assist the province of British Columbia at the proposed IJC hearings as requested in an attempt to stop the proposed flooding of thousands of acres of Canadian territory in the Skagit River area?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have received a copy of the letter that was addressed to the Canadian chairman of the IJC. It is my understanding that the commission is going to give consideration to the application. We have not yet, of course, received the supporting material upon which British Columbia is asking for a re-opening.

Mr. Harding: A supplementary question.

Mr. Speaker: Order, please. I again seek the co-operation of hon. members in limiting supplementaries. We have now reached the end of the question period. The hon. member will be recognized and then the hon. member for High Park-Humber Valley.

Mr. Harding: In view of Premier Barrett's request that the province of British Columbia's complete concurrence with the federal government's March 15 statement to the U.S. Federal Power Commission on the Skagit be transmitted by the minister to the U.S. State Department with a request that this concurrence be placed before the U.S. Federal Power Commission's hearings regarding the Skagit, will the minister advise if this communication to the U.S. State Department has gone forward from his department?

Mr. Sharp: Yes, Mr. Speaker. We were very happy to have the full support of the British Columbia government at last.

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LABOUR RELATIONS

GOVERNMENT ACTION FOLLOWING ILLEGAL STRIKES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Solicitor General. Can the minister advise the House why no action has been taken against those individuals or groups of individuals who have taken part in recent postal and other illegal strikes, upsetting major sections of our economy and thus

encouraging similar action by other groups? At the same time, will the minister advise why the government cannot make up its mind, since they went against my motion to take action against illegal strikes and the President of the Treasury Board said some action would be taken? Can they make up their minds and tell us what the situation is?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, under the law I have no responsibility to take action in these matters. I would have to ask the hon. member to provide me with details of the strikes to which he is referring.

Mr. Jelinek: A supplementary question.

Mr. Speaker: Order, please. The hon. member will be recognized for a supplementary. I again remind hon. members that when so many supplementaries are asked to every question it is sometimes unfair to other members who have not had a chance to ask their questions.

● (1200)

Mr. Jelinek: Excuse me for seeking to ask a supplementary, Mr. Speaker, but the reason we have to ask supplementaries is that we never get answers from the government.

Some hon. Members: Oh, oh!

Mr. Jelinek: My supplementary is directed to the President of the Treasury Board. Maybe he can clarify the matter and tell the House why no action is being taken against illegal strikers while others who do illegal things are charged with offences?

Hon. C. M. Drury (President of the Treasury Board): I do not think it is correct to say that no action is taken. Take the Post Office strike, for example. A number of acts were committed during the course of that strike which were contrary to the law or regulations. The union did endeavour to secure an assurance that the government would withdraw all disciplinary actions which had been taken. The government declined to do so. It merely undertook not to take further punitive or retaliatory actions. But all the actions which were taken are continuing to their conclusion, and in relation to other unjustified or unjustifiable work stoppages the actions we institute will be pushed through to their conclusion and not abandoned.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for South Shore.

Mr. Jelinek: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member now rises on a point of order. I have to recognize him, and I will then call on the hon. member for South Shore. However, I will then have to call orders of the day. I apologize to hon. members who will not be called because of this situation.

Mr. Jelinek: Mr. Speaker, I am sorry I rise on a point of order, but the President of the Treasury Board said earlier that some action would be taken against illegal strikers and he did not answer my question by telling us what this action would be, and earlier in the question period he said—

Mr. Speaker: Order, please. This is the third time the hon. member has asked the question. Possibly he is not satisfied with the answer, but I think I have to recognize the hon. member for South Shore.

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EXTERNAL AFFAIRS

ADHERENCE OF RUSSIA AND JAPAN TO INTERNATIONAL WHALING COMMISSION QUOTAS—REPRESENTATIONS BY CANADA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to address my question to the Secretary of State for External Affairs. When the government closed down the Canadian whaling industry it was stated that this action was necessary to restrict the slaughter of this endangered species. Would the minister indicate whether the 14-nation International Whaling Commission's ruling that quotas must be cut by 25 per cent has been adhered to by Russia and Japan, or whether these two nations are still indiscriminately overfishing endangered species such as Atlantic sperm whales and mink whales? If so, would the minister tell the House what objections have been raised concerning this practice with the countries I have mentioned?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I will take note of that question and give the hon. member a reply, I hope on Monday.

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AGRICULTURE

PHOSPHATE FERTILIZERS—GOVERNMENT ACTION TO ASSURE SUPPLY

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, if the Minister of Agriculture will return to his seat, I have a question of vital concern to all Canadians to put to him. For two days I have been trying to catch your eye, Mr. Speaker, in order to ask a question which at this time of the year is a most important one. On earlier occasions, the Minister of Agriculture assured the House there would be ample fertilizer available to farmers to serve Canadian needs this spring. Yesterday I was informed that quotas of phosphate fertilizers allotted to some dealers are being cut by as much as 40 per cent compared with last year. I also understand—

Mr. Speaker: Order, please. The hon. member should come to the point.

Mr. Scott: What action has the minister taken to assure that Canadian corn producers in particular will have an abundant supply of phosphate fertilizers?

Hon. E. F. Whelan (Minister of Agriculture): I am sure the hon. member knows that everybody is doing everything they can. There are some dealers—not the companies but some dealers—and some farmers too who are actually

exporting fertilizer to the United States where they can get a 50 per cent price increase. There are no export controls at the present time. The United Co-operatives are unloading a boatload of rock phosphate in Toronto; another is on the way and possibly a third. This, we hope, will offset any shortage affecting the supply situation in Ontario. Supplies are, I am told, up by about 38 per cent in Ontario at the present time.

Some hon. Members: Hear, hear!

Mr. Scott: Is the minister aware that rock phosphate is coming into Canada and being processed here, causing a high degree of pollution, and is then exported to the United States by some manufacturers?

Mr. Whelan: There are some manufacturers in Canada who could not even operate if they could not count on the export portion of their production. Their plants were built with that in mind. However, total exports have been cut back across the nation by approximately 30 per cent.

Mr. Speaker: Orders of the day.

Mr. Horner (Crowfoot): I rise on a question of privilege, Mr. Speaker. Earlier this afternoon the hon. member for Saskatoon-Humboldt (Mr. Lang) made some remarks casting aspersions upon the Conservative Party and its attitude toward legislation. He has no right whatsoever to do this. He has no right to cast aspersions upon any political party in connection with their desire to pass legislation or not. If the government wishes to deal this afternoon with Bill C-4, as far as I am concerned I can see it passing very easily today. It is the government's prerogative to determine what legislation the House shall debate.

An hon. Member: What about the Conservative Party, though?

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

AMENDMENTS RESPECTING RELIGIONS SECTS, EARNINGS FORMULA, BASIC EXEMPTIONS, ETC.

The House proceeded to the consideration of Bill C-19, to amend the Canada Pension Plan, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Order. Before proceeding to the consideration of the four motions to amend Bill C-19, the Chair would like to express some concern as to the regularity of motion No. 2 in the name of the hon. member for Palliser (Mr. Schumacher). As the hon. member knows, a similar motion was submitted on October 24, 1973, and was ruled to be irregular. I thought I should mention this immediately so that the hon. member, whenever we reach motion No. 2, might be prepared, if he so wishes, to attempt to convince the Chair that on this occasion it should be accepted.

There may be some reservations on the part of the Chair in relation to motions three and four—I do not think they are so serious that we ought to embark on a procedural argument at this point; in due course they might be put, unless objection is taken to doing so. For the moment, the Chair will put motion No. 1.

Mr. J. H. Horner (Crowfoot) moved:

Motion No 1.

That Bill C-19 be amended by deleting clause seven and renumbering the subsequent clauses accordingly.

He said: Mr. Speaker, in rising once again to debate this subject, which, as you know, was raised back in October of last year, let me begin by saying this: it is my view that any time a piece of legislation fails to pass in a given session, then no matter what its political complexion might be, the government should at least consider seriously the criticisms which have been directed toward that legislation, and some attempt should be made to reach a compromise.

Needless to say, I am very disappointed that no effort has been made to reach a compromise in this situation, though I believe one could have been achieved. Someone once said that politics was the art of compromise. This may or may not be true, but if legislation is to get through in a minority House a certain amount of compromise is sometimes necessary. No effort whatsoever has been made in connection with the subject before us.

I was unable to attend the proceedings during committee stage because that committee sat at the same time as the transportation committee of which I am the chairman. But I did read the committee reports dealing with clause 7, the subject of the motion now before the House. Here again I was utterly amazed to find there were no questions asked. No member from either side of the House attempted to make a compromise with the opposition on this particular clause of the bill. Clauses 8 to 12 were passed with the chairman of the committee asking "Shall sections 8 to 12 pass?" As I say, those clauses were passed with not a question asked.

● (1210)

I came to parliament some 16 years ago as a naïve westerner, a country boy or whatever other term might be applied. But I came here with a deep trust and belief in democracy.

Mr. Rose: You are just like every other country boy, Jack.

Mr. Horner (Crowfoot): I believed that if a person had a point of view, in a democracy that point of view should be heard. If there is a point of view across the country, then in a democracy that point of view should be heard. Needless to say, I was deeply disappointed with the members of the Conservative party who were in the committee and who failed to mention clauses 8 to 12 when they knew in their hearts they had made no effort to compromise on this particular part of the legislation.

They knew of their failing at the first attempt to pass this bill. On that occasion I said that the two religious sects to which clause 7 gives exemption from the Canada Pension Plan should appear before the committee and state why they felt they should get out. On the first hearing of this bill in the last session, the committee thought they were very clever. I left the committee on the wishes of the Conservative party whip to come to this House to make a speech on the CNR financing bill, and as soon as I left the committee said no, they did not want the Hutterian sect from Alberta to appear before the committee, that they would pass the bill. They did not say that verbally but that was the upshot of it. They said "That maverick Horner from Crowfoot," as the press calls me, "has gone, so we can now pass the bill".

On second reading of the bill in this House I said that I would attempt to block the bill again. I had nothing below the table. I had hoped at that time that the leaders of the Conservative party, the House leader, or somebody, would attempt to reach a compromise. I had hoped that the member in charge of health and welfare in the shadow cabinet would attempt to reach a compromise. I also said at that time that I hoped they would not make the mistake that they made in the last session and would have these two religious groups appear before the committee to state why they wanted out of the plan. As I said earlier, I did not have the chance to attend the committee because I had certain obligations as chairman of the transport committee.

I must say I am sorely disappointed in the so-called art of politics, the art of compromise, that exists among the parties on this particular measure. I have no hesitation in saying that, having read the press clippings of the debate in the last session when I spoke on this issue. I have before me a press clipping from the *Globe and Mail* for September 15, 1973 which states this:

> Hutterites are the "very finest of Canadians," Heath Macquarrie (PC, Hillsborough) said yesterday in a Commons speech apparently intended as a rebuff for fellow Conservative Jack Horner (Crowfoot)—
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> —the Hutterite tradition of providing for their older members is a practice that has disappeared throughout society in general.

I thought that an interesting remark for the hon. member to make. The hon. member spoke in the House on the guaranteed annual income measure. Few of us today, outside of the Hutterian sect, care for our elderly citizens and leave that for the government. It is not the fault of the people that some of them have failed to take care of their elderly; it is the fault of the politicians who say: "We can do better, leave it to us. We can tax you and make certain your elderly will be taken care of". That is really what the Canada Pension Plan is saying. It is not saying: "You have a choice to be taxed or not to be taxed". It is saying: "You will be taxed". It is saying: "We the government, we the politicians, know you will not look after your elderly; we are going to make certain that they are looked after because we will tax you as you go along through this life of ours". The government has made that choice.

The hon. member for Hillsborough (Mr. Macquarrie) might like to come out to southern Alberta if he thinks it is only the maverick member for Crowfoot who is speaking this afternoon. If he thinks that I am not representing the voice of a group of concerned people across the prairies, then I welcome him to come out to Crowfoot if an election is called next week. I will not sit on the same platform with him, but I welcome him to come to Crowfoot and to speak out for the Hutterites. I would even rent the hall for him. I will not heckle him but I will be there as an interested representative of the people so I can see their reaction to his remarks. So I issue that invitation to him. I know he is in the shadow cabinet of the great Conservative party and that the party will pay his expenses, so no expense will be incurred by him.

What are these people, Mr. Speaker, who are they, and how large a group are they? The government by this bill has declared their religion to be better than all others. First of all, who and what are they? I am dealing explicitly with the Hutterian group, because the Amish are a completely different group. While both might have come from the early Mennonite religion, the Amish are completely different because they ask nothing from our society. They take no advantages from our society. The Hutterites take every advantage that is available in our modern, technological age. If an acreage payment is due from the government, if there is a guaranteed wheat payment due from the minister representing the Canadian Wheat Board in this House, then they accept it. If there is a subsidy paid on butter, cream or something else by the government, then they accept it.

They are a religious order; there is no question of that. I have studied their religion and I find it quite interesting. They carry on a heavy farming industry. I just want to quote from the judgment of the Federal Court in which their case is presented. I am quoting from the Hutterians, own presentation to the court:

> The Hutterites are organized in colonies of approximately 100 persons each. When the members of a colony decide that it has become too large for effective operation a small number of them will break off from the "mother" colony and with the financial and other material assistance thereof form a "daughter" colony. In the various documents which were tendered in evidence on the trial of the actions the colonies are described as congregations or communities and these congregations or communities are associated in groups known respectively as Darius-Leut, Lehrer-Leut and Schmeid-Leut. Generally speaking, residents in the colony are members of the Hutterian Brethren Church which was incorporated in Canada—

The judgment then goes on:

> The objects of the Corporation shall be to engage in and carry on the Christian religion, Christian worship and religious education and teaching and to worship God according to the religious belief of the members of the Corporation . . .
>
> Each congregation or community of the Church is empowered, *inter alia*, as follows:

● (1220)

> To engage in, and carry on farming, stock raising, milling, and all branches of these industries; and to manufacture and deal with the products and by-products of these industries;
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> To carry on any other business (whether manufacturing or otherwise) which may seem to said congregation or community of the said Church capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the property or rights of the congregation or community;

That makes it pretty clear. They, themselves, admit they are prepared to carry on the business of farming, of stock raising and manufacturing. We recognize that many other people in our society are prepared to carry on the business of stock raising, farming and manufacturing, in many

cases in opposition or in competition with them. I have maintained right along that Canada Pension Plan contributions are a form of tax placed upon all those doing business. During the last speech I made on this subject matter in this House I quoted from two dictionaries as to what the word "tax" meant, and I think I substantiated my case. Let me go a little further in my explanation of what I believe a tax is.

I believe that in essence this is a tax, and that a tax is something levied against people whether or not they themselves make a contribution. If I were an employer and hired men to work on my farm or in my manufacturing plant, I must make a deduction from the wages or salaries of those people for the Canada Pension Plan. I must do that whether I want to or not. The government of Canada has said I must make that deduction from those people I have working for me on my farm ranch. I must tax them under the Canada Pension Plan and send that to the government. Because I have them working for me I must take 1.8 per cent out of their salaries or wages and send that in, and another 1.8 per cent out of my profits and send that also to the government because this government believes it is its duty to take care of these people when they get old. To my way of thinking that is a tax. They are asking everyone to take a portion of their salaries or wages, and that is a tax. The Hutterians do not disagree about this question of paying taxes. The reason they want to get out of the Canada Pension Plan is based on something else, and I will get to that a little bit later.

In my last speech I quoted from a well-known author of Hutterian teachings and religious beliefs. He stated that they do not in any way disagree with having to pay taxes the governments levy upon them. This former writer of Hutterian teachings, Mr. Rideman, stated that quite clearly. He said this:

> Since governmental authority is ordained by God and hath its office from Him, the payment of taxes for this purpose is likewise ordained and commanded, as Paul saith, "Thus ye must also pay tribute." For this reason we, likewise, willingly pay taxes, tribute or whatever men may term it, and in no way oppose it, for we have learned this from our Master, Christ, who not only paid it Himself, but also commanded others to do so, saying, "Render unto Caesar what is Caesar's, and to God what is God's."

One could go on reading from their teachings, but I want to make it abundantly clear that they, themselves, do not take any objection to the paying of taxes. They want out of the Canada Pension Plan for another reason, and not necessarily because of their own religious desires. They want out because under the Canada Pension Plan everyone must have a social security number so that contributions under the Canada Pension Plan can be properly recorded under that number. The Hutterian people do not want social security numbers.

How many thousands of other Canadians across Canada do not want a social security number? I would suggest there are thousands and thousands of Canadians across Canada who were repelled, and to this day do not like the idea of carrying around with them a number which is recorded in the computers of this and other governments. Many Canadians outside of the Hutterian religion have as yet not taken out a social security number. The government knows this. It writes them threatening letters telling them to take out social security numbers or action will be

taken against them. Such a letter has been written to my sister because she never took out a social security number. She never bowed to the big hand of the government, and to this day I do not think she has a social security number. She still makes contributions to the Canada Pension Plan as she has an income and she must under this law, but what happens to that money? I suggest it goes into the coffers of the government, into the Canada Pension Plan fund, but it will never be paid back to her and she knows that just as thousands of Canadians who have not taken out social security numbers know they will never receive benefits under this plan. Lots of lawyers across Canada have not got social security numbers and they know they will not receive the benefits of the Canada Pension Plan. These people feel this is their prerogative, that they have freedom of choice and they are prepared to pay something for that freedom. However, they are still being taxed.

The minister says that this involves only two small groups, so let us give them this privilege as it really will not matter very much. I do not intend to deal with how large the Amish group is but, as I have said before, they are quite different. They make no demands on our society. They do not make any contribution toward the development of new technology, but they do not take advantage of it either. The Hutterian people are completely different. They take advantage of every modern convenience available.

Let us consider how large a group this is. Let me start with Manitoba. There are approximately 5,000 Hutterian people in that province. They own or lease 178,000 acres, or did in 1972, and perhaps the figure is greater now. They practically own 170,000 acres and lease an additional 8,000 acres. They have 48 colonies in the province of Manitoba, or did in 1972, and that works out to an average of 3700 acres per colony. I would like to set my family up on 3700 acres of that rich heavily productive land in Manitoba. I would like to use the facilities of the hospitals and roads in Manitoba without having to pay taxes toward this Canada Pension Plan as do all the people in every province of Canada, except the province of Quebec which has a different system. The province of Quebec uses this pension fund very wisely and receives a 10 per cent return. I do not know whether that is an excess profit, but I will leave that to the government to determine.

In any case if my conscience would allow me I would like to farm on 3700 acres of that rich land in Manitoba. I could then provide well for my children, and I am sure they would provide for me when I get older, particularly if I did not have to pay taxes and could use the roads, the hospitals and other facilities provided by the Manitoba government. My conscience would not let me do that. My religious beliefs may not be as good as those of many other people in this House, or any better than those of the Hutterian people, but my conscience would not allow me to do that.

In the province of Saskatchewan there are 30 colonies, or were in 1972, with a total population of 2,500 people. They have 294,500 acres which works out to an average of 10,000 acres per colony, or just a shade under that. That is a very good sized operation, and what I said about the Hutterian situation in Manitoba applies equally in Saskatchewan. These people, too, use the hospitals and the

roads that the province of Saskatchewan builds from moneys borrowed from the federal government.

● (1230)

They fought to avoid paying income tax until last year when the income tax department ruled against them. They are ordained by this government as having some religion that is superior to that of anybody else. It may well be that it is superior to mine, but my conscience would not permit me to ask what they are requesting and what the government would give them under this piece of legislation. The government is capitulating in respect of their wishes. It may be that many people think their religion is better than mine, but as I have said my conscience would not permit to do what they are doing.

Let us look at the situation in the province of Alberta. One might study the history in respect of these people in the province of Alberta going back to 1923, 51 years ago. Anybody who has studied the history of the province of Alberta knows that this question has been a political thorn for every political party that has tried to function in that province. This government, which probably has studied this question a little, should have known about that history. It should have known this when it attempted to pass this bill the first time and failed. It should have known that it would have some difficulty if it attempted to do so a second time. There has been a failure even to attempt to reach a compromise on this situation. That has destroyed a little of my faith in the principles of democracy because certainly politics, as often has been said, in essence is the art of compromise.

In the province of Alberta, there were 82 colonies with a population of a little over 7,000 people in 1972. These figures may not be considered to be large in a province the size of Alberta. However, they control and own practically one million acres of land in that province. This is not a million acres of bushland or rock land. It is probably the best land available. It is the irrigated land in the south and the heavily productive land in the parkland regions of Alberta. This history of these people has not been one of pioneering the bushland or of going into the Peace River country. Because of the limitations in respect of land, over the years they have been forced to push their way into the Peace River country, but that has not been their custom. The Hutterite people know I speak the truth in this regard. The average colony occupies an area of approximately 20,000 acres or better. That is a nice size.

I might refer to the Alberta study in respect of the Community Properties Act of 1972. There is no suggestion that this is an anti-Hutterite report. Many people in Alberta might say it is the opposite. That report states quite clearly that the Hutterite population doubles every 17 years. We have heard much about a corporate rip-off and many people will wonder if the member for Crowfoot is trying to build a mountain out of a molehill or might suggest there are not that many of these people and, therefore, they do not effect society very much. This report states that the total produce sold by the Hutterite colonies in the province of Alberta in 1972 amounted in value to $23 million. The report also indicates that the total expenses of the Hutterite colonies in the province of Alberta were $17 million.

I know there was once a great politician, and in the eyes of many people perhaps a great Canadian, who stated, "What is a million". Well, here we are talking about a concern in one province, not in the three provinces I have mentioned, which sold produce with a value of $23 million. The report came out in 1972, but I think the figures cited are 1971 figures. I do not have to explain to anyone the comparison between the value of a dollar today and the value of a dollar in 1971. If they sold $23 million worth of produce in 1971 I do not think I would be out of the ball park if I said in terms of today's values that they sold about $35 million worth of produce. It might also be considered that their expenses have risen as sharply or more sharply, but I point out these figures so that the House may be fully aware of what we are talking about. There is no question in my mind that we are dealing with a large enterprise. I dealt with the subject matter of whether it is a tax that is involved. I also dealt with the question of whether or not these people are willing to pay a tax. Then, I dealt with the amount of money and land involved.

Now I should like to refer again to the 1972 report. The $23 million worth of produce to which I referred in the year 1971 was equal to 3 per cent of the agricultural products produced and sold in that year in the whole province of Alberta. Well, we all know what 3 per cent is. If you take three times 30 the figure is close to 100 per cent. In the agricultural area of Alberta 7,000 people produce 3 per cent of the total agricultural produce sold in that province. Do you think, Mr. Speaker, that I as a man who has throughout all his life been deeply interested in the agriculture industry should not be worried about competition in respect of agriculture? I am not afraid of competition, but I think it is the duty of the government to lay down rules so that competition is fair. If this is a tax upon me and my operation, then it should be a tax upon their operation. I do not deny these people the right of freedom of religion. The judge who presided over the court proceedings in September last year ruled that in no way would the income tax interfere with their right to carry on their religion.

If a judge of a federal court can decide in this regard that this does not in any way effect their freedom of religion, then that division has been made. One may ask why we should be concerned about this small amount of tax in respect of the Canada Pension Plan. It may be said that surely in a free enterprise society we can give our competitors a little bit of a leg-up and still survive. Undoubtedly all that is true.

● (1240)

However, it is the government's duty to lay down the law fairly. Many of my socialist friends in the House have suggested that we should all be given everything equally. I know we are not all born equal but in my opinion we should all be treated equally before the law in a democracy. The exemption granted to these people demonstrates clearly that we are not all treated equally before the law. In my opinion this is a mistake in a democracy. People should be treated equally no matter what their religion may be. The government is well aware of this. They took the Hutterites to court on a matter of income tax and the judge ruled in the government's favour.

I know that there is difficulty in taxing the Hutterites both under the Income Tax Act and the pension plan, because they do not allow their people to have any income. I do not deny that there is such a difficulty and, as I said in my earlier speeches on the subject, that is why the minister does not know how to go about taxing them. Well, it is pretty clear that the Department of National Revenue has not had that difficulty. At page 10 of the decision of the Federal Court of Canada of September, 1973 we find the following statement:

> The Hutterites carry on efficient and successful farm operations. Financial statements filed, assuming they are typical of all or most of the colonies' operations, indicate that they have substantial net profits each year the taxability of which has led to these proceedings.

Apparently until 1960 the colony paid no income tax of any kind. I might point out that the Hutterites lost the case, and they will now be subject to income tax going as far back as 1961. I am thankful that the government proceeded on an issue which I started in the House in 1961. I saw the culmination of it 14 years later when the agricultural industry started being treated with greater fairness. The judgment goes on to read:

> However, some time after 1960 assessments were levied at least against the corporate entities from which appeals were taken. Ultimately an agreement of understanding was entered into in 1968 between the Minister of National Revenue and certain of the appellants for and on behalf of the Hutterian Brethren colonies in Canada.

If this session lasts longer than we expect, I will put a question on the order paper requesting a copy of that agreement. I might find it interesting reading and I might find that they are all treated fairly. But to give you an idea of the size of their profits, in this particular case the judge stated that one colony, the Wilson colony in southern Alberta, had a net profit of over $1 million. I am searching for the facts here to make sure that my memory does not play tricks on me. It reads:

> The balance sheet as December 31, 1970 shows assets in the amount of $1,235,855, liabilities in the amount of $1,060.

I wish that my little farm had so few liabilities. They had a net profit for that year of $107,697. So let us not be led astray by some bleeding hearts who think they know about religion and who feel akin to the Hutterites because they may have stemmed from Mennonite stock. We all stem from one stock or another but we are not all in competition with our brethren in the field of agriculture as these people are, and without a doubt they are in the business. When I can pick up a judgment and quote from it a statement that one colony alone had a net profit in 1970 of $107,000, we know we are not really dealing with a small entity. This is the profit of just one out of 83 colonies in the province of Alberta, and there are some 78 other colonies in the other two prairie provinces.

In other speeches I have dealt with whether or not one could call the Hutterites good citizens and whether or not they accept Canadian citizenship. I will not go into that subject because each man can form his own opinion as to what makes a good Canadian citizen and what does not. In my opinion, they do not fulfill the requirements of a good citizen. My three sons all grew up and went through 4-H. They recited the 4-H pledge pretty regularly, and they were told by their instructors that that is what constitutes a good citizen. The very attempt not to pay Canada Pension Plan contributions suggests to me that they are not

good citizens. But I do believe that parliament was very negligent in not calling them as witnesses before the committee and asking them what in their minds constitutes good citizenship so that they could defend themselves.

I began my remarks by making the point which I just made. It is a habit of mine in making speeches to conclude by returning to the point I made at the beginning, and that is what I am doing on this occasion. I hope that throughout this speech I made members aware of what the problem is. This bill will not pass today, I can assure the House of that, but it may be passed next week if this session carries on that long. I hope that future members of parliament will not have to take action similar to the one I had to take in 1961 to correct a wrong which had been perpetrated on the agricultural industry until 1961 which allowed a segment of the agricultural industry to grow, prosper, and yet pay no income tax. We should make sure that restitution is made and that everyone is taxed for the purpose of the Canada Pension Plan.

I see Mr. Speaker is about to rise to point out that my time has expired. I have spoken on this subject at length, and I do not suppose that much more would convince those members who have failed to even attempt to compromise in this difficult situation. I do not suppose that many more words would change the minds of members of this House, but I can assure you, Mr. Speaker, that I will continue to attempt to change the minds of hon. members this afternoon at greater length than I have this morning.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I would like to spend a little time supporting the amendment, which I had the honour to second, proposed by the hon. member for Crowfoot (Mr. Horner). First of all, it is with some trepidation that I will attempt to correct the record as laid down by the hon. member for Crowfoot, but I think that in all fairness the House should be aware of the full import of the bill before us when we consider the amendment.

● (1250)

The hon. member for Crowfoot mentioned the requirements of the law with regard to social insurance numbers. When I spoke on the predecessor to this bill in July last, when the government made its first attempt to exempt these religious sects, I pointed out that I was a contributor to the Canada Pension Plan but probably would not be able to receive any benefits from it because I have always been opposed to the idea of a social insurance number. Personally, I have not applied for or received one, notwithstanding the strictures of the law as it reads at present.

At that time it was my understanding that the Department of National Revenue was responsible for enforcing this provision. The Minister of National Revenue (Mr. Stanbury) was in the House on that occasion, and I challenged him to prosecute me, if he wished, for failing to obey the law. As a matter of conscience, Mr. Speaker, I do not see why I should be required to have a social insurance number.

As I understand the provisions of the bill now before us they remove the requirement that one must have a social

insurance number in order to receive benefits under the Canada Pension Plan. That at least should remove some of the objections raised by the Hutterian brethren to this plan. I gather their main objection was that they, too, felt they should not have social insurance numbers, yet were obliged to support this plan from which they would get no benefit, and they felt they should be exempt from the program. As I say, if the government now recognizes that people should no longer be compelled to have social insurance numbers, that goes a long way toward meeting the objections of the Hutterian brethren.

I think that confirms the mistake that this parliament has made so far in dealing with this bill because, as pointed out by the hon. member for Crowfoot, the Hutterian brethren and the other sects that wish to be exempted should be called before the Standing Committee on Health, Welfare and Social Affairs to make their positions abundantly clear, and to give the facts on which they base their requests for exemption. This information should be made available to members of the House. I suppose those sects have already made it available to the minister, because somewhere along the line this idea germinated in the minister's mind. I would not suggest that it suddenly appeared like the electric light bulb that is switched on in comic strips to indicate the birth of an idea. There must have been some pressure applied from some place. Generally, the government does not initiate action without some reason, but so far I have been given no information to indicate why these religious sects should be exempted.

The hon. member for Hillsborough (Mr. Macquarrie), when he spoke on this subject on second reading of the bill, displayed an abysmal ignorance of the situation, something which I found quite surprising because he is supposed to be the official critic on this side of the House.

He talked about the Mennonites who are so active in religious work in India, and he said that this was a wonderful thing they did. Mr. Speaker, it is a wonderful thing. I happen to have the honour to represent a great number of people who adhere to the Mennonite religion, and as I have said previously I cannot think of a finer identifiable group in my constituency. These people pay their way. They do not cause trouble. They are great adherents to the principles of voluntaryism. I cannot think of a better community in my constituency than the community surrounding Acme and Linden, but I do not think the people who go to the Mennonite church at Linden are the ones who want to be exempted from the Canada Pension Plan. Neither do I believe that the people who are doing such good work in the mission field in India and other places are the ones who want to be exempted from the Canada Pension Plan.

The hon. member for Crowfoot has referred to those who want to be exempt as the Amish people from western Ontario. He has made certain remarks about that group. I, for one, am unfamiliar with them, but if he is correct in saying they neither contribute to nor partake in our system of government, there could be some reason for exempting them from this program. But I think it would be a terrible mistake for us to proceed on an incorrect understanding of the facts.

I think that our spokesman on this side of the House, the hon. member for Hillsborough, has done a very poor job in researching the position of this party with regard to this bill, and I must take exception to him. As I have said, these people should have been called and made to justify their position, because I think it is quite clear to anybody who has studied the Canada Pension Plan that it is not an actuarially sound program. And if it is not actuarially sound there will have to be extensive subsidies pumped into it in order to keep it afloat. Where are those subsidies to come from? They have to come from the general taxpayer, from the consolidated revenue fund. May I call it one o'clock, Mr. Speaker?

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

• (1410)

The Acting Speaker (Mr. Laniel): Order, please. When the House suspended sitting at one o'clock, it was considering the report stage of Bill C-19, in particular the motion of the hon. member for Crowfoot (Mr. Horner).

Mr. Schumacher: Mr. Speaker, when the House rose for lunch at one o'clock, I was dealing with the motion before the House, and particularly the actuarial soundness of the Canada Pension Plan. It is my opinion that the plan is not actuarially sound and further, the more the base is narrowed, the less sound the plan becomes.

I readily admit that the number of people we are considering in this part of the bill is not large. The Old Order of Mennonite Brethren is not a large group. The Hutterian Brethren is another matter. During his remarks, the hon. member for Crowfoot (Mr. Horner) gave some information about the number of people involved in that sect. While it may not be large now, it is a rapidly growing group, particularly when one considers that that group doubles in size every 17 years, according to the information given by the hon. member by Crowfoot. I presume that if the facts the hon. member has given are wrong somebody more learned than he, and with some basis for saying so, will stand up in this House and put the record straight. Until that happens, I guess we will have to accept the information given by that hon. member.

With regard to the actuarial soundness of the plan, I wish to quote from an article that appeared in the October 20, 1973 edition of the *Financial Post* and headlined "Happy Birthday, David, and congrats". The article was written by James L. Clare, a Toronto actuary and corporate tax consultant. I quote:

> Federal NDP leader David Lewis could ripoff the Canada Pension for at least $14,157.
>
> David Lewis turns 65 on June 23, 1974, and will then be eligible for a $99-a-month CPP pension. Statistical odds suggests he can then expect to live 14 years, or 168 months.
>
> His CPP contributions for the eight and a half years since the plan began, Jan. 1, 1966, will then total $1,435. These contributions will pay for almost 15 of those $99 monthly benefits. Interest will pay for about another 10 months of benefits. For the other 143 remaining months he can expect to live, his benefits will be paid from the CPP funds contributed by us folks still working, as a subsidy or gift to David

Lewis, i.e., as a ripoff. The 143 months of $99 ripoffs come to a total expected ripoff of $14,157.

Rather juicy, what?

Consider a Canadian of the same age who has been paid much less, and covered by the CPP for the same 8½ years, but who year by year has earned one half of the CPP maximum covered earnings. His total contributions of $626 will pay for almost 13 of his $49.50 monthly benefits. Interest will pay for about another nine months of benefits. The benefits for the remaining 146 months he can expect to live will give him a total expected CPP subsidy of just $7,227.

David Lewis will be subsidized much more than the poor man—$6,930 more.

In a word, the CPP is "upside-down welfare."

Mr. Trudeau, why are the proposed CPP amendments of your government aiming at ballooning the subsidized ripoffs to the rich still further, with crumbs from the CPP to the poor and to the elderly? Why are you in such a hurry to line the pockets of Mr. Lewis still more?

Mr. Davis,—

I presume he is referring to the premier of Ontario.

—the CPP cannot legally be amended without the consent of your Ontario government—so why are you even more enthusiastic than Ottawa in urging even bigger subsidies and windfalls to the rich? What has Mr. Lewis done for you lately?

The CPP subsidies are silly, and if amended will be even sillier. Would it not make sense instead to amend the CPP so that the monthly dollar subsidies are (a) at least as much for the poor as for the rich, and (b) at least as much for older pensioners as for younger pensioners?

Mr. Trudeau and Mr. Davis, do your men really know what they are advocating? Maybe someone, somewhere, should look at all the facts first, before the CPP is changed in any way?

I think it is clear there is a serious problem with this plan. However, I think there is an even more serious problem facing the country today. The egg producers of Canada are suffering as a result of the importation and dumping of eggs in this country. The government says it needs amendments to the Export and Import Permits Act and has proposed Bill C-4. They made some reference to being willing to proceed with this piece of legislation today. I do not know whether the amendments are actually necessary before the government can act, but the government says they are. That legislation is of much higher priority than the legislation we are now discussing. Therefore, I move, seconded by the hon. member for Battleford-Kindersley (Mr. Horner):

That this debate be now adjourned.

The Acting Speaker (Mr. Laniel): The hon. member's motion was proposed under the terms of Standing Order 25 which permits such a motion to be made. Under Standing Order 32, the motion is not debatable. I will therefore put the motion at this time. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

[Mr. Schumacher.]

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

● (1420)

Mr. Norval Horner (Battleford-Kindersley): Well, we have certainly proved that point. The government is not prepared to debate Bill C-4. The government had the opportunity and they failed to take it.

There are other things far more important than the measure we are considering. Members on this side made it clear months ago that this legislation would not, in all likelihood, be passed unless clause seven concerning special exemptions for religious sects was removed. But the government carried on with it. Today it is wasting time again, though it could be getting on with other legislation of greater importance. I think the minister responsible for arranging the business to come before the House knows this bill is put forward as a filler while the House is waiting for the budget to be brought down. They are afraid to bring anything else forward.

A motion has been put forward to delete that part of the bill which would give special consideration to a religious sect. I fully support the idea that special consideration should be given to religious sects in certain circumstances. After all, I grew up with a community of people who had emigrated here from Russia, the Doukhobors. They were granted special consideration based on their religion. They have contributed a tremendous amount to this country, and I think they are fairly happy about their freedom to practice their religion. But the crux of the matter is this: we are dealing with a bill concerning contributions to the Canada Pension Plan. In no way does this interfere with anyone practising or maintaining a religious belief. I can mention other things which are contrary to Hutterite practices—I mention the Hutterites because they are primarily the people involved in this case. It is contrary to their religious beliefs to watch television or listen to radio. Yet they pay taxes which go, in part, toward the maintenance of the CBC. They do not watch CBC programs because, in their minds, it is very sinful to do so. They may have a point there, Mr. Speaker. But ought we to rebate to them that particular portion of the tax?

To say they must contribute to the Canada Pension Plan in no way infringes upon religious freedom. And we are not talking about a poor, struggling people trying to maintain churches or build church halls. The hon. member for Crowfoot (Mr. Horner) mentioned 73 communities numbering, possibly, six or seven thousand people, and reporting a net profit of some $6 million. These are the people who are asking that they should be exempted from the Canada Pension Plan provisions.

This is what the Minister of National Health and Welfare (Mr. Lalonde) stated in his speech, as reported at page 1482 of *Hansard* for April 16:

I may say the government still firmly believes in the universal application of programs such as the Canada Pension Plan. It firmly believes in the universality of a pension plan. But it considers an exemption should be made because it is in keeping with a strong tradition of freedom and tolerance which exists in this country.

Mr. Speaker, I am a great one for tolerance and personal freedom, like many other farmers. But I, like many other farmers, was given no choice about whether or not I would

keep books for my operation. I was forced to do so by law. We were not asked whether we wished to deduct income tax with respect to the people who work for us. This duty was forced upon us and we had no choice. The government talks about treating these people with tolerance because there is a tradition of freedom. No one else has individual freedom. Certainly I think we should show them tolerance as far as their religion is concerned, but what we propose would in no way prevent them from practising their religion. Besides, it is basic to what democracy means. Democracy means going along with what 51 per cent of the people want. People who do not drive cars are still called upon to pay for the highways. I would point out, also, that these people are not bound to contribute to the Canada Pension Plan. They can choose to earn less than $600 a year. If they decide to earn more, they should fall into the same category as everyone else.

I could list a variety of examples. Suppose I had a choice of being exempt from education tax. If I could get back what I pay in education taxes I would be only too willing to educate my children myself. But I do not have that freedom. I live in a democracy, and democracy demands that 100 per cent of the people should do what 51 per cent of the people want to do. The Hutterites live in Canada and they are good citizens. But why exempt them while trying to carry on the principle of universality in all the other cases? It is a bad precedent, it is not necessary, and it is amazing to me that so few members can get up enough energy or enough courage to speak against it.

The Hutterites have been given special consideration with regard to education. They have been given the right to educate their children in their own way, on their colonies. I do not say it would be impossible for others to do something like this, but I believe it would be very difficult if I were living on a farm and said to the local school board: Please send me out a teacher; I have 21 children here, my own and those of a few people around here; we shall provide the building, you should provide the teacher. I think I would have a fair amount of trouble getting that privilege.

I have no quarrel with the Hutterite people. That is not what is at stake here. They raise a tremendous amount of produce and they use the land to the best of their ability. On the other hand, they contribute very little to our society. They stand in line outside the doctor's office, when necessary and they are right ready to buy the latest machines if they are likely to help them earn a faster dollar, but none of their children go to universities; none of their descendants become doctors. None of them try to solve the mystery of what causes cancer, or anything else. None of their children get past grade eight. Thus, they do not contribute to the country in the way many other people do and for this reason alone I find it difficult to understand why they should be granted special exemption from a scheme which is supposed to be universal.

On the same page of *Hansard*, page 1482, the minister is recorded as saying that religious sects formed after 1966 will not be exempt should they make a similar application. So, this bill practically singles out the Hutterites and a few others in the Mennonite and Amish sects, but primarily there is a strict exemption of a very small group of very, very wealthy people. Just imagine, Mr. Speaker, having one million acres in the province of Alberta. What would that land be worth in a few years? Perhaps $500 an acre, with land today selling anywhere from $150 to $250 an acre. I will leave hon. members to figure it out.

● (1430)

These are the people asking for, and the people the government is anxious to grant to, special consideration because they are a religious sect. It is not that their paying into the Canada Pension Plan would in any way prevent them from carrying on their religion. As I have said, it puzzles me greatly. The Minister of Justice (Mr. Lang) has legislation ready to increase the cash advances on grain. I am ready to speak on this legislation. We have the import-export bill, too. Then he introduced a bill which was given first reading this morning to put into legislative form the September 12 last announcement with regard to government subsidies for grain consumed in Canada, to ensure that the farmers obtain $5 maximum for wheat consumed in Canada. So I fail to understand why the minister is prepared to sit all afternoon while we debate this particular legislation, and while it fails to pass the House.

Mr. Lang: Let it come to a vote.

Mr. Horner (Battleford-Kindersley): We did let it come to a vote. The Minister of Justice says we should let it come to a vote, but we have urged that this debate be adjourned so we can go on with other matters. Those on the government side have chosen not to do this, and not to pass the import-export bill today.

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my intervention in this debate will be extremely brief and probably will not last 60 seconds. At the end of that time, I hope this matter does come to a vote and pass the House.

I merely rise to dissociate myself formally from the remarks of several members of this party I have heard today. Particularly I dissociate myself from the remarks made by the hon. member for Crowfoot (Mr. Horner) with reference to the hon. member for Hillsborough (Mr. Macquarrie), who is one of the finest men I have ever encountered in public life and a man with whom I am proud to share the appellation "Progressive Conservative".

Mr. Horner (Crowfoot): Mr. Speaker, I rise on a question of privilege. The remarks made by the hon. member for Ottawa West (Mr. Reilly) cannot go unchallenged. In making them he implied that the hon. member for Crowfoot in some way or other made some disparaging remarks about the hon. member for Hillsborough (Mr. Macquarrie), that I said something that was defamatory of his character, that I questioned his integrity, and other things such as that.

I should like the hon. member who made those remarks to consider them seriously and very closely, and perhaps to withdraw them. He can check the record of *Hansard*, but I disagreed strongly with the hon. member for Hillsborough. I invited him to come to my riding. I said that I would not sit on the platform with him but that I would sit in the audience and watch the reception of his words by my constituents. I did not say that my constituents would disagree with him. I did not say that they would think he was right or wrong, or would question his charac-

ter. I said that since I was the representative here of my constituents I would sit among them so I could better understand their feelings toward his remarks, whether they agreed with him or not. I said I would even pay the rent for the hall, and knowing how well the hon. member stood within the Conservative party, that the party would pay his transportation out there.

In the whole of my remarks, in no way did I cast reflection upon his character—whether he was honest or dishonest, whether he was the greatest man I have ever met in society. I have met many great men and he would have to be judged as ranking among these many great men. I have not taken the trouble to assess his particular position, whether it would be at the top or at the bottom of the ranking.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Horner (Crowfoot): I want the hon. member to withdraw his words, if he said in any way that I was casting reflection—

The Acting Speaker (Mr. Laniel): Order. Would the hon. member resume his seat. The standing order provides that an hon. member can clarify expressions of opinion or the remarks of other members that might reflect on some of his own comments or personal opinions, but I do not think an hon. member can start a debate on such questions. If the hon. member wants to clarify his point further, I hope he will do it very quickly so we can proceed.

Mr. Horner (Crowfoot): I quite agree with those remarks, Mr. Speaker. The hon. member for Ottawa West began his remarks by saying that he was not going to speak for very long. He did not speak to the amendment, motion No. 1, or to the subject matter of the bill we are debating. He said that he would only speak for 60 seconds, and if he had done so I would have risen on a point of order. He tried to implicate me in some kind of name calling game, for which I take no responsibility whatsoever. I suggest his remarks were completely out of order. If he is questioning my remarks about the hon. member for Hillsborough, he is quite out of order in attempting to raise what is really a point of privilege.

The Acting Speaker (Mr. Laniel): Is the hon. member for Ottawa West rising on the point of order?

Mr. Reilly: Yes, Mr. Speaker. Not only will I not withdraw what I said, but I want to assure the hon. member that only the gentlemanly tradition of this House allows me to forbear saying what is precisely in my mind.

Mr. Horner (Crowfoot): Mr. Speaker, that is not a point of order. I suggest the hon. member is not debating the motion that is before the House and that he has not said anything that contributes to the debate at all.

The Acting Speaker (Mr. Laniel): I think we had better consider the case closed. The hon. member for Ottawa West rose on the point of order raised by the hon. member for Crowfoot and I think this should close the matter at this time. Is the House ready for the question?

Some hon. Members: Question.

[Mr. Horner (Crowfoot).]

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it. I declare the motion lost on division.

Motion No. 1 (Mr. Horner, Crowfoot) negatived.

The Acting Speaker (Mr. Laniel): The next motion is No. 2 appearing on the order paper in the name of the hon. member for Palliser (Mr. Schumacher). The Chair does question the acceptability of the motion which is brought forward as an amendment at the report stage of the bill. The hon. member for Palliser will recall that a similar motion, one in the same terms as the one now proposed, was put by him when another Canada Pension Plan amending bill was being considered a few months ago.

The record at that time shows, at page 596 of *Journals* for October 24, 1973, that the Chair decided the proposed motion was defective in two regards. The hon. member is probably well aware of the remarks of the occupant of the Chair at that time. If the hon. member wishes, I am ready to comment as to the acceptability of his motion at this time, and I must say I have very strong reservations about it.

Mr. Schumacher: Mr. Speaker, the purpose of my motion is to allow married women to contribute to and receive benefits from the Canada Pension Plan. When I moved this amendment to the amending bill last year, I recognized then that it probably was not in order, but I moved it to bring attention to the problem. I think I have to say that some recognition has been given to this problem since the Minister of National Health and Welfare (Mr. Lalonde) has produced a discussion paper on the subject of housewives contributing to the Canada Pension Plan. The bill in relation to which the amendment was put before was pretty narrow, and I can understand why it was not found in order. I did not quibble with that ruling as I thought it was a proper one at that time.

However, Bill C-19 with which we are dealing is a much broader piece of legislation, and we find in the recommendations the following words:

● (1440)

—to provide in the manner prescribed for equality of status for males and females under the Act—

For that reason I feel my amendment is much closer to being in order this time than last time. Of course, it can probably be argued from the other side that 100 per cent or 300 per cent of nothing is still nothing. I recognize that the words "in the manner prescribed" are rather limiting, but I have always understood in respect of these recommendations that they should not set out the particulars of the bill before us. I would urge that because it is recommended there be equity of status as between males and females under this bill consideration should be given to my amendment. There is a large number of housewives in this

country who are female citizens and should have the right to expect coverage under the national pension plan.

I am attempting to bring this idea before the House by referring to that part of the recommendation which says that one of the purposes of this bill is to provide equality of status. In no way are we going to encourage that equality of status between males and females if we do not include housewives. Unless we include housewives, we will not meet the requirements of that recommendation and that recommendation will, therefore, be meaningless.

Mr. Horner (Crowfoot): Mr. Speaker, before you rule on the amendment I should like to speak on this point of order. You are quite correct in that the hon. member for Palliser (Mr. Schumacher) did move the amendment in respect of Bill C-90. Mr. Speaker at that time felt that it did not fall within the ambit of the bill then before us. I draw to your attention that in this particular case we have a bill with a great deal more depth and one which particularly deals with the spouses, their contributions and the benefits these spouses may collect. One can look at Clauses 26, 27, 28, 29 and 30 and see that we are in fact dealing with contributions that a spouse may or may not make, and the benefits that one of the survivors of a marriage may collect.

I would also bring to your attention, before you make your ruling, that during the committee study of this particular bill more time and paper was used on the questioning of this aspect of what the amendment suggests than on anything else.

It is interesting to note also that at the time of the committee study the minister did not say he was opposed to this aspect, but said he felt the government needed more time to study it. He did not say he could not fit it into this bill. Many of the members of that committee wanted it fitted in and the minister said that he had discussed it with the provinces and wanted more time to study this aspect. In view of the desirability of getting this bill through before the election everybody seems to be talking about around here, I would urge that you not rule the amendment out of order.

During committee proceedings there was wide acceptance of the principle enunciated in the amendment. We could incorporate it in the bill and the beneficiaries of the act, particularly the housewives across Canada, would be better off. Before making your ruling on the grounds the last amendment was found out of order, I would urge that this bill is completely different and much broader in scope. I think this amendment does fall within the ambit of this bill.

The Acting Speaker (Mr. Laniel): Order, please. I wish to thank both hon. members who have expressed opinions as to the acceptability of the motion before the House at this time. I hope the two hon. members concerned will understand that the Chair is not here to judge on the merits, the value or the sincerity of the amendment or motion put forward by the hon. member for Palliser (Mr. Schumacher), or on the opinion or views of the minister. The Chair is restricted by the rules of this House which provide for limitations which are meant to assist in the progress and workings of this parliamentary institution.

Perhaps at this time I should refer to Beauchesne's Fourth Edition in respect of relevancy, specifically section (1) of Citation 203 which states in part:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

I would refer, in addition, to Citation 406 at page 285 of the same author which lists reasons amendments would be ruled out of order. It reads in part as follows:

> Amendments are out of order if they are
>
> (a) irrelevant to the bill, or beyond its scope, governed by or dependent upon amendments already negatived;

There is another point I should like to bring to the attention of hon. members, and this relates to one of our well-known references, Erskine May's Eighteenth Edition, at page 508, with reference to the same matter:

> An amendment which is out of order on any of the following grounds cannot be proposed from the chair:
>
> (1) An amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill—

If hon. members will turn to page 510 of May's they will note in paragraph (12):

> Amendments or new clauses creating public charges cannot be proposed, if no money resolution or ways and means resolution has been passed, or if the amendment or clause is not covered by the terms of the resolution.

● (1450)

These are the two main points I wish to bring to the attention of the mover. In fact, the motion now before the House goes behind the bill which is being considered. It endeavours to amend provisions in the main act which are not contained in the bill under consideration. The hon. member, by his amendment, is attempting to amend the act itself not by adding a subclause to clause 7 but by trying to reach the act which is not before the House at this time. Secondly, the proposed amendment is not in accordance with the financial recommendation in respect of the bill as it was not in respect of Bill C-90 in the previous session, so the same consideration applies at this time. It is with regret I must decide that this motion cannot be accepted at this time in its present form.

The House will now proceed to the consideration of motion No. 3 appearing in the name of the hon. member for Crowfoot (Mr. Horner).

Mr. Horner (Crowfoot) moved:

> Motion No. 3.
>
> That Bill C-19, An Act to amend the Canada Pension Plan, be amended in Sub-clause 15(2) by deleting the words 'prescribed rate' at line 25 and substituting '7%'.

He said: Mr. Speaker, in rising to speak on this motion one tends to become involved in the whole question of interest rates. In the old bill the rate was 6 per cent. The change that this bill is attempting to bring in is to a prescribed rate. Someone across the way said that is very commendable. I have always been interested in the Liberals and their interest rates, because I well remember the debate of 1966 when the Liberal government took office and placed a freeze on the interest rate of the banks. The government at that time then decided to have a floating rate. One could look up the debate, and some of the new Liberal members should do so.

At that time it was decided to have a floating rate which would be 1¾ per cent above the short-term bond rate. Now, we are dealing with a prescribed rate. The prescribed rate is bound to be the floating rate. In 1966, the bank rate was 6 per cent but the government decided to float the rate at 1¾ per cent above the rate on short-term bonds. I well remember the debate. The present Secretary of State for External Affairs (Mr. Sharp) was Minister of Finance at that time. He said that the interest rate might well go below 6 per cent. That was the wishful thinking of the Liberal government at that time. The short-term bond rate in that particular year went as high as 7.72 per cent and then fell to 4.3 per cent. So, the government said that 1¾ per cent above 4.3 per cent would place the prescribed rate at 6.05 per cent. It is interesting to note that the bill at that time was to apply for an interim period with a rate fixed at 7¼ per cent. Then, it was decided that the Bank Act should be amended to allow the bank to bring in any rate it saw fit.

Then, it was decided that for the first year of the freeing of the bank rate a prescribed rate of 7¼ per cent would be arranged. The government went on to explain how the rate would fluctuate after that on a formula of 1¾ per cent above the short-term bond rate. However, the short-term bond rate and the 1¾ per cent were below the 7¼ per cent rate so the government was in an embarrassing position at the time. Several members from the Conservative Party and some from the socialist party to my left spoke against the freeing of the interest rate for the banks. When one looks at corporate profits one finds that in the past seven or eight years it is the banks which have had the greatest profits. The major shareholders of the banks have reaped the benefit of these higher profits earned by high interest rates.

The amendment I am presenting today is the same amendment I filed in this House I believe in the debate in the fall of 1966 when the 6 per cent interest rate freeze was removed from the Bank Act. I said that the rate should be frozen at 7 per cent. This is what my amendment in this case says. If a person should be late in respect of his payments he should be charged a rate of 7 per cent and not a prescribed rate. I have a dreadful fear concerning what a prescribed rate means in the mind of the present Liberal government. The Liberal government of 1966 said that a prescribed rate was 1¾ per cent above the rate on short-term bonds. Whenever I see a bill come before this House which gives the Liberal Party the right to decide the interest rate I become concerned. The rate in the old act clearly is 6 per cent per annum. In this case it is a prescribed rate. Recently we have seen the banks of Canada increase their interest rate by 1½ per cent approximately. Everyone in Canada, except perhaps a person with a great deal of security, is paying between 10½ and 11½ per cent for money. There are members of this House who believe that under the present government the prescribed rate could go to the sky.

I believe everyone should examine this question. The Bank of Canada recently announced that it would increase its rate on loans to the chartered banks to 8¼ per cent. Perhaps no one has looked up the amount of money the chartered banks have borrowed from the central bank. In 1973, they did not borrow a red nickel or any other kind of nickel, but because the central bank raised its rate to 8½ per cent the chartered banks took it upon themselves to raise their rate by 12 per cent. Although I do not have the exact figures, I would estimate that there is a total debt of approximately $40 million across Canada, and if one calculates a 1½ per cent increase on that one can see that interest rates are a very important subject. All of a sudden in order to cure inflation, so we were told, a higher interest rate was imposed.

I do not know what effect this will have on payments made under the Canada Pension Plan. I think most mistakes are made honestly and without deliberate intent. I think most late filings are made honestly without deliberate intent. Why do we have to give power to the government to establish a prescribed rate? This government believes in high interest rates. If they want to curtail inflation, there are plenty of ways of doing so without increasing interest rates. When I speak of interest rates I cannot help going back to the debate when we started this cycle of high interest rates in the fall of 1966.

● (1500)

What was Canada's problem in 1966? At that time we were mighty concerned about the rate of inflation. Inflation was running wild. The Bank of Canada wanted to charge a higher interest rate and so did the chartered banks. That was their cure for inflation. It was argued by others that higher interest rates do nothing but increase inflation. It is not my fault, not this bill's fault, and not necessarily the Liberal government's fault that high interest rates increase inflation. The reason for inflation is the credit economy in which we are living. How have we evolved this type of economy? Goods and money became plentiful, and we borrowed. Our credit became good and people lent us more and more money. Interest rates are part of the cost.

I say that putting a prescribed rate into this legislation will only increase the cost of the entrepreneur doing business in Canada today. In 1966 the argument was used that interest rates would curb inflation, and there is no question in my mind that at that time they contributed to inflation because the entrepreneur makes them part of his cost and wherever possible passes on that cost to the buying public. The small portion of the debt in Canada will also be passed on to the consumer in the end product. In fact, 3.6 per cent of the cost of the labour force in a given business is deducted or charged against the product that the business produces. The interest rate on that money is charged to the product. There is no question in my mind that we cannot suddenly stop the credit economy that we have evolved. One member of the Liberal Party was concerned about our credit economy and tried to start a cashex system—a novel idea, but for one reason or another it did not catch on with the public.

We have been led down the garden path, or hornswoggled, to use a good western expression, into believing that a credit economy is a good thing. I find myself in that position. I have many debts. Because the interest rate went up, I, along with everybody else, will have to pay. The argument for the high interest rate in the fall of 1966 when the Bank Act was before parliament was that it would curtail inflation. The evidence is before this government that it did not curtail inflation one bit; in fact, it contributed to it.

I do not want to make a speech today on the increase in the interest rate and what steps could be taken to cure inflation. That is not the purpose of our debate this afternoon. But surely we should consider what my amendment would do. It provides clearly that in a small way it will curtail the rate of inflation. It is the old story. If you watch the little things, the big things will take care of themselves. That is an old and wise philosophy expressed to me by many old homesteaders on the prairies. There is no question that if we look after the pennies the dollars will accrue. How many times have you heard that expression? If we look after low interest rates we will be proving this point without a doubt. Banks will have to lend money to the entrepreneurs.

It does not concern me if the government sets out its principles in pieces of legislation and states that it believes in a 7 per cent rate of interest. I would appreciate it if parliament accepted this amendment and stated that we believe it would be one small step in the direction of reducing interest rates and inflation. If the government wants to curtail inflation, if they want to bring the banks into line, why do they not change section 72 of the Bank Act which allows banks to charge an interest rate as low as 12 per cent on what might be called negotiable reserves? If they want to tighten up the economy, let them increase that rate to 15 per cent or 16 per cent. I will listen with interest to the budget to see whether the Minister of Finance (Mr. Turner) suggests that. If he does, he will be taking a concrete step toward curtailing inflation without increasing the burden on the taxpayers as this bill will do and as the Bank of Canada did some months ago.

Why do interest rates mean so much with reference to the Canada Pension Plan? I wonder how many Canadians have ever asked themselves who uses all the money that has been amassed under the Canada Pension Plan. Every province in Canada except Quebec has the opportunity to borrow money from the Canada Pension Plan, that portion of it which is over and above the amount needed to pay the premiums in the province. Every province has the right to borrow that money at the rate of about 5 per cent. It is interesting to note the heavy borrowings over the years by the provinces. I should point out that the province of Quebec pays at the same rate but collects its own contributions and does not have to borrow this money from the federal government at 5 per cent.

It is interesting to point out that when the question of interest rates came up in the committee, the Minister of National Health and Welfare (Mr. Lalonde) readily admitted that Quebec has a different rate of interest on their bonds. They collect a 10 per cent return on the money they lend under the Canada Pension Plan. All that my amendment does is to signify that the interest rate which the government should establish on all borrowings under the Canada Pension Plan should be 7 per cent. This is not impossible to achieve. It is an acknowledgement that 6 per cent interest rate may be too low and might have to be changed. But I am very afraid of legislation which will pass this House providing that there shall be only a prescribed rate, because in all the time I have been in Ottawa I have not been convinced that the Liberal Party understands the meaning of interest rates. There is no question about it; they believe in high interest rates. They have allowed the governor of the Bank of Canada to increase interest rates. For the first time in Canadian history, bank rates are 10 per cent to 11½ per cent, depending on the borrower's credibility, the security he can offer and the amount of the loan. Let me assure you that most people pay 11½ per cent.

● (1510)

The Canadian banks, among the best banking businesses in the world, are making all kinds of money. The government has a moral obligation to tell the banks that it does not approve of this. Months ago the government should have called in the governor of the Bank of Canada and told him it would not approve the 8¼ per cent interest rate that he proposed at that time. The government could begin to move on interest rates this afternoon by accepting this small amendment which proposes quite clearly that the interest rate shall be 7 per cent.

I well remember when the Bank Act was amended to remove the freeze on interest rates which then stood at 6 per cent. The whole argument in favour of a floating interest rate was that the rate would come down. The Secretary of State for External Affairs, who was minister of finance at the time, said the rate would be pegged at 7½ per cent for a year but after the year we could conceivably see interest rates going below 6 per cent. What kind of folly was that? Does that kind of folly still exist in the government's mind?

The government has not learned anything, because it is still trying to cure inflation by increasing interest rates, rather than increasing the percentage of funds which banks are obliged to keep in reserve. The Canada Pension Plan has become one of the greatest sources of funds for the provinces. Most provinces used to go to New York for their financing. Now, with the exception of Quebec, they come to Ottawa. The province of Ontario has borrowed huge amounts of money from the Canada Pension Plan fund. It has borrowed as much as $590 million in one year at an interest rate of 5 per cent. Certainly it is getting a good deal in this way, using the Canadian taxpayers' money. I should not say it is using the Canadian taxpayers' money, but the Ontario taxpayers' money, because the contributions of provinces are accumulated in separate funds from which the provinces can borrow at 5 per cent.

If the government allowed a prescribed rate, this could provide greater contributions to the pension fund. In fact, we might be able to increase the amount of pension payable without increasing the premium. But we have decided that the rate should be pegged at 5 per cent. Mr. Speaker, I do not think there is anything wrong with pegging it at 7 per cent. That is slightly more than the provinces have to pay for money now, but surely we do not have to enforce a higher penalty than 2 per cent in this respect. The amount of money saved by the Ontario government because of the prescribed 5 per cent rate on borrowings over $500 million a year would be astronomical. I am using Ontario as an example because it has the biggest population and borrows the most money from the fund. On average it has borrowed more than $590 million each year for the past few years. I admit that back in 1966 it did not borrow so much. I am looking for the exact figures but I cannot lay my hands on them. In any case, by now the point should be clearly understood by hon. members that it is quite proper to provide in a piece of legislation that there be a

fixed interest rate. Of course, as we read the bill now it suggests a 6 per cent rate. I am suggesting a 7 per cent rate.

I well remember during debates in 1966 that we were told we had to raise interest rates otherwise money would not come into Canada. We were told that if we maintained a low interest rate, foreign money would not come into Canada, that American money would stay in the United States and Europe would attract investment because interest rates there were increasing. Since that time the complaint has been that we have too much foreign investment in Canada and should do something about it. If the government had accepted the advice offered by some of us in 1966 and frozen interest rates at 7 per cent, we might have encouraged a little foreign money to come to Canada but not as much as is now flooding in, with interest rates going to 11½ per cent. You cannot blame the free enterprise society in which we live if money pours into a country where interest rates go to 11½ per cent. I repeat that we would not have the large foreign investment that Canada now knows if our advice had been accepted in 1966. In this debate I am offering the same advice. I maintain that the rate should be frozen at 7 per cent. Let this bill be a signal to our society that we are going to freeze interest rates at 7 per cent, that we are going to take steps to bring down interest rates.

I well remember that in election speeches in 1957 and 1958 the Liberal Party was charged with being a high interest rate party. I was just a young fellow at that time and was not certain whether the accusation was true. But having spent a number of years in Ottawa I am convinced beyond the shadow of a doubt that it is a high interest rate party. One of the beautiful things about democracy is that governments must obey the wishes of parliament. This is particularly true of a minority government. We see compromises. We see agreements being reached. Back on the farm we would even say that deals were being made. Politicians are not supposed to use that expression, but with this minority government we see deals being made. Why can't the government come down off its high interest rates? I was going to say "high horse", but we are debating interest rates so I must stick to that subject. Why can't this government come down from their high horse? There I go again with a slip of the tongue. My hon. friend says it is the wrong horse too, and there is no doubt about that, Mr. Speaker. If we go to the people next week, I hope they bear in mind that the Liberal Party has been responsible for high interest rates ever since it removed the freeze in 1966. It is still the party of high interest rates. If they reject this small amendment which I propose, it will signify again that they want high interest rates on even the smallest loans.

● (1520)

In this afternoon's debate I shall take time to drill this point home because I really believe there will be an election next week. I know the Liberal Party wants to continue to govern. This morning I listened to the Minister of Energy, Mines and Resources (Mr. Macdonald) speak about Petro-Can and I realized that he wants to govern. He is throwing out a compromise, a deal with the NDP right now. He wants to continue to govern. Nothing would do the Liberals more good on the hustings next week or next month than to wave a little piece of paper saying, "We are a party of lower interest rates. We are starting to bring down interest rates. We took this prescribed rate out of the act and froze it at 7 per cent. That is where interest rates should be frozen today. And when we go back we are going to freeze the rate of the banks at 7 per cent." They are on their high horse and believe in high interest rates. They believe that somehow they have an exalted right to rule. They really do not care how badly they bleed the public, because they believe in the theory: Bleed them well and give them back the concentrated blood mix and they will somehow survive.

[Mr. Horner (Crowfoot).]

An hon. Member: Are you the only good Canadian in the House?

Mr. Horner (Crowfoot): No, I do not think that at all. In fact, I am certain there are many members who think I am practically the worst Canadian in the House; but that does not bother me. I ask the hon. member to read the debates of 1966 when I attempted to freeze the bank rate at 7 per cent and was told that the foreign money we needed would not come into Canada.

Mr. Railton: We needed it at that time.

Mr. Horner (Crowfoot): Now people wonder why we have so much foreign investment and ownership in this country.

Mr. Railton: Because of our good economy they want to invest here.

Mr. Horner (Crowfoot): Yes, because of our good economy we have to sell it. But the place is not for sale, Mr. Speaker. Have you ever driven by a beautiful farm and wanted to buy it, and on the gate was the sign "Not for sale"? Canada is not for sale to the Americans—and I like Americans—to the Germans or the Japanese. The sign on our gate should say that this place is not for sale, no matter what interest rate they want to pay. I can hand out all the advice I like about what interest rates should be, but the government will not accept it. They will not accept this small amendment. They have gone through every act of parliament, and wherever the rate was pegged at 6 per cent they changed it to allow it to float. That is what this bill is doing, Mr. Speaker, changing it from 6 per cent and allowing it to float.

Mr. Railton: What about CMHC?

Mr. Horner (Crowfoot): Mr. Speaker, that is exactly what they are doing with CMHC, floating an interest rate which has been far too high for home owners. That is why we have so many people living in apartments and townhouses. There is a shortage of houses because they are charging too much interest. There is no doubt in my mind that this is probably one of the last statutes on the books that has a fixed interest rate of 6 per cent. They have caught up with that now and are allowing the interest rate to float.

Why do we have a prescribed rate? How does the central bank's rate of interest affect a prescribed rate formula? Recently the governor of the Bank of Canada increased the interest rate to 8¼ per cent, and immediately that

became the interest rate on the government's short-term borrowings. The Bank of Canada does not lend money to the chartered banks. Only 1 per cent of the money the chartered banks lend to the people is borrowed from the central bank. Indeed, in 1973 the chartered banks did not borrow one cent from the central bank. If you follow what I am saying, Mr. Speaker, the governor of the Bank of Canada, on the advice of the Minister of Finance, increased the rate to 8¼ per cent and that became the short-term borrowing rate on government bonds.

The Bank of Canada is the buyer of last resort of government bonds. They will buy them at 8¼ per cent, and if anybody wants to pay a slightly higher percentage rate they can have them. Every Thursday at five o'clock the bids are open on government short-term bonds, but the Bank of Canada is the buyer of last resort. So automatically, if you take this prescribed rate formula that was developed in 1966 in the change to the Bank Act and add 1¾ per cent to it, you get the bottoming-out rate that banks can charge of 10 per cent. What happens is that many investment houses bid on government short-term bonds, so that you actually have a rate on short-term bonds of slightly above the Bank of Canada rate.

I see the President of the Treasury Board (Mr. Drury) is in the House. If he wants to correct my limited knowledge of the financial system, he is welcome to do so. He has been around here longer than I have and probably will be around much longer in the future. In any case, in the years I have been here that is how the prescribed interest rate that this bill speaks of has been arrived at. In this bill we are really not talking about a prescribed interest rate; we are talking about something better than 10 per cent. The bottoming-out rate is 10 per cent. If nobody bids on government bonds, then it might be 10 per cent; but the Bank of Canada will take them up at 8¼ per cent.

The whole purpose of high interest rates, according to the Minister of Finance, is to discourage inflation in our credit society. I am not blaming anybody for getting us into a credit society. As I said earlier, I too have been hornswoggled in that respect. A fellow once told me that everybody likes spending money but very few like making it. This government cannot be accused of that because they also like printing money. That is why we have the present rate of inflation. If this government wants to curtail inflation, it will not do it by increasing interest rates. That is the wrong way. They contribute to inflation. One step they could follow would be to increase the 12 per cent reserve that chartered banks must hold in negotiable securities. The banks might have less money to lend and their profits might not be so great. We all know the banks have made substantial profits since the interest rate was taken off, but that is the formula of the prescribed rate system. There is no doubt in my mind that my amendment will fix the rate at 7 per cent. It is the same kind of amendment I attempted to move to the Bank Act in 1966. If history had shown me wrong in the past seven years, I would gladly go along with letting this bill pass.

● (1530)

I said at the beginning of my speech that I would take the full 40 minutes I am allowed. That is because I want the backbenchers of the Liberal Party—and there are a lot of good ones—to know the high horse of high interest they are riding. I want them to think about their policy, particularly if we are going into an election next week. I want the good Liberals to look at this piece of paper and say they voted for a 7 per cent interest rate. They do not have to go into detail as to how small a bill it was. It will stand them in good stead on the hustings next week, the week after, next month or, for that matter, next year.

Why do we religiously have to bring forward every statute on the books? It does not matter whether it is so small a thing as the debt under the Canada Pension Plan and whether we should freeze it at the 6 per cent rate. Why can't we signify to the people that we believe high interest rates contribute to inflation, in no way attempt to control inflation and must progressively be brought down from 10 per cent or 11 per cent?

Mr. Speaker: Order, please. I have to interrupt the hon. member for Crowfoot (Mr. Horner). The 40 minutes assigned to him under the Standing Order has expired. Of course, with the unanimous consent of the House he can continue for another 40 minutes. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimity in this respect.

Mr. Macquarrie: Mr. Speaker, the motion before us strikes me as the kind of motion which would strengthen and improve this bill, which I think is a bill many members would like to see passed before events which may overtake us next week. I appeal to whichever minister is piloting this legislation through the House to accept this very reasonable suggestion whereby we could improve the Canada Pension Plan and assist the many people who will benefit from the passage of the bill.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I wish to say a few words on this motion which relates to the penalty section of the act. As I understand the legislation, at present employers making late returns on behalf of their employees as required by the Canada Pension Plan are subject to a penalty of 10 per cent of the amount, or $10, whichever is the greatest, and interest at 6 per cent per annum on the amount that should have been paid. This bill purports to take away a certain penalty and insert an uncertain penalty; that is, changing it from a fixed rate of 6 per cent to what is called a "prescribed" rate. That rate is prescribed by the minister on the advice of the bureaucrats in his department. They indicate to the minister what they feel should be the penalty because of an oversight, carelessness or some other reason in failing to make the proper remittance on time.

As far as I am concerned, this is another step along the road of delegation whereby this House of Commons in particular, and parliament in general is letting go of more and more responsibility in the day to day governing of Canada. That is a disgraceful situation whereby the executive has a completely free hand with regard to what is going on in this country, without any reference to the parliamentarians. I am sure Your Honour has heard many

times over the years complaints from members of parliament that they do not have any say in certain matters; they are always delegated to the bureaucrats. This is going on at an ever increasing rate. We have had examples of this during past sessions, and this session. In response to practically every problem that arises, it is proposed that a new board or tribunal be established. That is the prescribed solution. That is a typical of the present administration.

The government says it will make the proper prescriptions. However, at this time the country is suffering from a malady that in large measure results from prescriptions we have already received. It has been pretty stiff and bad medicine. I do not think the great brains on the treasury benches should be allowed to prescribe any more bad medicine for the illness we are suffering at the present time. The law should be certain. People should know what the punishment will be if they do not obey the law. It is a very bad situation when we continue to allow the executive to act with complete immunity and without any responsibility to the legislators who are supposed to represent the feelings of their constituents. I am ashamed that more senior members have not taken strong exception to the wide discretion that is being given in this case and in many others.

● (1540)

During the past winter the energy allocation board was set up and measures have been taken to set up a restrictive trade practices tribunal with greatly extended powers. Bill C-29 relates to excess profits and use will probably be made of this same tribunal. I could list a great many cases in which the government has asked parliament to give it the right to act as it thinks best, and in 90 per cent of those cases I suggest the confidence of parliament has been misplaced.

There is much to be commended in the suggestion of the hon. member for Crowfoot (Mr. Horner) that a certain penalty should be specified. I do not know whether 7 per cent is the correct figure or not. However, I say it should bear some relationship to the rate at which money is borrowed from the fund when it is used by the provinces. The hon. member for Crowfoot says the rate is 5 per cent. By anybody's standards, that is very cheap money for the provinces. The fact that the borrowing rate is so low indicates what the thinking of parliament was in 1965—a 1 per cent spread was charged to those who were late in paying. I do not know why the government wishes to change to a prescribed rate, except that it may be hoping to try to get in through the back door what it could not do by the front door. They want to do it by regulation. A notice will appear in the *Canada Gazette* and no one will be able to do anything about it. No one will know there has been a change until they are hit by it. The new rate will probably be between 11 per cent and 12 per cent as charged by CMHC on first mortgages: it is a rate of which the government seems to approve. What a difference there is between the rate at which funds can be borrowed and the rate late payers must accept. This indicates that money can be borrowed from the fund at too low a rate for the well-being of the plan.

The hon. member for Crowfoot pointed out that Quebec accepts different rates in connection with its own fund

and that the performance of the Quebec plan is substantially better than that of the federal plan. I should like to quote from an article written by Bruce Whitestone and dated October, 1973. Mr. Whitestone is an economist. He suggests there should be further restrictions on provincial borrowing from the fund. The article reads:

> The Canada Pension Plan is in danger of becoming something like Frankenstein's monster, a runaway spending machine. Provincial use of Canada Pension Plan contributions has become part of a mechanism which affects not only the pension plan but also provincial government spending and the entire investment process.
>
> What emerges here is a pattern of borrowing from the Canada Pension Plan by provincial governments and increased spending by those governments because of easy access to the pension fund money.
>
> The legislation which set up the Canada Pension Plan provides for the investment of the funds which accrue from monthly contributions, less the estimated amounts needed to pay benefits and costs. These funds are made available to each province, based on their contributions. The provinces are able to borrow from these funds, subject only to the supervision of the federal Department of Finance to ensure that proper controls are maintained. In general, this easy access to funds by provincial governments leads to unwise spending programs; there are not the normal constraints imposed by lenders. In other words, provincial governments do not need to go through the process or cost of borrowing money on the market, using underwriters to market bond issues. As a result it is an almost foregone conclusion that governments are tempted by an "easy-come, easy-go" attitude. The money burns a hole in the pockets of many provincial treasurers.
>
> The huge reservoir of funds generated by the Canada Pension Plan provides a cash flow which continues almost independent of the business cycle. Hence, over-all government spending and taxing measures are out of control of the normal constraints of the legislature.
>
> Many who favour government control and operation of various parts of the economy criticize free enterprise for its failings and then engage in operations which undermine the free enterprise system. Intragovernment borrowing and the process of short-circuiting the free market by borrowing from the funds of the Canada Pension Plan illustrate this trend. If a province needs funds, it should deal directly in the market. Borrowing from the Canada Pension Plan funds represents an intermingling of two different functions—the needs of the provincial treasuries and the rights of the provincial treasuries and the rights of the pension fund contributors. If a provincial government borrows at an advantageous rate, obviously the pension fund is lending at a disadvantageous rate.

It is extremely important that the savings of Canadians which are collected by way of premiums should be invested at a proper rate of return for the benefit of the contributors. For many citizens the Canada Pension Plan will be their main source of income when they retire and they have the right to receive the best possible return on their money. As has been stated, the regulations governing borrowing from the Quebec fund are different and result in a greater flow of income to that fund. Quebec is to be congratulated in this respect. If similar measures are not taken by the federal government, Canadians in other provinces should demand that their provinces set up separate funds, as has been done in Quebec. If people in the rest of Canada are to receive benefits similar to those paid in the province of Quebec, contributions will need to be raised. I continue to quote from the article as follows:

> If the provinces did not borrow these funds there would be an incentive to maximize the yield of them and the money would obviously flow to the most productive and rewarding sectors of the economy. All pension funds should be encouraged to "work harder." They should be invested as efficiently as possible. The entire economy would benefit if these funds were handled by the free market in place of the bureaucrats.

● (1550)

The Canada Pension Plan would have to be amended to permit each province to run its own fund. If the yields on the pension funds could be improved, a near certainty under a free enterprise regime, contributions could be decreased or benefits raised.

If the Canada Pension Plan were revised and each province were able to operate its share of the pension fund independently of governments, pensioners no longer would be deprived of a fair return on their savings. However, such an arrangement could cause difficulties with respect to portability as individuals move between provinces. Under the national medicare plan, contributions vary from province to province and the same could apply under the Canada Pension Plan. To prevent pensioners from flocking to provinces paying the highest benefits, there would have to be some residence requirements so that, for example, a person would draw benefits from the province where he made the majority of his contributions for the last five years of his working career.

The beneficial effects of decentralized control as they could develop here are well known. The free market could provide very beneficial results, not only to the pensioners, but to the Canadian economy as well. At the present, there is real irony in a situation which allows governments to disregard the best interests of pension plan contributors. After all, the only purpose of government should be to help its citizens, not unnecessarily harm them.

I think that what we have here is careless handling of the contributions of a great number of Canadians to a national program to which they have no choice but to belong, unless they happen to be members of the Old Order Mennonite Brethren or the Hutterian Brethren sects at the present time. The plan is compulsory. If you offend against the legislation, you should know what the penalty is in advance. I suggest there is no more public document than the statutes of Canada and that the penalty should be written into those statutes. The government should not be able to lend money at ridiculously low interest rates on the one hand, and be able arbitrarily to charge extremely high penalties against those who may, for any number of reasons, have neglected to make the contributions required under this generally compulsory piece of legislation.

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I should like to add my remarks with regard to this prescribed rate. It does not apply to a great deal of money, but I am concerned really with the principle of the matter, with the fact that the government insists on a prescribed rate rather than, as suggested in the motion, a rate of 7 per cent. The government appears to be preoccupied with high interest rates. As the Prime Minister (Mr. Trudeau) pointed out in a speech made a week end or two ago, he is out to lick inflation. I think he used even stronger terms than that and said he practically had it licked already. He has said that before, so I suppose it is easy for him to do this. This follows the pattern of the increase in the interest rate of the Farm Credit Corporation on April 1 from 7 per cent to 8¼ per cent. I am sure the farm improvement loans people are very anxious for October 1 to come so they can increase the interest rate on farm machinery and equipment loans.

It is very unfortunate, but high interest rates that are intended to slow down inflation only work if the amount of money lent decreases. If the amount of money requested and granted continues to flow at the same very high rate, then a high interest rate is a real contributor to inflation rather than being something that slows down or stops inflation. High interest rates mean increased cost for producers. Particularly at a time when everyone is concerned about the cost of food in Canada, we have the government actually increasing the cost of food by increasing the producers' cost of production. The producers are caught in a bind because they are trying to spend large sums of capital to bring down the cost per item, per bushel or whatever it is. These producers are faced with a labour shortage because people will not work in the agricultural industry. This government is really preoccupied with high interest rates and with trying to lick inflation by increasing the cost of money.

As the hon. member for Crowfoot (Mr. Horner) mentioned, each province is allowed to borrow money from the Canada Pension Plan fund at the low interest rate of 5 per cent. It is of interest to note that the government insists on having a prescribed rate in this legislation, yet provinces are able to borrow at 5 per cent. My own province of Saskatchewan appears to have borrowed almost every dollar the people of the province contributed to the fund. They borrowed $24 million in 1966-67, and in 1972-73 they borrowed from the fund $43.2 million, precisely the amount paid into the fund by the residents of Saskatchewan in the form of contributions.

If we are to get things back on the road and stop inflation, I doubt very much whether we can get food costs down by increasing production if we have a tight money supply and a high interest rate. This simply adds to the cost of everything produced. Thus, I caution the government against high interest rates in these areas. I think the people in the prairie provinces—

Mr. Speaker: Order, please. I apologize to the hon. member, but I have to interrupt him since it is four o'clock.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether there would be consent to continuing long enough to finish debate on motion No. 3.

Mr. Horner (Crowfoot): No, Mr. Speaker. My reason is that other members of parliament who do not happen to be here this Friday afternoon are also interested in the debate and should be given an opportunity to participate. If they had known the debate would continue, I am sure they would have been here. Since they are not here, I do not think we should take it upon ourselves to exclude them from contributing to the debate.

Mr. Knowles (Winnipeg North Centre): Nonsense.

Mr. Horner (Crowfoot): In your opinion, Stanley.

Mr. Speaker: Since there is not unanimous consent, the Chair will call it four o'clock. The House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, private bills.

Mr. Foster: On a point of order, Mr. Speaker, there are a couple of private members who have bills before the House to change the name of their ridings, namely, Bill C-277 and Bill C-281. I wonder whether we might deal with those two bills before going on to the notice of motion standing in the name of the hon. member for Moncton (Mr. Thomas). I think there is general agreement to do this, if it could be put to the House.

Mr. Thomas (Moncton): On the point of order, Mr. Speaker, I am quite prepared to accommodate the hon. members who have private bills, but on the understanding that it will be a very short debate and that we can then proceed with the debate that has been scheduled.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to make the same condition. We are prepared to agree to this, but I think in fairness to the hon. member for Moncton (Mr. Thomas) it should be on the understanding that we put those two bills through their various stages without debate.

Mr. McKinley: On the point of order, Mr. Speaker, this is quite agreeable. I want to assure Your Honour and the House that in the absence of the hon. member for Middlesex (Mr. Frank) I have his written consent to move the bill on his behalf.

● (1600)

Mr. Speaker: Order, please. My understanding is that there is unanimous consent to proceed as suggested by hon. members who have taken part in the discussion on the point of order, that is, these bills be considered immediately, without debate, through all stages including committee of the whole.

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for Fraser Valley East (Mr. Patterson) has volunteered to act as Chairman of committee of the whole when we reach that stage in a moment.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN CONSTITUENCY NAME FROM HURON TO HURON-MIDDLESEX

Mr. R. E. McKinley (Huron) moved that Bill C-277, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to committee of the whole.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, why not do Bill C-281 at the same time?

[Mr. Speaker.]

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

CHANGE IN CONSTITUENCY NAME FROM MIDDLESEX TO MIDDLESEX-LONDON-LAMBTON

Mr. R. E. McKinley (for Mr. Frank, Middlesex) moved that Bill C-281, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to committee of the whole.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

PRIVATE MEMBERS' MOTIONS

[*English*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED APPOINTMENT OF COMMISSIONER TO EVALUATE PENSION FUND

Mr. Charles H. Thomas (Moncton) moved:

That, in the opinion of this House, the government should consider the advisability of appointing an independent commissioner to make a full evaluation of the benefits structure and financing of the Canadian National Railways pension fund, such evaluation containing recommendations on the benefits structure, including the retired pensioners, and methods of financing its benefits recommendations.

He said: Mr. Speaker, I do not intend to ask for any concession in exchange for my co-operation, but I do hope the display of co-operation and efficiency we have just witnessed harbours the acceptance of my motion by the House.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Thomas (Moncton): I have one supporter anyway, Mr. Speaker. At the outset I want to emphasize that although in my motion I refer specifically to the CN pension plan, what I have to say is equally applicable to the Canadian Pacific pension plan and the CP pensioner. I would also point out that the severe restrictions placed on private members proposing anything that might be construed as a charge on the public purse hampered me considerably in the wording of my motion. Had I been sure that it would have been acceptable to the chair, I would have move that the government immediately appoint a commissioner, etc.

The minister has been considering the advisability of this for far too long. What the pensioner wants now is action to help offset the erosion of his pension by the increasing cost of living. When an opposition member files a notice of motion of this type, the odds are less than 50-50 that it will ever be debated. It must survive the draw and come out with a fairly high priority to have even a chance of coming up for debate. While my motion survived the lottery with a reasonable placing, I still felt that by the time it was called for debate the government would have ordered such an inquiry and this motion would be redundant.

Surely a government which professes such concern for the workingman would long ago have taken steps to order such an inquiry—an inquiry which was approved, in principle at least, by the Minister of Labour (Mr. Munro) last August 31 when the House was discussing the back to work legislation. The minister has since then indicated many times in the House and at public meetings that he recognizes the necessity of such an inquiry and seemed prepared to appoint a commissioner. It appeared that action was imminent and that this motion would be a *fait accompli.*

On February 11, 1974, in Edmonton, the minister said:

I am giving full consideration to the calling of a complete inquiry into railway pensions. In scope, it would cover all the details of benefit cost and funding. Through this vehicle of inquiry, I would hope that the parties concerned would then be in possession of all the facts. Then when the bargaining is once again opened, they would be able to sit down at the bargaining table with the findings and recommendation at their disposal.

It is now very apparent that the minister is in no hurry to initiate such an inquiry, for on April 11 his parliamentary secretary, in the adjournment debate, made it very clear that the minister is prepared to toss the whole matter of pensions back to the railways and the unions before he makes any recommendation. This is a direct contradiction of the minister's statement to which I have just referred. The parties involved have argued the pension issue for years and have always ended up at loggerheads over the issue of cost. This is why the unions wanted the Deutsch terms of reference broadened to determine the costs of the various proposals and the ability of the fund to carry them.

Until these facts are known, what in the world is the point of starting further discussions—discussions, incidentally, at which the retired pensioner will not be represented? The minister seemed to recognize this when he said that only when both parties are in possession of all the facts should they again sit down at the bargaining table. By the minister's own admission, the parties involved must be supplied with further facts and figures. These can only come from a thorough investigation made by a completely independent person who is knowledgeable of pension funds. I cannot accept the minister's view, as stated by his parliamentary secretary, that the parties involved want further discussions.

● (1610)

Certainly from everything I have heard from the unions and the pensioner's associations they are fed up with discussion and now demand a completely independent inquiry. I strongly suspect that the minister is hedging, perhaps under pressure by the companies, and that he has no real intention of taking early action. Certainly from the mail I have been receiving from employees and pensioners there is no indication that these people want further discussion. They want action, now.

If the minister has his way, it would be a direct negation of the pious claims in respect of his government's concern for those whom inflation hits hardest, the pensioners on fixed incomes. The minister's colleague, the Minister of National Health and Welfare (Mr. Lalonde), has recognized the necessity of adjusting pensions annually to meet the rising cost of living. Legislation recently passed to remove the 2 per cent limit on annual escalation has enabled the government to adjust the pensions of people already retired to cover cumulative increases built up since their retirement. More than once in this House the Prime Minister (Mr. Trudeau) has proudly proclaimed that he has eased the burden of inflation for all federal pensioners by indexing the cost of living. But, whether deliberately or not, he consistently overlooks one large group who, for all practical purposes, have been federal employees but have not received the same treatment.

I refer, of course, to the thousands of retired railway employees and their widows or survivors. These people seem to be in limbo. The companies are no longer interested in them and the unions do not worry about them once they stop paying dues. One has only to look at the recent wage agreements: nowhere is there any mention of the retired pensioner. The reason is obvious: there was no one to speak for them. This is one reason I have never been happy about including pensions in the general negotiation. They should be negotiated separately with a third party, the pensioner, given full negotiating rights.

Lest any member think that relatively few are affected, I would refer to *Hansard* of May 1, 1974, and the answer to question No. 20. This return shows that 25,912 people are currently drawing CN pensions. Double this figure to allow for wives, and we have over 50,000 people directly involved—not counting, of course, the children who may be involved. Remember, this is the CN only. Other railway pensioners are not included. Now for the real shocker: 258 are receiving less than $25 a month, and 130 are getting $25 a month. So a total of 400 people are getting $25 a month or less. At today's inflated prices this would barely buy one bag of groceries.

Let us look a little further. We find that there are 6,096 pensioners, or almost 25 per cent of the total, getting less than $100 a month. Surely neither the CN nor the government can be very proud of this situation. But what is the minister's reaction to repeated requests for help for these people? Nothing more than to suggest further discussion between companies and unions with the pensioner out in the cold, literally and figuratively. But this is not too surprising in view of this government's track record of treatment of railway pensioners.

Admittedly, there have been some improvements. The 2 per cent retroactive escalation announced in 1972 and 1973, while not enough to offset the cost of living, was at least a start. But now that the legal restrictions have been removed there is nothing to prevent railway pensioners receiving full cost of living escalation similar to other retired federal employees. The minister's suggestion for further discussion will not remedy this situation.

Mr. Speaker, I am beginning to wonder if the government is trying to sucker us into settling for the proposal put forward in Bill C-139 in the name of the Parliamentary Secretary to the Minister of Transport (Mr. Guay). Certainly the publicity given this bill far outweighs its importance as an instrument to improve the CN pension plan. Let us take a brief look at Bill C-139. It seeks to amend the Pension Benefits Standards Act so that the CNR will no longer be required to meet the funding provisions. The bill quite obviously has its genesis as a result of statements made by Mr. MacMillan, then presi-

dent of CN, before the standing committee on transport last December. At that time, Mr. MacMillan stated that one reason CN pensions are not as good as civil service plans is that CN is required to fund its pensions annually while civil service plans are not. He inferred that if this situation were changed the CN plan would be improved. But, Mr. Speaker, when I tried to pin Mr. MacMillan down to a definite promise to improve the plan the following exchange took place:

MR. THOMAS (MONCTON): But you are saying that if you did not have to comply with that act, you could improve your pension, so what would you do? How would you improve the pension.

MR. MACMILLAN: I think the removal of us from the requirement to comply with the Pension Benefits Standards Act would be for the purposes, presumably, of our pensions coming into line with the civil service pension and in those circumstances in so far as they lent themselves to commercial activity—and I do not know whether this is material or not, because I am not intimately familiar with the civil service fund—it would be exactly the same and the rules under which we would be operating our pension fund would be those which presumably apply today to the civil service fund.

If members of the House have gathered anything from this, I wish they would let me know what their interpretation is; but certainly it is hardly a promise to improve the pension fund. It is quite obvious that Mr. MacMillan did not commit the CN to increasing pension benefits if the funding provision was removed. His position was simply that if the CN was not obligated to fund its plan annually, it would be in a position to make improvements.

So while the objective of C-139 is commendable—and I support it fully—let us recognize it for what it is. It is not fair to raise the hopes of thousands of people, those who are mailing cards to their members of parliament asking for support of the bill because it will allow the CN to improve their pension plan. I would point out that there is a great difference between "allow" and "take action". We have no assurance that the CN, having been given this financial relief, will in turn reciprocate by increasing pension benefits. I would feel much more kindly disposed toward the bill if the government had introduced it as a government bill. Then it would have some clout.

Mr. Speaker, let us not be sidetracked by red herrings across the trail. Let us stop stalling and come to grips with the situation. There is no doubt in my mind that railway pensions must be improved. As Dr. Deutsch pointed out in his report, the object of any pension fund must be to protect the purchasing power of those who are contributing. This principle has been embodied in the Old Age Security Act, in family allowances and in pensions payable out of the consolidated revenue fund. It is only logical that it be extended to all public employees, be they in the public service or in Crown corporations. We must now extend the cost of living index escalation to the CN pensioner in the same way it has been granted to other public service pensioners. But, Mr. Speaker, we must not be satisfied with merely adjusting pensions annually to meet the cost of living. Many pensioners who have been retired for some years are trying to exist on pitifully low pensions. Surely in this age of social awarenesss we cannot let these people suffer. Their pensions should be increased substantially, immediately.

[Mr. Thomas (Moncton).]

● (1620)

The report of the standing committee in 1970 suggested one means of financing improved benefits. It recommended that the surplus amortization payments, at that time $7 million, be used to improve pension benefits. This report was unanimously adopted by the House and I suggest that the government now instruct the CN to comply with its recommendations.

The commission I am requesting would make a complete investigation of pension benefits, and I would suggest the following changes in addition to the cost of living escalation mentioned earlier. All participants in the pension plan should be entitled to equal benefits; therefore, the 2 per cent formula should be retroactive to the first day of service. Survivor benefits should be increased to at least 75 per cent and should be extended to the survivors of the old provident fund members who do not receive any benefits. Surely some means can be found to relieve the plight of these unfortunate people. There should be provisions in the plan for early retirement without severe penalty, and there should be some mechanism for periodic review to keep the program abreast of changing conditions. Perhaps this could be done through separate negotiations in which the three parties involved, company, union and pensioner would participate.

Mr. Speaker, these changes are the minimum required to bring railway pensions up to the equivalent of public service plans. They will cost money. How much or where it is to come from is not for me to say. I am not going to get involved in the argument between company and union over the use or misuse of the funds. I listened to this for weeks during the committee hearings in 1970 and, frankly, I was just as confused when it was all over, as were most other members of the committee. This is a task which must be done by an independent team of experts in pension problems. As the Minister of Labour has said—

Matters concerning pensions, with their complex and intricate funding systems are often confusing, not only to the rank and file, but frequently to all but a small group of actuaries and administrators.

The Minister of National Health and Welfare, speaking to the Canadian pension conference last November, had this to say:

Since we are dealing with other people's hard earned money, dollars they are foregoing for present advantage in expectation of future protection during a much more vulnerable period, we owe it to our contributors to do not only what is minimally required, but what is maximally possible and feasible.

Mr. Speaker, I am happy that the Minister of Labour, in his remarks quoted earlier, has recognized the fact that reforms are necessary and because of the complexity of the problem outside expert advice is needed. Let him now heed the words of his colleague and do what is maximally possible and feasible. Let him keep faith with the railway employees and pensioners by immediately setting up the inquiry which he admits he has been considering for many months.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, first I would just like to point out that I have been paying into the pension fund since 1939, and when I was hired by the CNR I tried to emphasize that we should all do something with regard to pensions. At that time railway employees were interested

in two things: miles and money. When the war was on, the mileage clauses were abolished and the requirement was for anywhere from 5,000 to 6,000 miles. The boys were not interested in pensions. This has been building up for years.

Our position on the matter is that further departmental consideration is required and that further discussions with the unions and the companies will be needed before a final decision can be made. In the latter case, the time involved in the continuing proceedings before Mr. Justice Hall is inhibiting discussions before they are arranged. The reason for this is that there were several suggestions in the Hall report. Mr. Justice Hall suggested that the unions and the company get together. This is what they are doing at present. They will take a look at pensions.

The government has been giving consideration to the advisability of appointing a commission of inquiry to review details of benefit costs and funding of pension plans covering Canadian railway employees in general, not just those employed by Canadian National Railways. A number of factors have to be weighed carefully before a final decision can be made. Not only is the Department of Labour involved, but also the Ministry of Transport through its general responsibility for Crown corporations in the transportation industry, and the department of insurance which administers the Pension Benefits Standards Act. This is the first time they have bargained for pensions. I disagree with this, but the hon. member sat in the committee with us and he knows that we lost the argument. I think it is wrong, for the simple reason that a general chairman who is bargaining for money might trade benefits for a few cents per hour increase in wages. I disagree with this because in the case of an employee who has been around for 35 or 40 years, any union representative who wants to go up the union ladder should be separate from the contract because pensions are pensions and certainly should not be the subject of bargaining in this case.

In addition, a collective bargaining relationship is concerned involving national railway negotiating groups and railway companies. A number of railway pension plan improvements have been instituted over the years. The most recent improvements resulted for the first time from a collectively bargained agreement and railway union leaders obtained significant advances for their members. However, areas of concern still remain and the following categories of complaint have been made to the Department of Labour and are listed in their order of importance. First, improvement of the 2 per cent benefit from the date of hiring rather than from 1956. Second, cost of living provision so that pensions are adjusted based on increased cost of living. Third, increased benefits for persons presently in receipt of pensions. Fourth, an increase above the present 50 per cent for survivor benefits.

All these points have merit and union leadership will no doubt pursue them in future rounds of bargaining. However, all these points have their cost and this has to be taken into account when bargaining improvements. The complexities of the costing of pension benefits is demonstrated by the need found in the recent railway arbitration proceedings to refer an examination of cost figures to a separate inquiry under Dr. John Deutsch. Some railway workers believe that pension benefits should not be bargained as such and that more could be obtained by relying on the previous system under which pensions were a distinct issue and not bargained. However, the recently bargained improvements have given railway workers pension plans which are in some ways among the best to be found in Canadian industry. In any event, to bargain or not is really an issue for the unions and their membership to decide themselves under the democratic means provided in their constitutions.

A number of individual railway workers do not fully understand the financing and funding of pension plans, and with regard to many of the figures that the hon. member quoted I may say that many of these people did not even pay into the pension fund. The Pension Standards Benefits Act requires a certain level of funding which will ensure the viability of pension plans in federal industries. Such viability entails provision for participants in the plan being assured of benefits they have paid for being available, irrespective of what happens to the company concerned.

While it is not suggested that the CNR is in danger of going out of business, to remove it from the requirements of the act would have implications for other companies in the public and private sectors, including those outside the railway industry. Naturally, the requirement to fund under the act results in sizeable accumulations of assets, particularly in large-scale companies, and some individuals feel such assets could be used to improve benefits. However, to use such assets would defeat the purpose of the act, which is to provide a fund to ensure viability.

● (1630)

In addition, some believe that large-scale companies can provide for improved benefits, without touching funded assets, just because they are large. In the case of Crown corporations it is felt that additional financing could be provided from public sources where necessary. However, as mentioned before, pensions do have costs. Normal business principles must be applied. The public purse can only provide so much. Likewise, private companies have their financial limitations. Furthermore, to provide benefits in the CNR which would seriously distort the relationship with benefits in other major companies, particularly the CPR, could have serious repercussions for industrial peace.

In brief, pension plans available to CNR employees, and to CPR employees for that matter, provide good benefits in relation to those offered in comparable plans. Areas for improvement exist, but future bargaining will likely take these into account along with other demands that railway workers might make. An inquiry could provide useful information to the parties involved. Consideration is being given to the establishment of such an inquiry, but a number of interdepartmental factors are being weighed. Also, as has been pointed out in the House, certain aspects of the 1973 railway arbitration proceedings are still under way and are involving both companies and unions in a heavy workload.

Regarding the history of Canadian National Railways pension plans, before 1935 the company operated a non-contributory pension plan which provided a benefit of 1

per cent of the highest ten consecutive years' earnings, for each year of service, with a minimum of $25 per month. In 1935 the company introduced a new plan which preserved the previous plan's benefits as a past service benefit based on service before 1935, and the highest ten years' earnings before 1935. The minimum pension of $25 per month was preserved for pre-1935 employees and for employees hired after January 1, 1935, who were not past age 45. The new plan provided for employee contributions up to 10 per cent of earnings by employees with ten years' service, with up to 5 per cent matched by the company. These contributions, plus interest, would provide an amount which could be purchased on approved actuarial tables.

On January 1, 1947, this plan was amended to provide for employee contributions in the first ten years, but with no contributions from the company during that period. On January 1, 1952, the plan was again amended by adding to the foregoing part I the following alternative part II:

For a contribution of 5 per cent of earnings an employee would receive a percentage of his last five or ten years' earnings, whichever was higher. The percentage was the total of (i) one per cent a year for the first 20 years, (ii) one and a quarter per cent a year for the next ten years and 1½ per cent for each extra year.

All employees at January 1, 1952, were allowed to transfer to part II and new employees could transfer within the first ten years. To receive full credit for service after 1934, the employee had to pay 5 per cent of earnings back to 1934 or date of hire. However, a reduced pension was payable if the full arrears were not met. I should like to say at this time that all the union officials went across the country and we pleaded with CNR employees to pay into the pension scheme. I had to pay back 9½ years myself. Employees retiring before January 1, 1952, were allowed to have their pensions recalculated under the part II formula. More than half of the employees did not elect to transfer in 1952. Many continued to qualify only for the minimum pension.

The part II rules were revised in 1959. Contributions of 5 per cent to part II became compulsory for new employees after January 1, 1959. All employees at December 31, 1958, not under part II were given one year to transfer to part II. The earnings base was revised to the last 60 months or any five consecutive years, whichever is larger. Part II was amended on January 1, 1961, to provide for deferred pensions on termination with 15 years' service, where service plus age totalled 60 or more.

On April 1, 1962, the Pension accumulation rate was amended to 1¼ per cent a year for the first 30 years and 1½ per cent for each extra year. Contributions were increased to 5½ per cent of earnings. On June 1, 1965, the accumulation rate was revised to 1½ per cent for each year. The contribution rate was increased to 6½ per cent. On January 1, 1966, the plan was revised to co-ordinate with the Canada and Quebec pension plans. The benefit remained at 1½ per cent for service before 1966. After January 1, 1966, the benefit became 1 per cent for earnings covered under the CPP or QPP, and 1½ per cent for earnings not covered. The contribution rate became 5 per cent on covered earnings under the public plans, and 6½ per cent on excess earnings.

The Standing Committee on Transport and Communications dealt with the question of the Canadian National Railways' pension fund and tabled its fourteenth report on September 9, 1970. Further improvements to the CN plan were made during the time the standing committee was holding hearings and following this report. These recommendations were as follows.

1. Effective January 1, 1971, the pensions of 1959 plan employees retired before 1970 were increased by 2 per cent per year since retirement. The basic pensions of 1935 plan employees retired before 1970 were increased by 100 per cent for employees retired before 1966 and by lesser percentages for those retired after 1965. Survivors under the 1959 and 1935 plans received comparable increases. The company estimated the costs of these improvements at $5.2 million per annum from January 1, 1971.

2. Pensions paid on early retirement occurring after October 1, 1970, were no longer subject to reduction if retirement took place at or after age 60. For retirements before age 60 the reduction was related to the employee's potential service to age 60, and not 65 as previously. The eligibility conditions for early retirement were unchanged. The company estimated this improvement to cost $1.45 million per annum.

3. Beginning September 1, 1970, for the period up to October 31, 1971, active members of the 1935 plan and retired employees who had been contributing members of the 1935 plan were given the option of joining the 1959 plan. Of approximately 18,000 union members canvassed, 9,000 transferred to the 1959 plan. The additional annual cost of this provision is estimated at $6.6 million.

4. Age and service limitations were eliminated for employees killed in the performance of their duties.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to commend most warmly the hon. member for Moncton (Mr. Thomas) on presenting this motion this afternoon. I also congratulate him for making an excellent speech. As for the hon. member for London East (Mr. Turner), I liked the parts of his speech where he was speaking for himself and as an employee of Canadian National Railways. I cannot say that I was so enthusiastic about the statement that he seemed to be giving us, the effect of which was to excuse the delay of the Minister of Labour (Mr. Munro) in keeping his commitment to appoint a commissioner along the lines suggested in the motion of the hon. member for Moncton.

May I join with the hon. member for Moncton in stressing the point that although his motion refers to Canadian National Railways and to the pension fund of that organization, so far as those of us who are interested are concerned, we think of the motion as including the Canadian Pacific Railway, the old ICR, the Northern Alberta Railways, perhaps the Ontario Northland, and any other railways there are in this country.

An hon. Member: The B.C. Railway?

Mr. Knowles (Winnipeg North Centre): All right, add the British Columbia Railway as well. We are concerned about the pensions of railway employees in Canada for whatever railway they worked or are working.

● (1640)

The hon. member for Moncton pointed out that the Minister of Labour made a statement on this matter in

Edmonton on February 11 when he indicated his readiness to appoint a commissioner to make a thorough study of railway pensions in their entirety. That was not the first time the Minister of Labour had made that commitment. The first time was on the floor of this House at the end of August, 1973, when we were dealing with the railway strike that was then in progress. The very day that the minister announced the appointment of Dr. John Deutsch as commissioner on a very narrow point having to do with the strike we pressed him to enlarge Dr. Deutsch's terms of reference, or for the appointment of another commissioner to go into the whole broad question of railway pensions.

I think it is not unfair to the minister to say that he agreed on that occasion and asked us to wait until the strike was over. He did agree, however, to the appointment of a commissioner who would have broad terms of reference having to do with railway pensions as a whole. The minister first made that commitment in the House at the end of August, 1973, and he made it again in Edmonton on February 11, 1974. He made it on two other occasions in this House in answer to questions of mine, once on March 11 and again on March 22, and he made it again in my hearing at a meeting of railway pensioners in Winnipeg on Sunday, March 24.

I have to say that every time the Minister of Labour has made this commitment he has done a certain amount of hedging and has asked for time, for the opportunity to discuss it further with the companies and the unions; but even so, the promise was always there. The recommendation has been made that this is the sort of thing that is necessary, and the hon. member for Moncton has underlined it this afternoon. I think, Mr. Speaker, there should not be any further delay in the appointment of such a commissioner. I hope, for example, that the Canadian National Railways any day now will announce its 1974 cost of living escalation and that it will be equal to the full percentage rise in the cost of living. Even after that has been done it is not the end of the story. That is just one item and there are all the other matters relating to railway pensions that in my view need to be gone into by an independent commissioner. The very history of the Canadian National Railways pension fund given by the Parliamentary Secretary to the Minister of Labour is not only interesting but it demonstrates that the plan has been built up like Topsy, and that it deserves a very thorough review.

Mr. Speaker, this is private members' hour when we have to watch the clock and make sure, not only that we do not talk the motion out but that we do not make it easy for someone else to talk it out—so I am going to cut short my remarks. As Your Honour knows, when I get on the subject of pensions it is difficult to terminate my remarks. But the hon. member for Moncton put the case very well today and I simply underline what he said. I think that probably the first thing that needs to be done is to get an escalation of the pensions of those now retired, for 1974. It must be equal to the full rise in the cost of living and it must come soon. When the Canadian National Railways do it, by gad the CPR had better do it too, even if we have to get Pierre Berton into the act. Perhaps he could help us.

After that has been dealt with, there is the question of the basic formula by which pensions are calculated. The Parliamentary Secretary to the Minister of Labour went over the details of how it has been changed, in the case of the CNR, from a non-contributory formula down through the various forms, and the difference between 1½ per cent, 1¼ per cent and 1 per cent. In my view, there is no substitute for a pension that provides for at least 2 per cent for each year of service back to the beginning—no ifs, ands or buts about it. Even after we have a proper formula for the calculation of pensions, there is the point that the hon. member for Moncton raised, and this was dealt with in the standing committee a few years ago, to the effect that many of those who are now on pension need not only an escalation of what they are getting but the basic calculation needs to be done again. The hon. member for Moncton pointed out that we have pinpointed a way in which this can be done. We pointed to certain millions of dollars that were available and we said even before arriving at a new formula that those on low pensions should have them increased. As I say, we showed where there were millions of dollars that could be used for this purpose.

Then there is the question of survivors' pensions. I have the feeling we are making headway in terms of getting public support for this idea. A few years ago it was accepted that widows on pensions, if they were given them at all, were given 50 per cent. But that is not acceptable any longer. Even now, when we say it should be at least 75 per cent, I say why not 100 per cent? If a pension has been earned by one spouse, why should it be cut to 50 per cent after death? Why should it not continue at full value, whatever spouse survives? I think this point has to be stressed very strongly. I do not see how we in this place, where we have a plan that provides 60 per cent for our widows, can countenance a pension of only 50 per cent for survivors of pensioners of the railways.

I think early retirement plans have to be reviewed and I think the relationship among railway pensions, the Canada Pension Plan and old age security, where there is integration, needs to be sorted out. That gets us back to the whole point of the motion before us this afternoon, namely, that this commissioner should be appointed. That is what the hon. member for Moncton asked for in his motion, and that is what the Minister of Labour promised this House last August—a promise which he reaffirmed in Edmonton on February 11, gave us again on March 11 and on March 22, and which I heard him enunciate in Winnipeg on March 24. I do not think there should be any further delay in the appointment of that commissioner, Mr. Speaker.

Mr. S. Victor Railton (Welland): Mr. Speaker, I hesitate to speak on this motion after such excellent proponents of a pension scheme for Canadians in general and railway employees in particular have put their ideas before us. I have heard three excellent speeches, each one different because of the backgrounds of the speakers.

The hon. member for Winnipeg North Centre (Mr. Knowles) is an expert on pensions. I have listened to him both in the House and in committee with interest and respect. I do not think he has said anything today with which I could disagree. In the same way, the hon. member for Moncton (Mr. Thomas) has championed the need of CNR employees for proper pension plans, and I think most of his statements are also fairly acceptable. The hon.

member for London East (Mr. Turner) did an excellent job of reviewing the history of the whole matter.

There are so many facets to this whole question of pensions that if we plumped for this investigation or inquiry into the Canadian National employees' pensions it would not necessarily follow that it would look after employees of the Canadian Pacific Railway and all the other railways that come into the picture in Canada. I do not think this is a high enough term of reference. The whole question of railway employees should be looked at in a comprehensive manner and not narrowed down to employees of one company.

● (1650)

What is more, this inquiry is not only a matter of railway pensions. That is a very narrow view to take. Railway pensions are a very small part of the whole pension scheme in Canada. Railway pensions at the present time indirectly come under the aegis of the Department of Labour, although CNR is a Crown corporation. There are other matters that must fit into each other and make them dovetail. We have the instance of the unions and employees in general.

I have been talking to union representatives in my constituency. Although they are not railway unions, they have the same problems. They are pushing for proper wages and pensions for their union members. I have taken up their representations with the Minister of National Health and Welfare (Mr. Lalonde). Their questions were mainly about how their company plans for pension on retirement fit in with the Canada Pension Plan and old age security in general plus the guaranteed income supplement. They were worried about the possibility of a reduction in the amount of GIS. That is a very big question which worries everyone.

As we get further along with our social security program in the next few years we will realize that the hon. member for Winnipeg North Centre has been pushing for a very good point, namely, a guaranteed annual income for Canadians and lowering of the pensionable age. I am in favour of both. However, you cannot take them out of context with the other types of retirement plans, both private and those of industrial companies. The main point is not just saying we have to raise pensions to give people more money on which to retire. That has to be part of a comprehensive review of the over-all picture of inflation in the economy in general as well as the size of contributions, the rise in the cost of living and the rise in the inflationary rate. A great many things have to come into this discussion which I have not mentioned at all today.

With regard to the question of social security, as hon. members know there has been a gradual increase over the past few years. We have made a great surge forward by recognizing the needs of people through the increasing cost of living. The government has taken cognizance of these facts. Under the Minister of National Health and Welfare we have not only had the introduction of the bills which members know about, but the increase in the old age pension and the indexing. The Minister of Finance (Mr. Turner) comes into the picture with a reduction in the number of people on the income tax rolls and increased deductions. In other words, it has been made much easier for people when they reach retirement age.

It is important to realize that the aim of the Minister of National Health and Welfare is to take a very comprehensive view of the whole matter of social security. His working paper, the orange booklet which members know about, indicates that he is taking a comprehensive view. We will be debating many recommendations contained in it. The situation will certainly change from time to time and from year to year. There is no such thing as a perfect act or policy, but it is important that we have a stable approach to the policies which envisage an improvement in our social security scheme.

On the question of railway pensions, you cannot get away from the fact that there must be a comprehensive review of the whole problem and how it relates to unions. The unions have good advice for the employees. After the rail strike settlement last summer there was good arbitration. The railway workers returned to work. They are as good citizens as you or I. They simply felt they were not being properly looked after. One of the reasons the minister has not instituted this over-all review of all the railways in the pension plan is that some things are still coming out of the arbitration process. These are being discussed with the unions and employers. In my opinion, the hon. member is quite wrong in calling for this—

Mr. Speaker: Order, please. I have to interrupt the hon. member. It being five o'clock, pursuant to Standing Order this House stands adjourned until two o'clock on Monday afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday May 6, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. MacINNIS (CAPE BRETON-EAST RICHMOND)—POSITION OF CAPE BRETON DEVELOPMENT CORPORATION ON BENEFITS FOR FORMER EMPLOYEES

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege affecting the rights and prerogatives of parliamentary committees and one which reflects on the word of two ministers of the Crown.

First, the Cape Breton Development Corporation has constantly suggested, as in a release dated May 29, 1973, that the matter of the benefits for former Devco employees is "a matter of negotiation between the corporation and the union". There is no one union involved. The present Minister of Regional Economic Expansion (Mr. Jamieson) arranged for a delegation of five former Devco employees to appear before the regional development committee at public expense, representing former Devco employees but not constituting or representing any one union. The former minister stated in the House on January 29, 1970 that the group involved was "a small group of superannuated employees", and that they had no connection with the United Mine Workers of America who had made no request in the name of those pensioners.

Devco has attempted to contradict both the present and the former minister, and has put forward the illusion that they have things well in hand. In addition to this distortion of the situation perpetuated by Devco, the corporation has insinuated that the committee is interfering in the legitimate bargaining process by investigating the inadequacy and illegality of the pre-retirement benefits paid by Devco. As the chairman of the committee stated in a letter to Mr. Kent, the committees "are not answerable to government departments or agencies".

This question of the supremacy of parliament and its committees over government bureaucracies, and the obligation of agencies accurately to describe the situation, must be settled once and for all, Mr. Speaker. I therefore move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. Muir):

That the matter of the affront of the Cape Breton Development Corporation and its president to the Standing Committee on Regional Development, and to two ministers of the Crown, be referred to the Standing Committee on Privileges and Elections.

May I say, Mr. Speaker, that I have sent a copy of this to the chairman of the committee and to the two ministers involved.

Mr. Speaker: The hon. member has provided the Chair with the required notice of his intention to raise this matter today by way of a question of privilege. The hon. member appreciates that what he is proposing now is that this motion be given priority over all other business now before the House of Commons and that a debate ensue on the suggested question of privilege.

I would hesitate very much to suggest to the hon. member that the grievance he has should be debated by the House at this time by way of a question of privilege. Perhaps he would allow the Chair to look at the matter within the next few hours and to study the notes the hon. member has submitted to the Chair for consideration before reaching a decision whether there is a prima facie case of privilege that would justify the putting of the motion proposed by the hon. member and a debate based on the hon. member's motion. Again I ask that he give the Chair an opportunity to look into the matter on his behalf and on behalf of all other members of the House.

● (1410)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

SUGGESTED BROADCASTING OF CERTAIN BUDGET PROCEEDINGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, in view of the unprecedented interest of the Canadian public in following the budget presentation and debate and as a matter of importance to this House and to all Canadians, as a matter or urgent and pressing necessity pursuant to Standing Order 43 I move, seconded by the hon. member for Kamloops-Cariboo (Mr. Marchand):

That this House permit Canadian radio and television networks to broadcast the budget presentation by the Minister of Finance (Mr. Turner) and the responses by the first spokesman for each of the opposition parties;

And that the law and the rules and traditions of this House regarding the use of printed reports and the proceedings of the House shall apply to such broadcasts.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member's motion is proposed to the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Some hon. Members: Shame!

Order Paper Questions

SUPREME COURT ACT AND FEDERAL COURT ACT

AMENDMENTS RESPECTING RESIDENCE REQUIREMENTS AND APPEALS

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-36, to amend the Supreme Court Act and to make related amendments to the Federal Court Act.

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

QUESTIONS ON THE ORDER PAPER

(Question answered orally are indicated by an asterisk.)

[*Text*]

COST OF OPERATING PRIME MINISTER'S RESIDENCES

Question No. 17—Mr. Mazankowski:

1. For the period April 1, 1973 to January 31, 1974, what amount of money was expended on the operation and maintenance of the Prime Minister's residence at (a) 24 Sussex Drive, Ottawa (b) Harrington Lake, Quebec?

2. For the same period, what was the expenditure for entertainment?

3. How many people are on staff at 24 Sussex Drive and what is their individual remuneration per annum?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Public Works is concerned: 1. (a) $12,093; (b) $2,133.

In so far as the National Capital Commission is concerned: 1. (a) $18,144.92; (b) $23,096.92.

In so far as the Prime Minister's Office is concerned: 1. (a) and (b) $59,857; 2. $4,556.31 (included in 1 above); 3. Seven: one at $4.89 per hour; one at $3.37 per hour; four at $2.98 per hour; one at $3.40 per hour.

[*Later:*]

Mr. Cossitt: Mr. Speaker, I rise on a point of order to ask for clarification by the parliamentary secretary. Perhaps I did not hear him correctly, but I understood that starred question No. 63 was to be answered. I see the minister is in the House. The question has been outstanding since some time in the last session. It concerns a lawyer in Nova Scotia who was listed as getting government business from the Liberal Party's slush fund and did not receive any. I think the minister should clarify for the House why he used this man's name.

Mr. Reid: Mr. Speaker, if we might return to starred questions, I now have the answer and will give it to the House.

Mr. Speaker: Has the parliamentary secretary unanimous consent of the House to return to this item of business for the purpose of allowing him to reply to the question?

Some hon. Members: Agreed.

[Mr. Speaker.]

*INCLUSION OF NAME OF MR. A. D. McINNIS IN LIST OF LAWYERS DOING LEGAL WORK IN NOVA SCOTIA

Question No. 63—Mr. Cossitt:

1. For what reason did the Minister of Justice list Mr. A. D. McInnis of Antigonish, Nova Scotia in answer to Question No. 2,279 of the First Session of the 29th Parliament as one of the lawyers doing legal work for the government between April 17, 1972 and March 31, 1973?

2. Is the Minister of Justice and his Department aware that Mr. McInnis did not do any legal work for the Department during the period of time mentioned and, if so, for what reason did the Minister state otherwise in answer to Question No. 2,279?

3. Are there any other names in addition to that of Mr. McInnis in the answer to Question No. 2,279 who in reality also did not do legal work for the government as stated?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Mr. McInnis had performed legal services in 1968 in respect of a particular property in the province of Nova Scotia. That work was completed and Mr. McInnis' account was paid. Subsequently, however, further and different legal work was required in respect of the same property and Mr. J. D. MacLennan was appointed to do that work. As Mr. McInnis' name was inadvertently left on the file the mistake in names was made.

The answer to part two is yes.

The answer to part three is as follows: Yes. The names of Mr. Edmund R. Saunders and Mr. James G. Hackett should also be deleted. Please see the answer to question No. 61.

PRIME MINISTER'S RESIDENCE—NAMES OF ARCHITECTS OR CONSULTANTS ENGAGED IN RENOVATIONS SINCE 1968

Question No. 88—Mr. Cossitt:

1. What are the names and addresses of all architects, designers, interior decorators or consultants who have had anything to do with renovations or contents changes at the Prime Minister's official Ottawa residence since April 20, 1968?

2. In each case, what was the amount in dollars of the fee, commission or salary received and what is a full and detailed description of the work performed?

3. What is the name and position of person or persons who engaged these people and what are the name or names of those who recommended the use of such services?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Mr. E. Wilson, Designer; 7 Second Street, Ward's Island, Toronto. Hebert-Lalonde, Designers; 430 Bonsecours Avenue, Montreal. Professor E. Arthur, Designer; 41 Weyburn Crescent, Toronto. Francisco Limited, Interior Decorators; 550 Sherbrooke Street, Montreal. Mrs. Louise B. Beveridge, Interior Decorator; 4 Mont Clair Avenue, Toronto.

2. See Appendix "A", below.

3. Mr. W. N. Thomas, Regional Manager Design and Construction, Department of Public Works, recommended and engaged Mr. E. Wilson. The remainder of the architects, designers, interior decorators or consultants were not selected by DPW.

Appendix "A"

Architect, Designer, Interior Decorator or Consultant	Detailed Description of Work Performed	Commission or Salary
		$
Mr. E. Wilson	Production of interior design perspective drawings to show a complete plan for renovations to the dining and living rooms.	1,400
Hebert-Lalonde	Production of designs, including colour schemes, for rooms included in the staff's quarters. Provision of a total design service for renovations to the kitchen, pantry and adjacent storage areas, including advice on new kitchen equipment, food storage and preparation facilities.	4,447.50
Professor E. Arthur	Assistance to Mrs. Louise B. Beveridge by providing a design pattern for the marble floor in the main entranceway, and for the oak flooring in the front foyer and library.	nil*
Francisco Limited	Production of design for the second floor sittingroom, including reconstruction and refinishing of the patio, and patio entrance doors, renovation and re-equipment of kitchen, replacement of windows, removal of fireplace and refinishing entrance area.	11,816.92*
Mrs. Louise B. Beveridge	Production of designs for refinishing and redecorating main entrance way, hallway, library, lounge and dining room.	nil*

*Amount of fee, commission or salary paid to February 28, 1974.

PRIME MINISTER'S OFFICIAL OTTAWA RESIDENCE—PURPOSE OF CONSTRUCTION WORK

Question No. 89—Mr. Cossitt:

1. With reference to the answer to Question No. 2,601 of the First Session of the 29th Parliament what is the exact purpose of the construction work listed as being carried out in the year 1973-74 at the Prime Minister's official Ottawa residence and for what reasons is such construction deemed necessary?

2. Who made the decision that such construction is necessary and what individual or individuals will make use of or occupy any of the rooms being constructed or renovated?

Right Hon. P. E. Trudeau (Prime Minister): 1. The answer to question No. 2,601 of the First Session of the twenty-ninth Parliament did not list construction work carried out in the year 1973-74 at the Prime Minister's Ottawa residence. The information on construction work is given in reply to question 87 including information on work or service performed.

2. A review of the work or service performed, as listed in reply to question 87, at the Prime Minister's residence, will reveal in detail the items of maintenance and refurbishing. The occupants of the residence, Canadian and international guests of the government of Canada as well as personal guests may from time to time make use of various areas of the residence.

TRAIN ACCIDENTS INVOLVING CANADIAN TRACK

Question No. 154—Mr. Forrestall:

1. For each of the past five years, what has been (a) the number of train accidents involving Canadian track (b) the number of such accidents that involved fatal injuries (c) the number of fatalities?

2. What is the source of this information?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. (a) Number of train accidents involving Canadian track: 1969, 289; 1970, 374; 1971, 367; 1972, 439; 1973, 411. (b) The number of such accidents that involved fatal injuries is 36. (c) The number of fatalities is 50.

2. Source of the above information is accidents reported to the Railway Transport Committee by the Railways.

TOLL-FREE CALLS TO MEMBERS OF PARLIAMENT

Question No. 160—Mr. Forrestall:

Is it the intention of the government to give consideration to permit constituents to call the Ottawa office of their Member of Parliament toll-free?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The regulations governing the use of telephone communications are established by the House of Commons and administered by the Speaker on the advice of the Commissioner of Internal Economy. The question, therefore, is not one to which the government can respond.

NATIONAL REVENUE, TAXATION—EMPLOYMENT OF KEYPUNCH OPERATORS

Question No. 370—Mr. Clarke (Vancouver Quadra):

On the last business day of each month from September, 1972 to September, 1973 inclusive (a) how many keypunch operators were employed in Ottawa by the Department of National Revenue, Taxation Division (b) how many keypunch operators, formerly employed in Ottawa by the Department of National Revenue, Taxation Division, were receiving unemployment insurance benefits?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Revenue, Taxation, and the Unemployment Insurance Commission as follows: (a) The number of keypunch operators employed in Ottawa at the last business day of each month for the period September 1972 to September 1973 inclusive was: September 1972, 135; October 1972, 136; November 1972, 398; December 1972, 127;

January 1973, 487, February 1973, 1101; March 1973, 1417; April 1973, 1395; May 1973, 1227; June 1973, 952; July 1973, 203; August 1973, 195; September 1973, 134. (b) Since the reply requires the identification of keypunch operators back to September 1972, extraction from the computer files is not feasible. Occupation coding was introduced only in December 1972, and became fully operational during the course of 1973. Therefore, the information requested is not readily available.

AIRPORTS—LANDING FEES

Question No. 414—**Mr. Mazankowski:**

1. How much revenue was collected over the past three years, 1970-71, 1971-72 and 1972-73 in landing fees on private and general aviation aircraft under 5,000 pounds?

2. Under the new proposals presently being considered by the Department of Transport, which provide for a $100 annual landing fee, plus a $5 minimum landing fee at the international airports of Montreal, Toronto, Winnipeg, Edmonton, Calgary and Vancouver, how much revenue is anticipated on an annual basis?

3. What is the anticipated cost of administering and collecting fees under the new proposal?

4. On what date is the implementation of the new proposed regulations to be effective?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): 1. Landing fees for private aircraft under 5,000 pounds apply only at the Montreal, Toronto and Vancouver international airports. Statistical information on aircraft is compiled by weight categories of 4,000 pounds and under, and 4,001 pounds to 9,000 pounds, but is not segregated between private and general aviation aircraft. The revenue from all aircraft of 4,000 pounds and less at these three airports was as follows: 1970-71, $74,500; 1971-72, $73,500; 1972-73, $87,500.

2 and 4. Under the proposal, the anticipated annual revenue from all aircraft under 25,000 pounds for all ministry airports would have been $775,000. The proposal will not now be implemented. A study is to be made of landing fees for aircraft of all types and sizes on domestic, transborder and international flights.

3. The ministry is developing a centralized computer system for the invoicing and collection of air services fees. The allocated cost for the administration and collection of the landing fees of aircraft under 25,000 pounds would have been $35,000.

EXPANSION OF MOUNT HOPE AIRPORT

Question No. 443— **Mr. O'Sullivan:**

Has the Department of Transport begun a review of its plans for expansion at Mount Hope Airport and, if so (a) on what date did such a review begin (b) on what date and how was it announced (c) what are the names and duties of those conducting such a review (d) has the review been completed and, if not, on what date will it be completed (e) will the full findings and report of the review be made public and, if so, on what date?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The Ministry of Transport has not begun a review of its plans for expansion at Mount Hope airport, however a proposed study program and public dialogue program are being developed.

[Mr. Reid.]

NUMBER OF PUBLIC SERVANTS TAKING COURSES AT BERLITZ SCHOOL OF LANGUAGES

Question No. 456—**Mr. Cossitt:**

Have any members of the Public Service taken English or French language training courses that have been paid for directly or indirectly by the government at the Berlitz School of Languages in Ottawa during the past three years and, if so (a) how many have taken or are taking (i) French (ii) English (b) what is the total expenditure in this regard from public funds?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): (a) (i) 526; (ii) 21. (b) $793,994.

UIC—NUMBERS OF EMPLOYEES, 1973

Question No. 464—**Mr. Latulippe:**

1. (a) How many permanent employees were working in all branches of the Unemployment Insurance Commission in 1973 and, of these, how many were part-time or supplementary help (b) what was the cost in salaries for both categories?

2. Was the supplementary help recruited through UIC and, if not, where and how were they recruited?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. (a) 10,642 at 31 December, 1973 Regular employees: 6,454; Casual employees: 4,188; (b) Regular: $59,346,502; Casual: $29,299,-617; Total, $88,646,119. This expenditure includes overtime.

2. All supplementary help was recruited through the Department of Manpower and Immigration.

NUMBER OF DEPUTY MINISTERS AND ASSISTANT DEPUTY MINISTERS

Question No. 490—**Mr. Dick:**

1. In 1968, how many (a) Deputy Ministers (b) Assistant Deputy Ministers were in the various departments (i) what was the salary range for each (ii) what was the average salary?

2. During 1973, how many (a) Deputy Ministers (b) Assistant Deputy Ministers were in the various department (i) what was the salary range for each (ii) what was the average salary?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister's Office and the Treasury Board Secretariat as follows: 1. (a) twenty six; (i) there were no salary ranges for Deputy Ministers in 1968. Salaries were paid at three rates; $26,500, $28,750, $31,000; (ii) $23,080. (b) In 1968, there were 45 Assistant Deputy Ministers and 41 other similar positions (e.g. Assistant Dominion Statistician) for a total of 86 positions; (i) the overall salary range was $19,000 to $27,500; (ii) The average salaray was approximately $24,125.

2. (a) thirty; (i) DM 1 $35,750, $43,750; DM 2 $42,000, $49,500; DM3 $47,500, $55,000; (ii) $44,716. (b) In 1973, there were 100 Assistant Deputy Ministers and 68 other similar positions (e.g. Assistant Chief Statistician) for a total of 168 positions; (i) the over-all salary range was $26,750 to $43,750; (ii) the average salary was approximately $33,600.

MONEYS CONTRACTED TO EACH OF FIVE REGIONS OF CANADA BY DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Question No. 494—Mr. McKenzie:

1. In the fiscal years 1972-73 and 1973-74, how much money was contracted to each of the five regions of Canada by the Department of Indian Affairs and Northern Development?

2. What was this in per capita terms for each region?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development):

1. Region	Amount	2. Per Capita
1972–73	$	$
Atlantic	3,285,304	1,578
Quebec	7,208,199	1,191
Ontario	9,575,766	1,223
Prairies	7,542,938	2,117
British Columbia	8,235,201	3,664
Northwest Territories and Yukon	1,231,660	22,393
1973–74		
Atlantic	3,594,397	1,701
Quebec	7,644,449	1,257
Ontario	10,738,770	1,352
Prairies	6,951,889	1,937
British Columbia	6,245,090	2,697
Northwest Territories and Yukon	1,434,394	24,730

This includes only contracts let by the department and not contracts let by other government departments for work on behalf of this department.

MONEYS CONTRACTED TO FIVE REGIONS OF CANADA BY DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Question No. 495—Mr. McKenzie:

1. In the fiscal years 1972-73 and 1973-74, how much money was contracted to each of the five regions of Canada by the Defence Industry Productivity Program?

2. What was this in per capita terms for each region?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce):

1. Defence Industry Productivity Program

Expenditures by Region ($000's)

1972/73

Atlantic	Quebec	Ontario	Prairie	British Columbia	Total
191,034	25,612,290	21,911,666	483,448	126,354	48,324,792
		1973/74 to February 28			
431,243	16,323,087	24,844,594	439,942	92,658	42,131,524

2. Per Capita Terms for Each Region ($)

1972/73

.09	4.23	2.80	.14	.06

1973/74

.20	2.68	3.13	.12	.04

27451—66

Order Paper Questions

CENTRAL CANADIAN DISTILLERS LIMITED OF WEYBURN, SASK.

Question No. 507—Mr. McKinnon:

Has a distillery known as Central Canadian Distillers Ltd. of Weyburn, Saskatchewan (a) recently been sold to American interests (b) been the recipient of Department of Regional Economic Expansion grants or loans and, if so (i) how much (ii) is the government taking any steps to recover the DREE loans or grants?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: (a) The majority of shares in Central Canadian Distillers Corporation were sold January 1, 1974, to an American controlled company. (b) (i) Central Canadian Distillers Corporation Ltd. accepted an offer of a development incentive in March 1970. The incentive was based on 22 per cent of the authorized capital costs of $2,387,000 for a total incentive of approximately $525,000. The facility was brought into commercial production on May 31, 1971. (ii) The sale of the shares of Central Canadian Distillers Corporation occurred after the expiry of the control period for the development incentive. This transaction has no effect on the incentive and no action is required regarding recovery of the incentive.

LOCATION OF MULTINATIONAL CORPORATIONS

Question No. 513—Mr. Boisvert:

1. What multinational corporations have their head office in (a) Canada (b) the Province of Quebec?

2. What multinational corporations have one or more branches in (a) Canada (b) the Province of Quebec?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. In 1971 there were 5,553 foreign controlled non-financial corporations with head offices in Canada, of which 1,362 were located in the Province of Quebec.

2. There were also 330 branches of non-Canadian non-financial corporations operating in Canada and of this total 39 were located in the Province of Quebec.

POST OFFICE, KINGSTON, ONTARIO—MEETING BETWEEN MR. DUBUC AND MR. HACKETT RELATING TO RENOVATIONS

Question No. 532—Mr. Cossitt:

Has Mr. M. Dubuc of the Department of Public Works met with or communicated with in any manner whatsoever since January 1, 1972 with Mr. J. S. Hackett, Postmaster at Kingston, Ontario and, if so, what was the exact purpose in each case and what matters were discussed?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes. Mr. M. Dubuc met with Mr. J. S. Hackett on possibly three or four occasions prior to the negotiation of the lease and during the renovations of the postal accommodation. The purpose in each case was to discuss the layout proposed by the Post Office Department which was modified to be more specific and to correct numerous deficiencies prior to the acceptance of the premises.

Order Paper Questions

ASSISTANCE TO FLOODED AREAS

Question No. 542—Mr. Howie:

Where some areas in Canada appear subject to repeated damage by flooding and have received federal rehabilitation assistance, would the government consider assisting financially in relocating persons and facilities in these frequently flooded sections to more favourable areas?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): In some flood prone areas, land acquisition, including relocation of people and facilities may be the most viable flood plain management alternative. In such cases, where it is considered to be in the national interest to do so, cost sharing arrangements could be negotiated between the federal, provincial and local governments at the request of the province, which has primary responsibility. Each case would have to be considered individually as to its practicability, and priority relative to other federal programs.

POST OFFICE, LYNDHURST, ONTARIO

Question No. 549—Mr. Cossitt:

What is a full and detailed description of all circumstances surrounding the manner in which the Department of Public Works became aware that a building owned by Mrs. Deborah Lawlor in Lyndhurst, Ontario was available for rental as a post office and, specifically, from whom was such information received, on what date and what was the name and the position of the individual receiving it?

Hon. Jean-Eudes Dubé (Minister of Public Works): The Post Office Department informed the Department of Public Works.

POST OFFICE—DETAILS RELATING TO EMPLOYMENT OF MR. M. DUBUC

Question No. 551—Mr. Cossitt:

With reference to the answer to Part 5(a) of Question No. 48, what is the detailed history of the Public Service employment of Mr. M. Dubuc, Property Officer, Property Services Branch, Capital Region, Department of Public Works and specifically what are all positions he has held along with the dates and location involved?

Hon. Jean-Eudes Dubé (Minister of Public Works):

Positions Held	Dates	Location
RCAF	1939–1945	Canada and Overseas
Tradesman, Department of National Defence	1946–1947	*
Tradesman, Department of National Defence	1951–1954	*
Carpenter, Department of Public Works	1955	Ottawa
Building Manager, Ottawa District Department of Public Works Technical Officer (3)	1957	Ottawa
Building Manager, Ottawa District Department of Public Works Technical Officer (4)	1961	Ottawa
Area Manager Department of Public Works (Ottawa District Operations Property Management) Technical Officer (5)	1965	Ottawa
Area Manager Department of Public Works (Ottawa District Operations Property Management) Administrative Services Level (4)	1966	Ottawa
Property Officer Department of Public Works Property Services Division Administrative Services Level (4)	1972	Ottawa

*Mostly at Esquimalt, B.C.

[Mr. Dubé.]

PUBLIC WORKS—DISPOSITION OF BUILDING MATERIALS REMOVED FROM KINGSTON FEDERAL BUILDINGS

Question No. 564—Mr. Cossitt:

Have any materials removed from the Kingston Federal Building during the past five years been used or installed on premises of any post office rented by the government in the same postal region as Kingston?

Hon. Jean-Eudes Dubé (Minister of Public Works): During the past five years, several projects have been carried out in the Kingston Federal Building, including air-conditioning, relighting and tenant alterations and improvements which involved the removal of materials such as lighting fixtures and partitions. However, any salvaged materials ceased to be government property and became the property of the contractors who were obliged to remove such materials from the site, in keeping with the terms of the contract. The department, therefore, has no knowledge of any subsequent use made of these materials.

PUBLIC WORKS—DISPOSITION OF FIXTURES REMOVED FROM FEDERAL BUILDING, KINGSTON, ONTARIO

Question No. 565—Mr. Cossitt:

Have any fixtures or building fittings of any kind whatsoever been disposed of or removed in any way whatsoever from the Federal Building in Kingston, Ontario in the past five years and, if so, to whom was any disposition made and on what dates?

Hon. Jean-Eudes Dubé (Minister of Public Works): During the past five years, several projects have been carried out in the Kingston Federal Building, including air-conditioning, relighting and tenant alterations and improvements which involved the removal of materials such as lighting fixtures and partitions. However, any salvaged materials ceased to be government property and became the property of the contractors who were obliged to remove such materials from the site, in keeping with the terms of the contract. The department, therefore, has no knowledge of any subsequent use made of these materials.

CONTRACTS LET TO HUDSON INSTITUTE BY CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Question No. 576—**Mr. Nystrom:**

1. Were any contracts let to the Hudson Institute by the Canadian International Development Agency in the fiscal years 1971-72, 1972-73, 1973-74 and, if so, for what amount?

2. What was the nature of the work performed under these contracts?

3. Other than a contract, does the Agency have any other working relationship with the Hudson Institute?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Nil.

2. Nil.

3. Nil.

FEDERAL ASSISTANCE RELATING TO FERRY BOAT BUILT BY SOREL INDUSTRIES

Question No. 582—**Mr. Blouin:**

To date, what has been the financial contribution of the government to the project set up under the terms of an agreement between the Federal and Quebec Governments to the effect that the latter is having a Ferry-boat built by Sorel Industries which will be in operation on the St. Lawrence River between Matane—Godbout and Baie Comeau in the fall of 1974?

Hon. Allan J. MacEachen (President of Privy Council): Insofar as the Department of Regional Economic Expansion is concerned: A contribution of $3 million was made available by the Department of Regional Economic Expansion to the provincial government on March 31, 1972, under the terms of an agreement between the Governments of Canada and of Quebec signed on November 30, 1971. The responsibility for the construction of the ferry boat is that of the province. Insofar as Ministry of Transport is concerned: $3 million.

FEDERAL ASSISTANCE FOR THE SEPT-ÎLES—PORT CARTIER DESIGNATED AREA

Question No. 583—**Mr. Blouin:**

Since the Regional Development Incentives Act has come into effect (a) how much money has the government spent to date for the Sept-Îles—Port Cartier designated area (b) what was the amount of subsidies and loans each year (c) what was the amount for each town?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: The Regional Development Incentives Act came into effect in July of 1969. The Sept-Îles Port Cartier Special Area was designated on April 8, 1970, and the following schedule provides a breakdown of expenditures by the Department of Regional Economic Expansion in this Special Area for industrial development and infrastructure assistance purposes under the Regional Development Incentives Act and under the Department of Regional Economic Expansion Act:

(b) and (c)

Fiscal Year	Sept-Îles Contributions	Sept-Îles Loans	Port Cartier Contributions	Port Cartier Loans	Totals
	$	$	$	$	$
1970–1971	2,768,989	3,540,552	—	—	6,309,541
1971–1972	2,696,597	677,994	2,133,988	2,482,376	7,990,955
1972–1973	2,601,774	398,174	8,037,761	3,412,457	14,450,166
1973–29/3/74	2,358,813	193,901	2,087,502	840,219	5,480,435
(a) Totals	10,426,173	4,810,621	12,259,251	6,735,052	34,231,097

FEDERAL ASSISTANCE RELATING TO CONSTRUCTION OF HIGHWAY 138 EAST OF SEPT-ÎLES

Question No. 585—**Mr. Blouin:**

Is the government helping to finance the construction of Highway 138 east of Sept-Îles and, if so, on what date was this agreement with the Quebec Government signed and what are the details of the agreement?

Hon. Allan J. MacEachen (President of the Privy Council): I am informed by several departments as follows: There is no agreement between the federal and Quebec governments concerning assistance for construction of Highway 138, east of Sept-Îles, Quebec.

NATIONAL DEFENCE—ASSISTANCE TO CFB GAGETOWN

Question No. 586—**Mr. Howie:**

1. What was the total amount of money allocated to CFB Gagetown for the current fiscal year under the Federal Labour Intensive Allocation?

2. Were proposals for this programme requested or received from the Base and, if so, what was the estimated cost of the proposal?

Hon. James Richardson (Minister of National Defence): 1. The total amount of money allocated to CFB Gagetown under the Federal Labour Intensive Program for 1973/74 was $592,169.

2. Proposals for this program were requested from and received from CFB Gagetown. The estimated cost of their proposals was $2,028,469.

APPOINTMENTS TO ECONOMIC COUNCIL OF CANADA SINCE FEBRUARY 1, 1973

Question No. 592—**Mr. Godin:**

Since February 1, 1973, what is the name of any appointee to the Economic Council of Canada to fill vacancies brought about by resignation or expiration of term of office.

Right Hon. P. E. Trudeau (Prime Minister): Dr. Irving Brecher, Mr. Robert Annable, Miss Huguette Plamondon, Mr. Raymond Primeau, Mr. Louis-Phillipe Poulin, Mr. Robert Finn, Mr. Donald H. Taylor, Mr. W.C.Y. McGregor, Mr. Charles Perrault, Mr. Marcel Bélanger, Mr. John Kostuik, Dr. Helen K. Mussallem.

CAPE BRETON DEVELOPMENT CORPORATION MATIONALIZATION PROGRAM

Question No. 598—**Mr. Fortin:**

1. Has the Cape Breton Development Corporation completed its nationalization operations and, if not, on what date will it complete them?

Order Paper Questions

2. Have the shares or properties of nationalized companies been purchased?

3. What was the book value of each such company at the time of purchase?

4. What were the criteria used to evaluate such properties?

5. Were the former owners paid in cash or interest bearing bonds?

6. What was the price paid by CBDC for the purchase of each company?

7. Did CBDC use Section 10(a) of its Act and, if so, how far advanced are the proceedings?

8. When was the evaluation of the properties of the companies completed after March 30, 1968 (date of expropriation)?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): The answer for the Cape Breton Development Corporations is as follows: 1. Yes.

2. No. The acquisition was effected by expropriation as provided in the Cape Breton Development Corporation Act, Sections 9 (e) and 10.

3. Not determined because the assets were acquired by expropriation.

4. The criteria set forth in Section 12 of the Cape Breton Development Corporation Act.

5. In cash from the Consolidated Revenue Fund as provided in Section 19(1) of the Cape Breton Development Corporation Act.

6. In accordance with the Cape Breton Development Corporation Act, the companies were not acquired. Compensation for the expropriated assets was settled for the overall sum of $11,775,000.00 not including interest or costs but, including $7,651,726.60 for coal stocks valued at the cost thereof to the companies as provided in Section 12(2) of the Cape Breton Development Corporation Act.

7. Yes. The proceedings were completed when the settlement was judicially approved in December 1972.

8. As at December 18, 1972.

RCMP INVESTIGATIONS OF ALBERTA JOURNALISTS

Question No. 618—**Mr. Bawden:**

1. Did the RCMP investigate Alberta journalists Bob Bragg, with the Calgary *Herald*, Warren Caragatta with the Lethbridge *Herald*, Bob Parkins and Bob Boei with the Calgary weekly paper *Sunday*?

2. Did the RCMP investigate in the past two years any other Alberta journalists, radio announcers, editors, etc.?

3. Who authorized or ordered any investigation that was carried out?

4. (a) What was the purpose of the investigation (b) to whom was the information to be given?

5. (a) How was the investigation carried out (b) was it by way of interrogating other journalists?

6. (a) What other methods were used in these investigations (b) what were the findings?

7. Will the findings be discussed with the individuals concerned?

Hon. Warren Allmand (Solicitor General): 1 to 7. It is not the policy of the RCMP to publicly divulge the names and/or details of investigations conducted in the pursuit of its responsibilities. Such a policy is aimed at not only protecting the rights of the persons concerned, but also ensuring that any inquiries or investigations are not jeopardized through unnecessary public release. However, the RCMP responsibilities in the spheres of security screening, counter-subversion, counter-espionage, and the protection of VIPs necessitates contact with various elements of Canadian society, including the mass media. Such contact can take the form of either a thorough and detailed investigation, or, it may involve the clarification of a lead arising out of another investigation. In the latter instance, the Security Service is obligated to follow up such leads to determine if they have any substances. Sometimes this can only be resolved through an inquiry with a responsible person, such as the individual's supervisor, a fellow employee or some other person who may have knowledge of the individual concerned. When such an inquiry is made, the individual contacted is under no obligation to render assistance. Furthermore, for the reasons mentioned previously, it is hoped that the person contacted will respect the confidentiality of the inquiry. If such an inquiry shows that there is substance to the lead, then further investigation is undertaken to acquire all the relevant details necessary to take whatever action may be required as dictated by the circumstances. Should the opposite be the case, then no further action is taken. Such procedure is standard whether the inquiry is of a criminal or a security nature and, as such varies little from the procedures utilized by members of the media itself when pursuing a potential news story. The undertaking of any inquiry is not an indication that the Security Service is singling out for investigation any specific individual or group.

NUMBER OF CASES OF MALARIA IN CANADA

Question No. 619—**Mr. Rynard:**

1. How many cases of malaria were reported in Canada, by province, for the years 1963 to 1973 inclusive?

2. How many cases were (a) native born Canadians (b) from outside the country?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The following table provides the number of cases of malaria reported in Canada, by province, for the years 1963 to 1973 inclusive.

Statistics Canada

Report Cases of Selected Notifiable Diseases 1963–1973

Year	Canada	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories
						Malaria							
1963	1	—	—	—	—	—	—	—	—	—	1	—	—
1964	2	—	—	—	—	1	1	—	—	—	—	—	—
1965	3	—	—	—	—	—	—	1	2	—	—	—	—

[Mr. Fortin.]

Year	Canada	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories
						Malaria							
1966	7	—	—	—	—	—	3	1	2	1	—	—	—
1967	9	1	—	—	—	—	4	2	1	1	—	—	—
1968	1	—	—	—	—	—	1	—	—	—	—	—	—
1969	2	—	—	—	—	—	—	—	1	1	—	—	—
1970	5	—	—	—	—	—	1	1	1	2	—	—	—
1971	7	—	—	—	—	—	—	3	1	3	—	—	—
1972	7	1	—	—	—	1	—	3	1	—	—	—	1
1973	25	—	—	—	2	3	11	5	1	2	—	—	1

2. The information requested is not available from Statistic Canada

NUMBER OF CASES OF DIPHTHERIA

Question No. 620—Mr. Rynard:

1. How many cases of diphtheria were reported in Canada, by province, for the years 1963 to 1973 inclusive?

2. How many of these cases were (a) Canadian born (b) previously innoculated?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The following table provides the number of cases of diphtheria reported in Canada, by province, for the years 1963 to 1973 inclusive.

Statistics Canada

Reported Cases of Selected Notifiable Diseases 1963–1973

Year	Canada	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories
						Diphtheria							
1963	75	—	—	—	—	6	—	23	9	29	—	—	8
1964	23	3	—	—	1	5	3	2	8	1	—	—	—
1965	51	—	—	—	—	1	15	26	4	3	—	—	2
1966	38	—	—	—	—	—	22	12	2	2	—	—	—
1967	41	—	—	—	—	1	15	10	4	9	1	—	1
1968	61	—	—	—	—	—	9	23	5	15	8	—	1
1969	48	—	—	—	—	1	5	4	—	22	14	2	—
1970	47	—	—	—	—	—	6	4	5	23	9	—	—
1971	75	—	—	—	—	1	2	3	8	48	11	2	—
1972	68	—	—	—	—	—	3	5	—	48	11	—	1
1973	169	1	—	—	—	—	18	4	—	89	51	—	6

2. The imformation requested is not available from Statistic Canada.

NUMBER OF CASES OF TYPHOID FEVER IN CANADA

Question No. 621—Mr. Rynard:

1. How many cases of typhoid fever were reported in Canada, by province, for the years 1963 to 1973 inclusive?

2. How many cases were (a) native born Canadians (b) from outside the country?

Mr. Raynald Guay (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The following table provides the number of cases of typhoid and paratyphoid fever.

Statistics Canada

Reported Cases of Selected Notifiable Diseases 1963–1973

Year	Canada	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories
						Typhoid and Paratyphoid Fever*							
1963	147	11	—	4	3	57	40	6	13	7	6	—	—
1964	195	3	1	20	12	85	32	7	15	8	11	—	1
1965	158	2	—	1	6	61	38	13	10	16	11	—	—
1966	128	5	—	9	8	44	40	2	12	4	4	—	—
1967	121	2	2	—	6	45	28	—	10	13	14	—	1
1968	93	1	—	1	12	49	8	12	3	—	5	1	1
1969	119	16	—	11	1	62	12	7	5	—	5	—	—
1970	74	4	—	1	6	32	10	7	3	6	5	—	—
1971	123	3	—	1	8	57	43	3	1	1	5	—	1

Order Paper Questions

Year	Canada	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	North-West Territories
						Typhoid and Paratyphoid Fever*							
1972	155	1	—	1	6	43	69	14	—	2	13	—	6
1973	144	3	2	2	17	46	60	3	4	3	3	—	1

*Information cannot be provided for typhoid only for most of the years requested.

2. The information requested is not available from Statistic Canada.

FIRMS AWARDED CONSULTING CONTRACTS DURING YEARS 1968-73

Question No. 627—**Mr. Munro (Esquimalt-Saanich):**

With reference to the answer to Question No. 224 (Sessional Paper No. 292-2/224) which of the companies figuring in the list of consultants provided, were awarded consulting contracts during the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 and 1972-73, whether for capital projects or by way of technical assistance contracts?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The information requested in the above question can be found in the reply to question No. 224, part 3.

EMERGENCY FOOD ASSISTANCE TO ETHIOPIA

Question No. 642—**Mr. Nesdoly:**

How much aid did the government give in food supplies to Ethiopia, expressed in dollars, for the period (a) January 1 to December 31, 1972 (b) January 1 to December 31, 1973?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The government gave no food supplies to Ethiopia for the period January 1 to December 31, 1972. For the period January 1 to December 31, 1973 $1.5 million was allocated for emergency food assistance, but delivery will not be made until May 1974.

DSS—WEEKLY BULLETIN

Question No. 644—**Mr. Dick:**

Will the government enlarge their publication entitled *Weekly Bulletin of Business Opportunities*, issued through the Department of Supply and Services, to include (a) information as to whether or not the contract was a directed contract (b) if invitations to tender were issued (c) date of the invitation to tender (d) date the tender closed (e) names of companies and persons filing the tenders which were not accepted (f) amount of tender?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The purpose of the publication is to get information sent in a timely manner particularly to allow potential subcontractors to contact the successful tenderer. Considering the volume of contracts awarded by DSS and the cost involved in gathering and publishing the information requested the department does not anticipate enlarging the publication *Weekly Bulletin of Business Opportunities* to include (a), (b), (c), (d), (e) and (f). However, this information is available on request for individual contracts through the Office of the Secretary of the Supply Administration.

[Mr. Guay (Lévis).]

MR. MARTIN O'CONNELL

Question No. 658—**Mr. Cossitt:**

With reference to the Prime Minister's answer to Question No. 2,311 of the First Session of the 29th Parliament on July 25, 1973, that Mr. Martin O'Connell intends at some future date to seek nomination as a condidate in the next federal election, would the Prime Minister indicate (a) whether Mr. O'Connell has yet declared his candidacy for a nomination (b) on what date Mr. O'Connell intends to resign his present position in the Prime Minister's Office for this purpose (c) the total amount of salary and expense moneys actually paid to him to date in his capacity with the Prime Minister's Office?

Right Hon. P. E. Trudeau (Prime Minister): (a) No; (b) not applicable; (c) Mr. Martin O'Connell received salary from November 27, 1972 to date based on an annual salary of $30,000 to $35,000 and was reimbursed travelling expenses of $2,389.19 and hospitality expenses of $941.57 during the same period.

FARM CREDIT CORPORATION—ASSISTANCE TO LÉOPOLD ROY OF CLERVAL, ABITIBI-WEST, QUEBEC

Question No. 661—**Mr. Laprise:**

Did the government grant a loan under the Farm Credit Act or the Farm Syndicates Credit Act to the Léopold Roy farm of Clerval, Abitibi-West, Quebec, a farm which is now the property of the Quebec Development Board and, if so, were there any losses and what were the amounts?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises: The Corporation considers that individual farmers have the right to negotiate loans from it in confidence and that to indicate if specific farmers obtained loans from the corporation would breach that confidence.

OFY—APPLICATIONS APPROVED, 1972-1973

Question No. 663—**Mr. Wise:**

How many applications for Opportunities for Youth projects were submitted to the government in each year 1972 and 1973 and, of these, how many were approved?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1972: Applications submitted, 20,679; applications approved, 3,041. 1973: Applications submitted, 11,467; applications approved, 4,329.

OFY—ASSISTANCE BY CONSTITUENCY

Question No. 666—**Mr. Wise:**

What was the total amount of money spent by the government for Opportunities for Youth projects in each constituency in each year 1972 and 1973?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): This information is not available. Opportunities for Youth funds are

distributed by region and subregion: accordingly, statistics by constituency are not maintained.

REPAYMENT OF LOAN BY FOYER LAC ETCHEMIN TO CMHC

Question No. 676—**Mr. Lambert (Bellechasse):**

What is the amount being repaid monthly by the Foyer Lac Etchemin to Central Mortgage and Housing Corporation on the loan which was granted in October 1968 and does this amount cover capital and interest?

Hon. Ron Basford (Minister of State for Urban Affairs): I have been advised by Central Mortgage and Housing Corporation as follows: The loan to assist in financing the construction of Foyer Lac Etchemin, Province of Quebec, was made through Québec Housing Corporation under the terms of an agreement between that Corporation and CMHC. Monthly repayments are made by the borrower to Québec Housing Corporation, and hence the terms under which they are made are not known to CMHC.

SCIENTIFIC BOOKS PRODUCED FOR INFORMATION CANADA

Question No. 698—**Mr. Clarke (Vancouver Quadra):**

1. What were the titles and number of copies of scientific books produced by, or for, Information Canada for government agencies during the period December 31, 1963 to December 31, 1973 and, of these, what are the titles and number of copies that are now held in storage?

2. How many titles of scientific books produced by, or for, Information Canada during the period December 31, 1963 to December 31, 1973 are presently being carried on a regular basis by major scientific book dealers in North America and Europe?

3. What steps are being taken by Information Canada to reduce the supply of scientific book titles from the current stored stock?

Hon. John C. Munro (Minister of Labour): In so far as Information Canada is concerned, the answers are as follows: 1. None.

2. Not applicable.

3. Not applicable.

MEETING OF DEPUTY MINISTER OF CUSTOMS AND EXCISE WITH REPRESENTATIVES OF CANADIAN IMPORTERS ASSOCIATION

Question No. 703—**Mr. Cossitt:**

1. Did Mr. G. L. Bennett, Deputy Minister of Customs and Excise meet with representatives of the Footwear Committee of the Canadian Importers Association on or about April 2, 1974 in Toronto?

2. Did Mr. Bennett advise those present that the Department of External Affairs would not permit Customs and Excise to request information from anyone in Taiwan on regular Department letterhead and, if so, what is the exact identity of the individual who gave such information or instructions to Mr. Bennett?

Hon. Robert Stanbury (Minister of National Revenue): In so far as National Revenue is concerned: 1. Yes, at their request.

2. No. What the Deputy Minister was referring to was the general internationally accepted practice that official correspondence is not exchanged between governments which do not accord each other diplomatic recognition.

Order Paper Questions

BEEF SUBSIDY PROGRAM

Question No. 736—**Mr. Stewart (Marquette):**

Before the Department of Agriculture implemented the present Beef Subsidy Program, were consultations on this Program held with (a) national farm organizations (b) provincial governments and, if so (i) what farm organizations (ii) what provincial governments approved of the Program?

Hon. E. F. Whelan (Minister of Agriculture): (a) Yes; (b) no; (b) (i) the Canadian Cattlemen's Association was consulted; however, formal approval was not sought; (b) (ii) Not applicable.

FOREST PEST CONTROL

Question No. 741—**Mr. Howie:**

Of the $2.6 million (Vote 30) in the Main Estimates 1974-75 of the Department of the Environment to meet costs for the federal share of funding forest pest control operations in Canada (a) how much of the $2.6 million, if any, is to be spent in connection with these 1974-75 operations in New Brunswick (b) how much, if any, has been requested by New Brunswick for this same time period (c) what assistance was requested by New Brunswick and what reply was given?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): (a) Not determined; presently under consideration. (b) New Brunswick has requested federal financial assistance for a spray program covering approximately six million acres. (c) Two provinces have applied for federal financial assistance in pest control operations. New Brunswick has been advised that federal assistance will be forthcoming to the extent that funds are available.

COST OF MONTREAL INTERNATIONAL AIRPORT (MIRABEL)

Question No. 748—**Mr. Howie:**

What is the estimated projected cost of the Mirabel Airport?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): The estimated cost of Mirabel based on the Blue Book estimates to March 31, 1975 shows: Major Capital Projects, $242,182,000; Peripheral Land Management, 106,500,000; Air Navigational Service 10,936,000; Ex Gratia Payments to Landowners, 25,000,000; Operation Airport Land Proper, 16,500,000.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT EXPENDITURES IN KENORA AGENCY

Question No. 772—**Mr. Ellis:**

In the past three years, what amount did the Department of Indian Affairs and Northern Development spend in the Kenora Agency for (a) education (b) salaries (c) housing (d) welfare?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development):

	1971–72 $	1972–73 $	1973–74 (provisional) $
(a) Education			
Operating	1,770,204	1,622,463	1,643,771
Capital	197,262	1,153,122	313,985
(b) Salaries (excluding teachers contained in (a))	103,948	179,260	182,471

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	1971-72 $	1972-73 $	1973-74 (provisional) $
(c) Housing (construction and major renovations)	317,862	291,479	486,956
(d) Welfare	246,957	173,624	206,976

WATER QUALITY MANAGEMENT AREAS

Question No. 780— **Mr. Harding:**

1. How many water quality management areas have been established since the passage of the Canada Water Act in June, 1970?

2. Where and in which province is each water quality management area located?

3. What area does each water quality management area cover?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. No water quality management areas have been established under the terms of the Canada Water Act. Since the passage of the act, all provinces have opted for provincial implementation of water quality programs using joint federal/provincial advisory instruments.

2. Not applicable.

3. Not applicable.

CANADIAN PARTICIPATION EXPO '74, SPOKANE, WASHINGTON

Question No. 781—**Mr. Harding:**

1. What is the government's project for Expo '74 in Spokane, State of Washington?

2. Has it been completed?

3. What is its total estimated cost?

4. How many persons will be employed at the project during Expo '74?

5. What is the planned disposition of it when Expo '74 is over?

6. Which provinces have indicated they will participate in Expo '74 by means of exhibits, etc.?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The Canadian national project for Expo '74 consists primarily of a man-made landscape on Cannon Island.

2. It will be completed by May, 3, 1974.

3. $500,000.

4. Five persons will be employed full-time at the project during Expo '74.

5. The landscape will remain as a permanent park. Cannon Island is being renamed Canada Island by the City Council of Spokane.

6. British Columbia and Alberta.

VIOLATIONS—POLLUTION OF WATERS

Question No. 782—**Mr. Harding:**

1. For each year 1970, 1971, 1972 and 1973, how many charges were laid against individuals or companies by persons in the department responsible for the enforcement of the Department of Energy, Mines and Resources Act and Regulations regarding violations of the Act and Regulations dealing with pollution of waters?

[Mr. Chrétien.]

2. How many of the above charges resulted in (a) convictions (b) dismissal of the charges (c) withdrawal of the charges?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. None.

2. Not applicable.

SUMMER EMPLOYMENT OF STUDENTS, VETERANS HOSPITAL, VICTORIA, B.C.

Question No. 786—**Mr. McKinnon:**

Has the Department of Veterans Affairs cut the budget of the veterans hospital in Victoria to preclude the hiring of university students for summer employment related to their future profession and, if not, for what reason is that hospital not hiring students this summer?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): In view of the impending transfer of the Veterans Hospital, Victoria, to provincial jurisdiction, no action for the hiring of summer students was instituted.

CHARGES LAID UNDER NATIONAL PARKS ACT RELATING TO POLLUTION VIOLATIONS, 1970-73

Question No. 788—**Mr. Harding:**

1. For each year 1970, 1971, 1972 and 1973, how many charges were laid against individuals or companies by persons in the department responsible for the enforcement of the National Parks Act and Regulations regarding violations of the Act and Regulations dealing with pollution of waters?

2. How many of the above charges resulted in (a) convictions (b) dismissal of the charges (c) withdrawal of the charges?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. No charges have been laid for the years 1970 to 1973 inclusive.

2. Not applicable.

CHARGES LAID UNDER INTERNATIONAL RIVER IMPROVEMENTS ACT RELATING TO POLLUTION VIOLATIONS, 1970-73

Question No. 797—**Mr. Harding:**

1. For each year 1970, 1971, 1972 and 1973, how many charges were laid against individuals or companies by persons in the department responsible for the enforcement of the International River Improvements Act and Regulations regarding violations of the Act and Regulations dealing with pollution of waters?

2. How many of the above charges resulted in (a) convictions (b) dismissal of the charges (c) withdrawal of the charges?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. None.

2. Not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RENOVATIONS AND CONSTRUCTION WORK AT PRIME MINISTER'S SUMMER RESIDENCE

Question No. 45—Mr. Cossitt:

1. What are the names and addresses of all contractors, firms, companies or individuals engaged by the government to do renovations or construction work of any kind at the Prime Minister's official summer residence at Harrington Lake since April 20, 1968 and what were the amounts of money involved in each individual case?

2. In what instances were tenders called and what were the names of all those tendering along with the amounts of the tenders?

3. In any cases, where tenders were not called, for what reason was this not done?

4. In all cases what was the exact work or service performed?

Return tabled.

SUM OF MONEY PAID TO LAWYERS IN BRITISH COLUMBIA FOR LEGAL WORK

Question No. 54—Mr. Cossitt:

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of British Columbia listed in the answer to Question No. 2,272 of the First Session of the 29th Parliament?

Return tabled.

SUM OF MONEY PAID TO LAWYERS IN QUEBEC FOR LEGAL WORK

Question No. 58—Mr. Cossitt:

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of Quebec listed in the answer to Question No. 2,276 of the First Session of the 29th Parliament?

Return tabled.

SUM OF MONEY PAID TO LAWYERS IN NOVA SCOTIA FOR LEGAL WORK

Question No. 61—Mr. Cossitt:

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of Nova Scotia listed in the answer to Question No. 2,279 of the First Session of the 29th Parliament?

Return tabled.

SUM OF MONEY PAID TO LAWYERS IN ONTARIO FOR LEGAL WORK

Question No. 62—Mr. Cossitt:

What was the total sum of money paid between April 1, 1972 and March 31, 1973 to each of the lawyers in the Province of Ontario listed in the answer to Question No. 2,280 of the First Session of the 29th Parliament?

Return tabled.

TOTAL COST OF ALL ASPECTS OF THE PRIME MINISTER'S OFFICIAL RESIDENCE

Question No. 86—Mr. Cossitt:

With reference to the answer to Question No. 2,601 of the First Session of the 29th Parliament, what are the specific items and their cost in each case which make the totals shown on page IV as being spent in certain years by the Department of Public Works at the Prime Minister's official Ottawa residence?

Return tabled.

NAMES OF ALL FIRMS ENGAGED TO DO RENOVATIONS TO PRIME MINISTER'S RESIDENCE SINCE APRIL 20, 1968

Question No. 87—Mr. Cossitt:

1. What are the names and addresses of all contractors, firms, companies or individuals engaged by the government to do renovations or construction work of any kind at the Prime Minister's official Ottawa residence since April 20, 1968 and what were the amounts of money involved in each individual case?

2. In what instances were tenders called and what were the names of all those tendering along with the amounts of the tenders?

3. In any cases, where tenders were not called, for what reason was this not done?

4. In all cases what was the exact work or service performed?

Return tabled.

*MOVEMENT OF WESTERN CANADIAN OIL TO ATLANTIC PROVINCES AND QUEBEC

Question No. 162—Mr. Forrestall:

1. How many contracts have been entered into by the government or to the knowledge of the government, to move Western Canadian oil to the Atlantic Provinces and Quebec through the Panama Canal?

2. What firms have been involved?

3. What is the nature of the contracts, in terms of length, cost per barrel and other broad parameters (a) at the Montreal end of the Portland to Montreal pipeline (b) at the dockside in British Columbia?

4. In each instance, what is the vessel name of ships involved, the country of registry for each ship and the owner of each vessel so used?

5. Are all the vessels so engaged manned by Canadian officers and Canadian crews and, if not, in what specific instances are foreign crews or men being used and for what reasons?

6. (a) On what date were these contracts entered into (b) are any more anticipated (c) what departments or agencies of government have been involved in this operation in light of the statement made by the Minister of Energy, Mines and Resources on November 26, 1973, page 8,138 of *Hansard* that "we are organizing the movement in excess of 50,000 barrels a day of western crude via the Trans Mountain Pipe Line to Vancouver and via ship through the Panama Canal"?

7. What is the anticipated amount of oil that can be moved with existing contracts?

Return tabled.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE RESEARCH EXPENDITURES

Question No. 284—Mr. Nystrom:

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of National Health and Welfare on contracts to outside persons and organizations for research, development and other consulting services?

Order Paper Questions

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

CMHC—FUNDS SUPPLIED TO SOCIÉTÉ D'HABITATION DU QUÉBEC

Question No. 675—Mr. Lambert (Bellechasse):

Did the government, through Central Mortgage and Housing Corporation, supply money to the Société d'habitation du Québec during each year 1968 to 1974 inclusive and, if so (a) are loans involved (b) what are the interest rates (c) what is the amount for each year (d) what are the terms of repayment?

Return tabled.

Mr. Paproski: Mr. Speaker, I rise on a point of order. On two different occasions, April 16 and April 17, I brought up the statement the parliamentary secretary made in respect of question No. 319. On April 15 he stated that the reply to my question No. 319, which shows the inequities of this government toward the women of this country, cost the Canadian taxpayers $1.5 million. I rose on questions of privilege on April 16 and April 17 to protest that statement which represents interference with the right of members to seek information from the government. I deny that that statement is true. On April 17 the government House leader promised that the parliamentary secretary would furnish the House with an explanation of his extraordinary statement which was an attempt to intimidate me in carrying out my duties as a member of this chamber.

I ask that an explanation be forthcoming today. Failing that, I would move, seconded by the hon. member for Hamilton West (Mr. Alexander), that the matter be referred to the Standing Committee on Privileges and Elections. If the statement of the parliamentary secretary cannot be substantiated, this is a serious breach of the privileges of all members of this chamber. I dislike being intimidated with impunity by this cornball from Kenora-Rainy River.

Mr. Speaker: Order, please. I doubt whether we should have a debate on this matter at this time. The hon. member may have a grievance, but if he has a question of privilege he has not given notice in the ordinary way. I do not think a debate should arise on the question at this time.

Mr. Paproski: Mr. Speaker, the only reason I have not brought up this matter before is that the parliamentary secretary was not in the House the last three or four times when order paper questions were called.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-2, an act to amend the Animal Contagious Diseases Act.

[Mr. Nystrom.]

● (1420)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ACCURACY OF FORECAST BY MINISTER OF FINANCE OF RATE OF INFLATION IN 1973—FORECAST FOR 1974

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, now that we are approaching another budget and may get some more forecasts, I should like to ask the Minister of Finance a question about his forecasting apparatus. In view of the forecast relating to inflation for 1973 having been about the same as for 1972 or, the words of the minister, about 4.8 per cent, and the actual result turning out to be more than 50 per cent above that, according to the minister's own figure, 7.6 per cent, how is it that the minister's forecasting unit, about which he has boasted many times in the House, was so far wrong, and has the minister taken any precautions since then to improve the efficiency of the forecasters?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when it comes to the inflationary rate in 1973, no one around the world was able to forecast it in the extreme terms of world commodity prices, nor did anyone forecast the political and economic results of the Middle East war which resulted in the quasi-monopolistic practices of the Persian Gulf countries, all of which reasons in human terms influenced inflation a great deal. When it comes to the forecasting of the real growth of this country, the only institute or organization that was close to the forecast of the real growth in Canada in 1973 was the federal Department of Finance.

Some hon. Members: Hear, hear!

Mr. Stanfield: I watched the debate last night, and with extrasensory perception anybody is bound to be right once in a while.

An hon. Member: Even you, Bob?

Mr. Stanfield: I should like to ask the Minister of Finance whether he will give us this afternoon or tonight a forecast of the rate of inflation in this country for the year 1974?

Mr. Turner (Ottawa-Carleton): There are so many international factors involving the price of food—

Some hon. Members: Oh, oh!

An hon. Member: And the weather?

Mr. Turner (Ottawa-Carleton): —and non-agricultural commodities and the way in which the prices of petroleum have to work their way through the world economy that anyone in any government would be rash to put a precise figure of the rate of inflation in 1974.

INFLATION—EFFECT OF INCREASE IN WHOLESALE PRICE INDEX ON CONSUMER PRICES

Hon. Robert L. Stanfield (Leader of the Opposition): As the Minister of Finance is well aware, the wholesale price index rose 1.5 per cent in the month of March or 25.7 per cent above the level a year earlier. This is a known factor; there is nothing unknown about it. Can the minister tell us to what extent he anticipates that this will work itself into higher consumer prices in Canada during the coming year?

Hon. John N. Turner (Minister of Finance): Those wholesale prices will have to work their way in some ratio through the economy, not duplicating those figures, but obviously figures at that rate at the wholesale level will find their ultimate result in the retail figures. As I say, there will be a general ratio but not the same extravagant figures as we have in the wholesale index.

* * *

ENERGY

DECISION BY BOARD TO INCREASE OIL EXPORTS FOR MAY—INCREASE IN PRODUCTION—POSITION OF GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. In view of our declining oil reserves may I ask the minister why the government has authorized an increase in our oil exports for the month of May by approximately 200,000 barrels a day making a total of some 6 million barrels for the month of May? Since this has been a decision of the National Energy Board, was that decision approved by the government and, if so, why?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this is a decision of the board on its own motivation under its responsibility to make a judgment each month on whether or not exports are surplus to Canadian requirements. I might also mention at the same time that the board has been conducting hearings as to the long-range reserve position of Canada and Canadian oil, and naturally its future conclusions in this regard will be guided by the result of these hearings.

Mr. Douglas: Mr. Speaker, the long-term projections of the board have not been too accurate in the past. That surely does not deal with the matter of increasing exports for the month of May by 200,000 barrels per day. In view of the fact that half of this amount is because of the inventory that has been built up and which cannot be shipped to eastern Canada, why was it necessary to allow field production to increase by a similar amount in order to reach this 200,000 barrels a day?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. member opposite remarks, of course the actual field production is a matter of judgment for the appropriate authorities in the producing provinces.

Mr. Speaker: The Chair will recognize the hon. member for a last supplementary and will then attempt to complete the first round of questioning by seeing the hon. member for Témiscamingue.

Mr. Douglas: May I ask the minister if the right of the Alberta government, which undoubtedly it has, to set the production figures is going to determine how much our exports will be? The estimated production of crude oil for the month of May is 44.9 million barrels, and of byproducts 4.3 million barrels, which is 500,000 barrels more than in May, 1973, a record year. Does the minister consider that this is justified, or is this merely pressure from the oil industry which wants to ship out oil irrespective of Canada's future needs?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. gentleman may recall, May is not the best month with which to make a comparison because in 1973 the records were established in the later months. Basically the board's hearing are a prelude to a judgment on whether the present requirements of the law set out by parliament that exports will be allowable when surplus to Canadian requirements should be changed. As I already indicated to the hon. gentleman, this is a matter on which there has already been very extensive public testimony and on which the board is now re-examining its conclusions.

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[*Translation*]

HISTORIC SITES

STEPS TO RESTORE OLD FORT VILLE-MARIE, TÉMISCAMINGUE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the hon. Minister of Indian Affairs and Northern Development.

In May of 1969, I asked him whether the government intended to rebuild the old fort in Ville-Marie, in the Témiscamingue region. Since five years of study have been spent on this matter, could the minister advise the House whether or not the government intends to rebuild this historic fort which is from 125 to 150 years old?

Mr. Speaker: I will allow the hon. minister to answer the question of the hon. member, but I doubt the urgency of his question. However, since the hon. member has asked it, I recognize the hon. minister.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, archeological studies have been made of this matter over the past few years. As for definite plans to rebuild this fort, we have not yet reached a final decision as to what is to be done in the immediate future. I shall inquire and advise the hon. member accordingly.

* * *

[*English*]

THE CANADIAN ECONOMY

INCREASE IN WHOLESALE PRICE INDEX IN PAST YEAR—POSSIBILITY OF INTRODUCTION OF CONTINGENCY PLAN TO FIGHT INFLATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary to the question asked by the Leader of the Opposition and I would like to direct it to the Prime Minister. As the figures just produced by

Statistics Canada show that the wholesale price index has gone up by more than 25 per cent in the last 12 months, does the Prime Minister not now consider that it is time to bring in the government's contingency plan for fighting inflation, which he described very clearly on Friday in the House, as recorded on page 2004 of *Hansard*, as "price and wage controls"?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member wants to look at the same set of statistics, on pages 3 to 5 he will see borne out there what the MInister of Finance and myself have been saying all along, that without price and wage controls we have done enormously better than the United States with price and wage controls. Therefore the hon. member should listen to the advice of some of his own colleagues in his party and be a little less certain that wage and price controls in those circumstances will produce a better effect.

● (1430)

Mr. Hees: In view of the Prime Minister's answer, with which I agree not at all, I would ask him this question. If he is so convinced that wage and price controls will not work, why did he specify wage and price controls as the government's contingency plan when he spoke in the House on Friday?

Mr. Trudeau: Mr. Speaker, it has been well known for at least a year that the government has set up a contingency plan which would involve—

Mr. Hees: Price and wage controls.

Mr. Trudeau: Yes, Mr. Speaker, price and wage controls. The government has always taken the line, which I repeated on Friday, that we would not resort to this except in extreme cases where the remedy itself would not be worse than the disease.

EFFECT OF LAST BUDGET ON FINANCIAL MARKETS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, a question for the Minister of Finance. The minister was confident that his last budget would not bring pressure on the financial markets. Is he still of the same opinion, that there was no pressure on the financial markets when we have a federal interest rate of 9 per cent, a failure of the Canada savings bond issue and government Crown corporations paying as high as 11⅛ per cent—

Mr. Speaker: Order, please. The hon. member for Dauphin and most hon. members will agree, I am sure, that such a question is argument and debate rather than a question.

* * *

HOUSE OF COMMONS

DATE OF BY-ELECTION IN BATTLE RIVER

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the right hon. Prime Minister.

[Mr. Hees.]

Would the Prime Minister advise the House when he plans to set a date for the federal by-election in Battle River? Would it be July 8 and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as is known by the House, there are two seats in which there are vacancies, but the Tories are in the strange position of not having stood up and notified the Speaker that one of those seats was vacant. I guess they were afraid to have a by-election.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

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THE CANADIAN ECONOMY

POSITION OF AVERAGE WAGE EARNER IN RELATION TO RATE OF INFLATION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to put a question to the Minister of Finance. Noting the minister's statement on February 19, 1973, that inflation in 1973 would be between 4.7 per cent and 4.9 per cent while in fact inflation was substantially above his forecast, is the minister still satisfied that the average wage earner is staying ahead of inflation as expressed by him on February 19, 1973?

Mr. Speaker: Order, please. The Chair will allow the minister to reply to the hon. member's question but it seems to me it is more debate than a question. I have no objection to the minister replying briefly.

RATE OF EXPANSION IN 1974

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to address a question to the Minister of Finance. On June 6, 1973, the minister said that the current expansion of the economy over the past six months had been 11.6 per cent in real terms, as found on page 4491 of *Hansard*, and according to the Economic Council Review, page 13, the rate was in fact 9.4 per cent for the first half and 4.75 per cent for the second half. Can the minister tell the House if this trend toward a lower gross national product will continue in 1974?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is anticipating what I might say tonight. In real terms the economy grew at a rate of 7.1 per cent for the whole year 1973, which was the strongest growth in 17 years. For the first quarter of 1974 it is growing at an annual rate of about 9 per cent.

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AGRICULTURE

POSSIBLE SUBSIDY TO HOG PRODUCERS—REQUEST FOR ANNOUNCEMENT OF GOVERNMENT POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I put a question to the Minister of Agriculture in respect of hog support prices. In view of the fact the four western provinces and the province of Quebec have found it necessary to support or subsidize hog prices, Saskatchewan to

the extent of almost $23 per hog, what is the policy of the federal government? Is it going to leave the provinces to carry this load or has the minister any policy on this matter?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I answered a similar question in the House last week. The province of Prince Edward Island—I might say that the premier is sitting in the gallery—

Some hon. Members: Hear, hear!

Mr. Whelan: —also has a program. As I said last week, we are trying to work out a plan with the provinces, and we hope to be able to do that in the very near future, that will be satisfactory to all hog producers across the nation.

Mr. Gleave: Mr. Speaker, it is somewhat regrettable that the Premier of Prince Edward Island had to win an election and come to Ottawa to get the minister's attention!

Some hon. Members: Hear, hear!

Mr. Gleave: The Agricultural Stabilization Act lays on the government and the Minister of Agriculture certain responsibilities in respect of supporting agricultural prices in Canada. What I want to know is when the minister is going to discharge the government's responsibility in this regard?

Mr. Whelan: Mr. Speaker, first of all, I want to note that the reason the gentleman is sitting in the gallery as Premier of Prince Edward Island—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. I think hon. members know it is irregular to refer to the presence of distinguished visitors in the gallery. The hon. member for Lisgar.

Mr. Gleave: Mr. Speaker, I rise on a point of order. I asked the minister a question and he referred to the presence of someone in the gallery. My point of order is that if the minister is going to rise to his feet I am entitled to an answer to my question.

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, official representation was made to the Minister of Agriculture by the hog producers council a little over three weeks ago when the whole national group made a presentation to the Minister of Agriculture, his officials, officials of the Department of the Minister of Finance and officials of the Minister of Industry, Trade and Commerce. We are trying to work out that program at the present time, and all the provinces are well aware of what we are trying to do.

POSITION OF GOVERNMENT ON ASSISTANCE TO TURKEY PRODUCERS

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Since it seems that almost all forms of animal agriculture in Canada are in serious difficulties at the present time at the producer level, what is the government going to do or considering doing at the present time in regard to the plight of turkey producers across Canada who find themselves producing turkeys at below the cost of production?

Mr. Speaker: The question is not quite supplementary but the minister may reply briefly after which I will recognize the hon. member for Champlain.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member has asked a question about poultry in Canada. I suggest it would be much easier for us if we had the amendments to the Export and Import Permits Act. We are prepared to move as quickly as we can. We met with these people last week, and when the Export and Import Permits Act amendments are passed we can move much more efficiently and quickly.

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[*Translation*]

SPORTS

REQUEST FOR TELEVISING OF JUNIOR HOCKEY CHAMPIONSHIP SERIES

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

Major junior hockey is the only sport in Canada where Canadian cities are solely represented and where only Canadian amateur athletes play. In view of the present Canadian amateur championship tournament, would the minister direct the Canadian Broadcasting Corporation to televise this tournament which is of interest to all regions throughout Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member has asked the question in the House, the CBC will surely be made aware of his representations.

* * *

● (1440)

[*English*]

AIR CANADA

POSSIBLE LOCATION OF CERTAIN OVERHAUL FACILITIES IN WINNIPEG—INQUIRY AS TO DECISION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister. Can the Prime Minister inform the House if the government has reached any decision on Air Canada establishing a second overhaul and maintenance base at Winnipeg to service the new Boeing 727's and the military 707's?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is in the process of being discussed by the cabinet.

Mr. McKenzie: Will the government overrule Air Canada's decision not to establish a second overhaul and maintenance base in Winnipeg in light of the public statement

by the Minister of National Defence that he will not contest the next election unless there is a favourable decision on establishing a second base in Winnipeg?

Mr. Trudeau: Mr. Speaker, it is not true that the minister said any such thing.

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[*Translation*]

FLOODS

MATAPEDIA—FEDERAL ASSISTANCE TO PERSONS WHO HAVE SUFFERED DAMAGES

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I should like to ask a question of the right hon. Prime Minister.

Did the province of Quebec ask for government assistance after the considerable damage caused to the population of Matapédia and of the localities down stream from the Restigouche by the unprecedented flooding of the waters of the Matapédia and Restigouche Rivers last week, and which drove many families out of their homes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I see no indication of such a request in my notes but I shall inquire with great pleasure. The hon. member does know that the federal government is always prepared to participate, according to a well known formula, if there is really such a request from the provincial government.

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[*English*]

UNEMPLOYMENT INSURANCE

INVESTIGATION OF FAILURE OF BENEFICIARIES TO PICK UP CHEQUES AT EMERGENCY CENTRES DURING POSTAL STRIKE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration as a result of the very startling revelation that some 29,000 people in the metro Toronto area, being about 60 per cent of claimants, did not attend the emergency centres in order to acquire their unemployment insurance cheques, which certainly raises a lot of questions. Can the minister assure the House that the results of the inquiry that has been instituted will be made known to the public? Further, is the minister going to investigate the other emergency centres which were set up because of the postal strike in order that claimants could acquire their cheques? Is he going to undertake the same sort of procedure in order to obtain statistics in that regard?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think the figures referred to by the hon. member are simply like a snapshot in time at that particular moment. I would want much more information before coming to the conclusion he has reached, but I am most certainly looking into it.

Mr. Alexander: Mr. Speaker, the minister's answer certainly begs another question. Can the minister confirm or deny the inquiry? In particular, can he advise the House whether, pursuant to instructions or to the release issued by his officials in Toronto, there is or is not an inquiry going on at this time?

Mr. Andras: Mr. Speaker, the very process of matching claimants to available jobs, asking them to go for interviews at Manpower Centres and placing them in jobs is the main focus of our efforts. The inquiry that follows from that can only be described in this way: if they do not conform to that or if they refuse suitable jobs then, of course, they will subject themselves to disentitlement.

Mr. Alexander: Mr. Speaker, may I ask one last supplementary. I think the minister is either evading the question or he does not know what I am talking about. Let me put the question to him in this way: the former Minister of Labour, the hon. member for Verdun, has been going about the country indicating that the UIC is not an issue. I would ask the minister at this time whether it is his opinion that unemployment insurance is not an issue and, accordingly, there is no need for amendments to the act as envisaged by the Speech from the Throne?

Mr. Andras: Mr. Speaker, we are proposing to place amendments to the Unemployment Insurance Act before this session of parliament.

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EXTERNAL AFFAIRS

FAMINE PREDICTED FOR PARTS OF THE WORLD—REQUEST FOR REPRESENTATIONS TO ADVANCE DATE OF WORLD CONFERENCE ON FOOD

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact many people including, I think, the Secretary of State for External Affairs himself, have predicted widespread famine in various parts of the world this year, and in view of the fact there is a world conference on food scheduled in Rome in November, will the minister see if it is possible to get those responsible to advance the date so that the emergency in food can be looked into as quickly as possible?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I recognize the concern the hon. gentleman has expressed. It is difficult to advance the dates of international conferences. As far as Canada is concerned, the situation is extremely grave. Not only do we have some questions about the date, but we also have some questions about the agenda. We are making efforts concentrated on meeting the emergency situation rather than on some future situation for which we are not now equipped.

FAMINE IN WEST AFRICA—CANADIAN ASSISTANCE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my supplementary question is for the Secretary of State for External Affairs. Is the Canadian government preparing to provide any form of assistance to the starving populations in West Africa?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I have indicated on a number of occasions, we have a very substantial program of aid to the people of the Sahaelian area which has been suffering from unprecedented drought. This aid is in the form of food, transport and for a number of other purposes.

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GRAIN

SAVING TO CONSUMERS PER LOAF OF BREAD RESULTING FROM SUBSIDY ON WHEAT USED DOMESTICALLY

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the minister responsible for the Canadian Wheat Board. In view of the fact a bushel of wheat produces between 50 and 60 loaves of bread and the government subsidy is $1.75 per bushel, would the minister explain to the House his statement that the subsidy is currently saving consumers eight cents per loaf?

Mr. Speaker: Order, please. I doubt whether a question asked in those terms is in order or should be asked. That is clearly debate. The hon. member is inviting the minister to explain a statement. It seems to me that the question can be asked in other ways.

Mr. Towers: Mr. Speaker, I should like the minister to tell the producers exactly how he arrived at that figure.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will allow the minister to reply, but I respectfully and humbly suggest that any member could ask dozens of such questions which are really debate and not questions that ought to be asked during the question period.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will attempt to keep the answer extremely simple for the hon. member and explain that the mathematics relate to the total difference between the world price and the $3.25 to the miller and not just to the subsidy. This is the over-all government program that is saving the consumer that amount of money on the price of bread.

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FLOODS

MEASURES TO PREVENT FLOODING IN PRINCE GEORGE AND SURROUNDING AREA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of the Environment. Are any discussions going on with the province of British Columbia in an attempt to prevent the very serious flood which threatens the city of Prince George and surrounding area, particularly in light of the flood prevention program now in effect on the lower Fraser River? Could that program be extended to the upper Fraser?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the answer is yes. The engineers of Environment Canada in British Columbia are working closely with the provincial department of lands and forests. We have a joint program under way for protection. We are prepared to help in any flood situation which may occur.

Mr. Oberle: Is there any program that can be of assistance in the immediate future as the flood is just a week or so away?

Mr. Davis: I doubt it very much, Mr. Speaker, other than our longer-term program. We are endeavouring to convince the province that dikes should be built upstream on the Fraser as well as in the lower mainland area.

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● (1450)

PENITENTIARIES

RELEASE OF KENNETH LEISHMAN—SERVING OF ADDITIONAL SENTENCES CONCURRENTLY RATHER THAN CONSECUTIVELY— PAROLE PROCEDURES

Mr. Jake Epp (Provencher): Mr. Speaker, I have a question for the Minister of Justice. Noting a recent decision by the Department of Justice authorizing the release of Mr. Kenneth Leishman some two years ahead of the normal time, may I ask the minister whether it is now government policy that certain additional prison terms should be served concurrently rather than consecutively, as was done in Mr. Leishman's case, and is a review of parole procedures taking place at the present time?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it sounds to me as though this question should be directed to the Solicitor General rather than to myself. I am not aware of this case but I shall be glad to look into the matter if the hon. member will supply me with details.

Mr. Epp: I should like to redirect the question to the Solicitor General, Mr. Speaker.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, Mr. Leishman was released because he had appealed to the Department of Justice to recalculate the time of his sentence, and when this calculation was made it was found that the sentence should have come to an end and he was therefore released. He was not released on parole. I might say the Criminal Code provides that a man may be given concurrent or consecutive sentences, but this is in the hands of the judge and the Crown prosecutor who presses the case. We have no plans at the present time to change that system.

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MANPOWER

LOCAL INITIATIVES PROGRAM—STATUS OF GRANT ALLEGED TO HAVE BEEN AUTHORIZED TO KENNETH LEISHMAN

Mr. Jake Epp (Provencher): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Since the Department of Manpower and Immigration at one time authorized a LIP grant to Mr.

Kenneth Leishman, will the minister tell us whether Mr. Leishman is now eligible for that grant of $93,000?

Hon. Robert K. Andras (Minister of Manpower and Immigration): With respect, I am quite sure that is a distortion of the situation, though possibly accidental. The program was for the rehabilitation of people leaving prison. Personally, I believe it is a darned sight better to rehabilitate them rather than have them come out into an environment likely to result in their return to jail. Mr. Leishman was simply one of the possible candidates for such a program.

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PENITENTIARIES

NUMBER OF INMATES RELEASED ON PAROLE UNLAWFULLY AT LARGE—POSSIBLE DANGER FROM THOSE CONVICTED OF NON-CAPITAL MURDER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is also addressed to the Solicitor General. It deals with temporary release, periods of temporary absence and parole. On Friday I asked a question with reference to data supplied by the minister to the effect that on February 28, 1974, 79 inmates who had been released on temporary absence or parole were still at large, and that three of these had been found guilty of non-capital murder. I asked the minister whether he would give us the name of those three people, and advise the House and the community whether they are dangerous to the security of the community.

Hon. Warren Allmand (Solicitor General): Immediately after the hon. member put his question last week I asked my departmental staff to provide me with more information in order that I might answer it. However, I have not yet received this information. I will give it to the House as soon as I get it. I shall try to pass it on as soon as possible.

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PUBLIC SERVICE

REQUEST THAT $500 SALARY INCREASE GRANTED EMPLOYEES BE GIVEN TO THOSE NOW RETIRED

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the President of the Treasury Board or to any other appropriate minister. It concerns the announcement last week awarding a $500 salary increase to public servants in recognition of the government's capitulation in the anti-inflation fight. Has the minister reconsidered his position with a view to awarding this $500 equally to retired public servants and Armed Forces and RCMP personnel who are also faced with the problem of inflation?

Hon. C. M. Drury (President of the Treasury Board): I am sure the hon. member will recognize that the salaries and wages of public servants are not indexed whereas the pensions of those who are retired are indexed under the Supplementary Retirement Benefits Act.

[Mr. Epp.]

Mr. Rose: In spite of the swarm of gnats in the minister's words, I wonder whether the minister's answer is a flat "no".

Mr. Drury: The answer is not a flat "no". It is that this is already being done.

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ENERGY

POSSIBLE DEFECTIVE PIPELINE AT AGASSIZ BRIDGE ON FRASER RIVER

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Has the minister heard anything from the National Energy Board about a possible defective pipeline in British Columbia about which I asked him some 11 days ago?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I did inquire and the board indicated there has been some concern about a pipe weld at Agassiz Crossing. I understand there has been no substantial loss, but an examination is being made of the pipe in question which is now about 15 years old.

Mr. Hamilton (Qu'Appelle-Moose Mountain): In view of the fact that three doctors of metallurgy at the University of British Columbia have confirmed that at least two welds are defective, would the minister ask the National Energy Board to make a public statement as to the condition of these two welds in order to relieve the anxiety of the people in the area?

Mr. Macdonald (Rosedale): I will pass the question on to the board, Mr. Speaker.

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ROYAL CANADIAN MOUNTED POLICE

CONTRIBUTION BY OTHER POLICE FORCES OF REGULAR INTELLIGENCE REPORTS TO CENTRAL COMPUTER

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Solicitor General. Are there any provincial or large regional police forces which do not contribute regular intelligence reports to the central police intelligence computer and, if there are, who are they and why do they not contribute?

Hon. Warren Allmand (Solicitor General): I would have to check on that, Mr. Speaker.

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AGRICULTURE

SUGGESTION THAT MINISTER HEED ADVICE OF MEMBERS FAMILIAR WITH CATTLE RAISING TO IMPROVE POSITION OF FEEDERS

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of

the fact the Minister of Agriculture, along with the minister in charge of the Wheat Board, is now in a position to appraise the results of the decision-making which has taken place with regard to agriculture since September, 1973, and in view of the fact decisions made during this period have literally bankrupted a large percentage of cattle feeders in Canada, would the minister now inform the House whether he will in future capitalize on the free advice of members who have had practical experience in this field to assure cattle feeders that this will never happen again?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, without agreeing with the premise of the question, may I say we always listen to advice given by the hon. member. He knows that.

* * *

[*Translation*]

NATIONAL DEFENCE

LAY-OFFS OF PEOPLE EMPLOYED UNDER TEMPORARY PROGRAM

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

As a result of the telegram sent to him by Mr. Powers, the chairman of the Union of National Defence Employees, can he tell us whether it is true that sometime this month some 2,400 employees will be laid off, of which 1,025 are in Quebec, and specifically 600 at the Valcartier base?

[*English*]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the hon. member is referring to a federal labour-intensive program, a temporary program established for a five-month period and due to end at the end of May. The Department of National Defence received $7.5 million under that program in the same way that other departments received grants. We were successful in employing some 2,400 people on a temporary basis over the winter. We shall be able to continue the employment of some 330 under our own budget.

[*Translation*]

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

Can the minister tell the House what steps the government has taken to see that those employees will not swell the ranks to the already excessive number of unemployed in Quebec?

[*English*]

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my supplementary has to do with the position the government took two or three years ago with respect to cutbacks involving approximately 5,000 personnel who were continuing but not necessarily permanent civilian employees of the government within the Department of National Defence. Can the minister assure these people that this program is in no way included within the parameters of the lay-offs that have been announced but, rather, that the policy of allowing natural attrition to lower the number will be continued as in the past?

Mr. Richardson: Yes, Mr. Speaker. The program to which I have just referred, the federal labour-intensive program, is a temporary program not related to the permanent number of civilian employees in the Department of National Defence.

* * *

ENERGY

DOW-DOME PROJECT—RESPONSE BY ALBERTA GOVERNMENT—DECISION BY CABINET

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the fact the decision of the National Energy Board on the Dow-Dome application has been public for some weeks now, and since the minister has told us the government is awaiting a response from the government of Alberta, may I ask him whether this response has been received, is it in the affirmative or not, and can the minister tell us the time frame within which he expects the cabinet to reach a decision on this project?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I have received no further response from the Alberta government. They indicated one would be forthcoming. Of course, if there is much further delay the government will naturally be obliged to proceed to consider the Dow-Dome decision of the board because of the financial implications of the decision.

* * *

● (1500)

NATIONAL DEFENCE

LAY-OFFS OF PEOPLE EMPLOYED UNDER TEMPORARY PROGRAM—REQUEST FOR RETENTION IN AREAS OF HIGH UNEMPLOYMENT SUCH AS SYDNEY, N.S.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have been trying to get your eye in regard to the question posed by the hon. member for Saint-Hyacinthe. I should like to direct a supplementary to the Minister of National Defence, having listened to his reply. May I ask the minister whether any consideration will be given, in areas where there is a tremendously high unemployment rate, to retaining employees? For example, in the Sydney area we have over 15, and possibly 20 per cent unemployment. Is there anything the minister can do to retain these workers in that area? Thirty employees there are affected.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have indicated that the funds for this program came through Treasury Board; they were not part of the budget of the Department of National Defence. However, within our own budget we are able to carry on approximately 330 jobs out of this winter program.

Mr. Muir: In view of the fact that 300-odd jobs will be retained, would the minister do his utmost to make sure the 30 in the Sydney area are included?

Mr. Richardson: Mr. Speaker, we will be looking at all areas and trying to maximize the use of the funds in the areas of greatest need.

Mr. Speaker: The Chair will recognize the hon. member for Selkirk on a supplementary and then the hon. member for Victoria.

Mr. Doug Rowland (Selkirk): On the same subject, Mr. Speaker, I should like to ask the Minister of National Defence whether there is any intention on the part of the Department of National Defence to hire students or other people during the summer months to carry out duties in the Department of National Defence. If so, perhaps the minister would re-examine his decision. If work is to be done, then why not use the people who are already employed?

Mr. Richardson: Mr. Speaker, we do have a student employment program but it is not related directly to the labour intensive program for the winter months.

INTENTION OF UNITED STATES TO REDUCE STOCKS OF ATOMIC WEAPONS—CONSULTATION WITH NATO ALLIES—POSSIBLE REDUCTION OF WARHEADS IN CANADA

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. Mr. Schlesinger, United States Secretary of Defence, has announced the United States' intention to reduce its stocks of atomic weapons in Europe. Could the minister advise the House if the United States has consulted with its NATO allies, and specifically Canada, in this regard? Further, would the minister inform the House whether he has had any consultations with the U.S. Secretary of Defence concerning the possible reduction or elimination of the stocks of atomic warheads on Canadian soil?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker, I have not discussed that with the Secretary of Defence.

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PUBLIC SERVICE

GOVERNMENT ACTION TO DEAL WITH ILLEGAL STRIKES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the President of the Treasury Board. In view of the minister's statement arising from my question of last Friday that a tougher stand will be taken against illegal strikers, would the minister now be more specific and advise the House what exact steps the government intends to take regarding the alarming and continuous growth of wildcat strikes in Canada?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, apart from the forthcoming consideration of the recommendations of Dr. Finkelman which deal in part with this and other problems, I am glad to report that at the moment there are no illegal strikes.

[Mr. Muir.]

CAPE BRETON DEVELOPMENT CORPORATION

REQUEST FOR ACTION UNDER CRIMINAL CODE AGAINST CORPORATION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. Since the minister is inclined to apply discipline now, will he take a good, sharp look at section 107 of the Criminal Code and take some action with respect to the Cape Breton Development Corporation?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I would be glad to consult the Criminal Code.

Mr. Speaker: Order, please. We have reached the end of the question period but I will try to see one or two other members, without supplementaries, before calling orders of the day. The hon. member for Kingston and the Islands.

* * *

CANADIAN CULTURE

REQUEST FOR GRANT TO HAVE FILM "MOCASSIN FLATS" DUBBED IN FRENCH—GOVERNMENT POSITION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Secretary of State. I should like to ask the minister whether he has made a decision with respect to the request by the Native Council of Canada for a grant to have the award winning educational film "Mocassin Flats" dubbed in French for the benefit of the many French-speaking Canadians of native ancestry?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am looking into this. I might also take advantage of the question that has been put to apologize to the hon. member and to the House for the consequent delay.

Mr. Speaker: The Chair will recognize the hon. member for a supplementary before calling orders of the day.

Miss MacDonald (Kingston and the Islands): Thank you, Mr. Speaker. In view of the fact this application was submitted over a year ago and was lost twice in the department and the Native Council had to resubmit it twice, would the minister take every possible step to see that this bureaucratic mess is brought to an end quickly?

Mr. Faulkner: That is why I apologized, Mr. Speaker, in anticipation of the supplementary.

* * *

CANADIAN WHEAT BOARD

POSITION OF BOARD WITH REGARD TO SIGNING CONTRACTS FOR THIS CROP YEAR AND NEXT

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. In view of the fact the asking price of the Canadian Wheat Board on the international market is running somewhere around $5.60, in view of the fact that the international

price on the commodity market in Chicago has been running in the neighbourhood of $3.90, and in view of the problems in our transportation system, would the minister inform the House whether the Canadian Wheat Board is at the present time negotiating contracts and is in a position to sign contracts for the movement and sale of grain for the rest of the crop year and into the next crop year in the fall?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Canadian Wheat Board has made substantial sales of grain for the forward shipping period in the summer as well as into the fall and, indeed, immediately beyond. It is not customary to comment on specific additional negotiations. There is a very wide price differential between the Wheat Board quoted price and the market price being offered in the United States. This kind of wide differential existed previously but the Wheat Board held its price, and subsequent events justified it in doing so.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, may I ask the House leader about the business for this afternoon. May I say that we are prepared to show our usual responsible co-operation in expediting the business.

Mr. MacEachen: Mr. Speaker, I will refrain from taking up my hon. friend's comment. This afternoon we will begin with Bill C-4, the export-import bill, Bill C-20, the Federal Business Development Bank, and then Bill C-25, prairie grain advance payments.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there have been some discussions about the three items for this afternoon, but it seems to me that on one point we should be clear before we begin. We are prepared today, as we were on Friday, to have completion of Bill C-4, the export-import bill, undertaken without further debate. We are also prepared for there to be very limited debate on Bill C-20, the Federal Business Development Bank bill. We are concerned, however, about the time that would be left for Bill C-25, the Prairie Grain Advance Payments Act.

May I say quite frankly that we feel it would be unfair if we were to arrive at a point where only the minister had made a statement on the bill and the other parties had not had a chance to pronounce on it. If that situation were to arise, Mr. Speaker, we would like to see the surrendering of the private members' hour at five o'clock so that at least one spokesman from each party would be sure to be heard today on Bill C-25.

Mr. Lambert (Edmonton West): Mr. Speaker, I wonder whether the government House leader would enlighten the House as to what will follow the budget presentation tonight. I think the minister realizes that he is completely out of step with the usual practice in this regard. Will it be tomorrow or Wednesday that the House will continue the budget debate?

Mr. MacEachen: Mr. Speaker, it was my intention to call the budget debate tomorrow. That is because I interpreted the request of the Leader of the Opposition, when he asked for the debate to commence practically immediately, to mean the next day. That is why I have planned it in that way. I propose to have further consultations this afternoon, and if the situation changes I will let my hon. friend know as quickly as possible. I understand that it is his wish that we delay the debate until Wednesday.

Mr. Lambert (Edmonton West): There is no question of delay, Mr. Speaker. The minister is putting words into the mouths of people. If the minister will consult the records, he will see that his administration in the past has delayed budget debates or the resumption of budget debates for up to two weeks on occasion. We are asking for a restoration of the normal practice which was enjoyed by all parties, and are wondering whether he would consider this. Perhaps the budget is not worth adopting that course.

● (1510)

GOVERNMENT ORDERS

[*Translation*]

EXPORT AND IMPORT PERMITS ACT

AMENDMENTS RESPECTING EXPORT OF NATURAL RESOURCE PRODUCTS AND LIMITATION OF IMPORT OF FARM PRODUCTS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved that Bill C-4, an act to amend the Export and Import Permits Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Gillespie moved that the bill be read the third time and do pass.

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

[*English*]

He said: Mr. Speaker, I think there is a disposition to proceed with the bill forthwith.

Mr. Bell: Agreed.

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

Some hon. Members: Agreed.

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

Federal Business Development Bank

FEDERAL BUSINESS DEVELOPMENT BANK ACT

MEASURE TO PROVIDE FOR INCORPORATION, OBJECTS, REGIONAL ADVISORY COUNCILS, POWERS

The House resumed, from Friday, April 26, consideration of the motion of Mr. Gray (for the Minister of Industry, Trade and Commerce) that Bill C-20, to incorporate the Federal Business Development Bank, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, it is some while ago, April 26, that we were speaking on this bill and when I called it four o'clock the House moved to the private members' hour. With your indulgence, Mr. Speaker, if I may I should like to review for a moment the main points I was making that afternoon.

I expressed concern that the share of the national income attributed to small business has declined 3 per cent over the period 1962 to 1973. I made the point that it was a gradual decline, or an erosion of income of the small business sector of our economy over the span of 11 years. I made the point also that it was an extremely serious matter because the small businesses of this country contribute more than 50 per cent of the gross national product, pay more than 50 per cent of the taxes to the government treasury, and employ over 60 per cent of the labour force. I went on to say that any erosion of that base will have a far-reaching and long-lasting effect on our economy and our employment pattern.

I suggested as well that I would like to see the minister have Statistics Canada bring samples of all forms they send to small businesses to the Standing Committee on Industry, Trade and Commerce, and justify both the forms and the need to send them to these business people. I further requested that any new forms be cleared by the standing committee before they are sent out to small businessmen because the paper mountain they have to climb is getting beyond all reason.

I touched as well on the heavy handed approach to collateral being taken by the Industrial Development Bank, and expressed the hope that the new Federal Business Development Bank will, in fact, take a different approach and not leave this millstone around the neck of the small entrepreneur.

Then, finally, I made the point that we need a comprehensive approach to the problems facing the small businessman, that the new Federal Business Development Bank was a splint to the small business community and that the amendments to the Small Businesses Loans Act could be called a sling. What we really must do is go beyond Bill C-20 and Bill C-14, then look back to Bill C-259, and bring in the amendments promised by the then Minister of Finance, Mr. Benson, when this bill was passed through the House in 1971.

I feel the clauses of this bill dealing with the small business community must be simplified and written in a language that will be understood by the average businessman and his accountant. Small business people just do not have the resources to employ tax experts, and they are frustrated in their efforts to expand and improve their businesses because of this cloud over their heads. Of course, to parallel any changes in Bill C-259 we should have a new and simplified tax form for small businessmen from the Department of National Revenue.

[Mr. Speaker.]

I suggest to you that the long-term success of the Federal Business Development Bank depends on whether the Minister of Industry, Trade and Commerce (Mr. Gillespie) is able to convince his colleagues in the finance and national revenue portfolios that these changes must be made. Those were the main points, I believe, I made on the afternoon of April 26 when we suspended the debate on this bill and went into the private members' hour. It is difficult when we have these delays to pick up the thread of thought, but I will press on.

The Federal Business Development Bank can really breathe life back into this vital part of our economy, the small business sector. We should really recognize the contribution that small businesses make to the economy of Canada. Small businesses provide a productive outlet for the energies of that large group of enterprising and independent people who attach great value to economic independence, many of whom may be less suited to employment in a large organization, but who have much to contribute to the vitality of our economy because of their independent, enterprising and individual thinking.

In industries where the optimum size of the production unit or the sales outlet is small, often the most efficient form of business organization is a small business. For this reason many important trades and industries consist mainly of small businesses. Many small businesses act as specialist suppliers to large companies of parts or subassemblies or components produced at lower costs than the larger companies could achieve. I think it is rather significant to note here that General Motors, in its North American operations, uses something of the order of 26,000 small businesses as suppliers that in fact employ less than 50 people in their operations.

Small businesses add greatly to the variety of products and services offered to the consumer because they can flourish in a limited or specialized market which would not in fact be worthwhile or economic for a large business to enter. In an economy in which ever larger multiproduct businesses are emerging, small businesses provide competition, both actual and potential, and provide some check on monopoly profits and on the inefficiency which monopoly breeds. In other words, they contribute to the efficient working of the economic system as a whole.

Small businesses, in spite of relatively low expenditure on research and development by that group as a whole, are an important source of innovation in products, techniques and services. The small business sector is the traditional breeding ground for new industry, and I think it is here that this new Federal Business Development Bank can do a great service through the service they are prepared to provide to the small businesses in counselling and the training of personnel to help them carry on.

● (1520)

I welcome this feature in the bill. I commend the minister for inserting it and expanding what I believe is the key program which I think is working quite well. I would caution the minister though to endeavour to bring into this organization small businessmen who have been suc-

cessful rather than retired vice-presidents of large corporations and expect them to advise the small businessmen. There are many cases, as I am sure the minister is aware, in which they do not speak the same language. Perhaps what is most important is that small business provides a means of entry into small business for new entrepreneurial talent, and is a seedbed from which new large companies will grow to challenge and stimulate the established leaders in much of our industry.

I should like to see this government adopt a Canada-first policy even at the expense of paying a premium for Canadian goods and services. I should like to see a loan policy adopted that the percentage of the loan would depend upon the percentage of Canadian ownership. That may be difficult to define, but I put forward the idea that this Federal Business Development Bank should, in fact, develop Canadian business for Canadians.

I sometimes find it difficult to reconcile the policies of this government as they pertain to DREE grants when I hear the Minister of Regional Economic Expansion (Mr. Jamieson) say that there is no consultation with industry groups before establishing a new industry which, in fact, competes with existing Canadian enterprises. Would it not be more sane and sensible to consult with industry to determine if there is a desire to expand into an area that is lacking industry. On the one hand, we give a grant to a United States firm—this is an actual case—in the die-casting business to open a new venture in New Brunswick, where we know industry is needed, and find it is competing in the same United States export market with a wholly-owned Canadian company in another part of Canada. What is the rationale behind this? The minister says it is not departmental policy to cause this to happen, but it does happen.

So, I wonder where the Federal Business Development Bank fits into the DREE picture. Will we be able to stack loans from the Federal Business Development Bank, commercial sources and provincial agencies to provide the larger amounts of money required for some ventures? I think it is highly important that there be more liaison and co-operation, particularly between the provincial agencies and the Federal Business Development Bank. I know from personal experience that there is an attitude of competition between the two agencies. When one speaks to officials of either the federal IDB or the provincial agency, neither have very much that is good to say about the other. So, I would hope we would have a more comprehensive approach to this, and that we might look to the stacking of loans from various financial sources, some from the commercial side, some from provincial agencies and some from federal agencies.

I am sure, for example, that a Canadian automobile could be designed and marketed in Canada, but who would venture into such a field against the existing manufacturers. It just happens to be coincidental, but I noticed recently in the trade papers that there is a Japanese purchasing group in Canada endeavouring to purchase about 1,000 used trucks and spare parts for sale to mainland China in order to help that country mobilize a portion of its armed forces. These industry people tell me this will create a tremendous shortage of motor trucks in Canada. From looking at the production and consumption figures in respect of new motor vehicles in Canada, I am confident that we could spawn an independent trucking industry in this country to the advantage of industry in general. We look ahead to projects such as the Mackenzie Valley pipeline, and if that project should get the go-ahead, the feeling among the people in the truck transport industry is that there will be a tremendous shortage of heavy duty vehicles in Canada.

I am sure there are people who are ready and willing to go into this field but you can appreciate I am sure, Mr. Speaker, that the stacking of loans to provide the necessary capital must be considered. I certainly hope the minister will look seriously at this proposal. I want to see the Federal Business Development Bank succeed. I want to see it become a vibrant agency removed from the rigidity of the bureaucracy of government. I want to see it inject into the small business community a new sense of direction and purpose. I want to see it revitalize the spirit of free enterprise which built this country. I want to see it respond to the talents we have in the communities. I believe in the person who has the courage to venture forth and accomplish his dreams, who takes his load of responsibility for the community and the nation squarely on his shoulders. I want to see the country shake off the socialist lethargy that is gradually creeping over us. I want to see direction given to the new people entering the business field by the removal of the iniquitous, complex and onerous tax system.

The complexities in respect of the tax system should be removed so that these people will be able to carry on their business in a more straightforward manner without being concerned about government regulations. I want to see a government in this country that will reaffirm its belief in the free enterprise system and say that it is not wrong to acquire and accumulate assets of value. I want to see a government that has the guts to stand up to the bureaucracy it has created, and which has the courage and wisdom to change it. This cannot happen if we merely put a band-aid here and a splint there. It must all be put together so that those people in our society who are carrying the greatest tax load, who are carrying the largest risk and who are employing the largest percentage of the work force will be stimulated to venture forth and seize the great opportunities there are before us. When this bill goes to the committee—when I put these thoughts together I did not anticipate that we would be looking at events as we are today with the possibility of an election—we will put some pretty hard questions to the minister. We will want to ask the minister about a Canada-first policy in respect of loans and purchasing. We will ask that he amend this bill so that the directors of the bank will be prohibited from borrowing from the new bank. I think that is a practice that should be eliminated.

● (1530)

I think we will want to press the minister to lay down guidelines regarding fees required when the small businessman desires a loan from the Federal Business Development Bank. Businessmen as a rule have their own lawyers. In the past, the IDB had a legal officer and, for some reason, required a third legal counsel—let us call him a patronage lawyer—to take part in the negotiations. In any case, the total legal fees on many loans from the

IDB went as high as 10 per cent or more of the loan. I suggest to the minister that we will press him in committee to lay down some guidelines because I believe that one or more of these steps can be eliminated, thus reducing the cost to small businessmen.

In conclusion, we will ask that those who head this new organization be people who are not bankers per se, but people who are venturesome and innovative so that they may give through their counsel a new sense of hope and direction to this vital part of our society. Those are the remarks that I had planned on making on April 26, so at this point I will conclude, then whoever else is next on the list may continue the debate.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I welcome the opportunity to speak on Bill C-20, the bill that will create the Federal Business Development Bank. I feel that it will be welcomed in British Columbia, especially in the fast growing areas such as the one in my riding of Okanagan Boundary where there are many small businesses which look after the needs of the people in the area as well as service the industries established with the aid of incentive grants which were provided a few years ago.

There are two apparent reasons for the need for this legislation in British Columbia. One is that British Columbia is one of the few provinces with no provincial plan to aid small businesses. The other is that there is a very limited area designated for DREE grants. The B.C. government is too busy buying into or establishing industrial enterprises to worry about small businesses. It is significant to note that one third of the business carried out by the Industrial Development Bank in the fiscal year 1973 was in British Columbia, involving 2,835 loans totallying some $125 million. The reason for this is mainly that B.C. is one of the few provinces in Canada that does not have a provincial agency financing the activities of small businesses. The IDB has done a good job of assisting businessmen who cannot get help from chartered banks, but unfortunately they are restricted by the guidelines laid down in the act.

There are many areas of concern to small businesses. Small businesses play an important role in the economy, creating over 50 per cent of Canada's gross national product and paying 50 per cent of the taxes collected by the government. This is an important consideration to bear in mind if the government is to continue spending more and more money and employing more than 50 per cent of the people working in Canada. The small business is the breeding ground for new industries. What may be a small business today may well be a large industry tomorrow. Small businesses provide the means for entry into business of new entrepreneurial talent, and they are always striving to grow and to challenge large business. They provide a productive outlet for the energies of the large group of enterprising and independent people who attach great value to economic independence. They are often the most efficient form of business organization and are the reason many important trades and industries are made up mainly of small business. They add greatly to the variety of products and services offered to the consumers. The reason is that they can flourish in a limited or specialized market, an activity which is not worthwhile for a larger business.

Many small businesses act as specialized suppliers to large companies for parts or components which can be produced at a lower cost than that of a larger company. The small businesses provide competition and checks and balances on the large corporations which are often inefficient, and so these small businesses contribute to the efficiency of the economic system as a whole.

Their major difficulty is their inability to obtain funds. Sometimes, for the want of a mere $5,000 to $10,000 they are forced to go under. The banks will not take the additional risk because they do not have the staff or are not willing to take the time to help the small business; neither do they have the expertise to understand the problems which small businessmen encounter. Often banks find that they can make more money on the large and safer account. Thus, they place their efforts in that direction and let the small business go under.

The Federal Business Development Bank can certainly do much to help these businessmen, provided it has the proper orientation to do so. Nowhere in this bill is preferential treatment given to Canadian-owned firms as opposed to those that may be controlled in a foreign land. What we are seeing is a shifting of the IDB from the Department of Finance to the Department of Industry, Trade and Commerce. We have had some experience of the way in which the Minister of Industry, Trade and Commerce (Mr. Gillespie) has run similar corporations in this country. I am referring to the Export Development Corporation. The minister has been quite willing to make loans to foreign governments for the benefit of the relatively large corporations in Canada, most of them more than 50 per cent foreign-owned. He has been willing to make those loans on a long-term basis at interest rates of approximately 7 per cent in contrast with the current interest rate at the IDB of 11 per cent, and for larger loans, of 12 per cent.

This brings to mind the time when the government found an excuse not to help the fruit industry in British Columbia under the export market development program. The fruit industry had a good program to put forward which would have given a great advantage to these Canadian producers. But when the chips were down and the industry asked for financial assistance, they could not obtain it. Therefore, they had to put up all the money themselves.

Another instance comes to mind of a small business in Summerland in my riding which had taken insurance against losses under the provisions of the Export Development Corporation. When this small business, which was doing as much as possible to employ people in Canada and use the product of the orchards of British Columbia, encountered a loss in its export trade, the corporation found a clause under which they denied this company's claim for losses. I believe that had this been a large company, probably 50 per cent foreign-owned, they would have been able to convince the Export Development Corporation that this claim should have been paid. However, because this was a small business, they did not have the resources to do this and thus had to take their losses. This

is an example of the attitude that the government takes toward the small businessman in this country.

● (1540)

The needs of Canadian businessmen are very simple. Canadian businessmen need relatively cheap money, and they would like less interference from government. They do not appreciate having to fill out the many forms they receive from all levels of government. They would certainly like to fill out fewer forms. They would like the amount of collateral required to obtain a loan reduced. They do not mind putting up collateral, but they do not want to be harassed by having to put up so much collateral that in the end the loan they get is almost meaningless.

I do not think they would mind getting advice on management from the new corporation, but it is important to realize that the small businessman already knows his needs. In most cases, there is no point in high priced executives telling him how to run his business. His real needs are relatively cheap funds, less government interference in forms to be filled out, and a competitive atmosphere in which he can continue to grow.

This bill appears to do no more than reconstitute the Industrial Development Bank and give certain other powers to the new corporation. Let us hope that the guidelines laid down by this bill will not be so restrictive. Let us hope that when the legislation is passed the organization set up under the Federal Business Development Bank is oriented to the needs of the businessman, and that he will get the help that he has been denied for many years. A strong business community will certainly do much to help Canada in its development and growth.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I merely wish to say a few words about that quite important bill since it contains provisions which would enable the small businesses of my area to take advantage of some financial incentives as well as the assistance of technicians and experts for the organization and the improvement of their businesses.

I understand that under this bill, a Federal Business Development Bank will be created. This legislation should be ratified and enforced as soon as possible so not to delay the development of rural areas where few benefits were granted in the past for such undertakings.

The Department of Regional Economic Expansion is already existing. Through various measures, businesses can obtain financial benefits, but considerable capital is too often required thus preventing promoters to take advantage of it precisely due to the lack of capital.

The Industrial Development Bank grants loans, but very carefully, and representations have often been made by business owners that they were experiencing great difficulty in having their applications accepted for loans which could help them expand, create jobs and be truly competitive.

In my area two community chests work in a quite extraordinary way. Local funds were raised. People investing in those community chests would like borrowers putting those funds to use to succeed in their undertaking.

Now I see that a Federal Business Development Bank will complete the picture provided those institutions work together and supplement one another rather than tell applicants, go to the Industrial Development Bank, the community chest, the Caisse Populaire, the Provincial Bank or any other bank. I would like to see set up under this act regional advisory councils made up of responsible men, men very carefully chosen, in order to help those who still have enough initiative and courage left to set up new industries.

I often said in this House, and I repeat it again today, that whenever any government introduces legislation likely to help industrial development and small businesses in rural areas, I will support it immediately so that legislation can come into force. So for that reason I will limit my remarks to saying that I support the principle of this bill and I welcome this legislation. I hope that later we can improve it by amending it.

[*English*]

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-25, to amend the Prairie Grain Advance Payments Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, Bill C-25 is another important step in the over-all program and policies of the government in trying to assure that prairie agriculture, that grain agriculture in Canada, is in a first rate position from the point of view of its operations, from the point of view of the business itself, and particularly from the point of view of the welfare and well being of the individuals involved in it.

Our over-all package of proposals, those either directly related to the Canadian Wheat Board or to the grain industry generally, and those being developed by the Minister of Agriculture (Mr. Whelan), are designed to assure that farmers do have a fair and adequate return on their work, for their families and for themselves. This has not always been the case. Indeed, farmers have gone through long periods of time when, instead of receiving a fair and adequate return per hour of work, they received far less than their fair share of the returns to all Canadians generated from the tremendous progress made in the economy throughout the country. It was only in fairly recent times that the producers of grain, particularly those who produce for export, experienced a change in their returns so that they have shared to some extent in the productivity increases which are common throughout many sectors of the economy, but which are especially noted in the field of agriculture.

In times past farmers saw year after year go by with very little improvement in their returns on any basis, and

indeed struggled hard to see any improvement at all in the returns for their labour. They managed to exist where they could, partly by their own ingenuity and productivity, because they were willing to undertake whatever steps were necessary to produce more agricultural production during their hours of work, by seizing on technological change and putting it to work for the good of Canada and the good of the world.

● (1550)

In recent times an adjustment has taken place and we see grain prices giving farmers levels of returns which, in effect, do give them fairer treatment. I think it is important, as we look at this over-all situation, that we try to make the case as clearly as we can to all Canadians that a good deal of the change in price throughout the economy was due, and long overdue, to the farmers. In other words, to the extent that food price changes which result from a better return to farmers, have caused changes in price levels across the country, it should not be seen as part of the inflation which the negotiator, whether he be a doctor, lawyer or blue collar worker, tries to make up. A great deal of the adjustment which has taken place in favour of the grain producer is something which all of us ought to see as having been inevitable and necessary, and not something which we should get back.

The bill before us proposes two simple changes in the Prairie Grain Advance Payments Act. In the first place, a change is made increasing the $6,000 limit to $15,000; in the second place, the change allows multiple granting of advances where more than one person engaged in the business of farming is joined in the same permit book and where it would be unfair for all of them to be treated as one farm.

If we look at the history of the legislation we can see how far we have come in a number of ways. The first grain advance payment was part of the program of the Conservatives when they came to power in 1957 under the right hon. member for Prince Albert (Mr. Diefenbaker). It showed that they had some feeling for the needs of western Canada, in contrast with the attitude and approach of that party today which does not appreciate or see the needs of western Canada. Indeed, in contrast to the right hon. gentleman from Prince Albert, the opposition leader does not have any appreciation of the nature of western farmers' problems.

In the 1957 bill certain cash advances were provided to farmers on their farm-stored grain for the first time. The maximum level prescribed in the bill was $3,000. We introduced legislation several years ago which changed that to the present limit of $6,000, and we are now proposing that it be increased to $15,000. This is a tremendous increase from the level of 1957.

In 1957, the per bushel advance possible was a mere 50 cents per bushel of wheat, 20 cents per bushel of oats and 35 cents per bushel of barley. Two years ago, we changed that to $1 per bushel of wheat, 40 cents per bushel of oats and 70 cents per bushel of barley. At the present time, in the elevators across the prairies, farmers with the $6,000 limit are entitled to advances of $1.50 per bushel of wheat, 70 cents per bushel of oats and 90 cents per bushel of barley. The increase from 50 cents to $1.50 for wheat reflects the changed economic circumstances, but also reflects our efforts to try to make the cash advance legislation fit the special circumstances of farmers.

We now have a system by which the farmer can receive his cash in advance of delivery in relation to the kind of delivery opportunity he is going to be given for his grain during the year. It is not, therefore, an interference in the encouragement of production or market forces working upon them, but it is an advance to him of money which he would receive otherwise when he delivers his grain. Because grain is such an easily stored commodity and the farmers involved in the program are so reliable, the program has worked extremely well. There are few programs involving as many hundreds of millions of dollars in advances and involving up to 200,000 producers which have the proud record of this one in terms of minimum of default and minimum of abuse. The producers can be trusted, the security of grain is there, and therefore money can be advanced to them ahead of actual delivery opportunity.

The key in this is that farmers are relieved of some of the distress which can on occasion occur. Although they have the grain and appear to have wealth to sustain them, they do not have delivery opportunities so have to find some other means, either borrowing money or selling grain at a low price in a local market, in order to obtain cash. It is this last point which is important in our discussion today. We do not want to see any unnecessary pressure on the producer to dispose of grain in one market because he cannot wait for quotas. It is in this connection that this particular change is introduced. We foresee a market in feed grains for domestic purposes which is less restrictive than at the present time because of the over-all need to have feed grains prices which are equitable across the country. Producers of animal products who have to buy feed grains as part of their cost of operation will be on an equal footing, separated only by what naturally separates them, geographical facts and the cost of moving products from one place to another.

In that connection the great bulk of grains delivered by farmers for commercial purposes in western Canada will continue to be delivered to the Canadian Wheat Board with delivery opportunity arranged as equitably as possible among producers. The great bulk of farmers will therefore have exactly the same choice that they have now to deliver to the Canadian Wheat Board on quotas as those quotas become available. There will be some who may choose, as they do now, to deliver to their own animals, to neighbours feeding animals or to neighbours slightly further away.

What we would like to assure is that those who want to hold their grain in order to deliver it on quotas are not forced to deliver in another manner because of any desperate need for cash in advance of their delivery opportunity. The cash advance legislation provides this kind of assurance. By its existence the farmer who has grain and who will have quotas throughout the year to deliver his wheat, oats or barley, can receive from the Canadian Wheat Board the greater proportion of his cash at the time he needs it in advance of that delivery opportunity being made available.

We see this bill as continuing the tremendous advantage of obtaining cash in advance of delivery opportunity, as having specific application to the feed grains proposal, and assuring that there will be equitable pricing of grain across the country. I commend it to hon. members in this House. Just as in 1957 it demonstrated the kind of understanding and interest in western agriculture which the right hon. member for Prince Albert has always shown, so today it carries the commitment of the Prime Minister (Mr. Trudeau) toward understanding and improving conditions in western Canada. The present Prime Minister committed this government to bringing in tremendous changes in western Canada. He committed the government to end discrimination in freight rates and to bring about diversified economic growth in western Canada. He committed the government to a new national policy which will take into account the aspirations of western Canada.

● (1600)

When the right hon. gentleman from Prince Albert was prime minister, it was easy for him to be aware of the problems of prairie farmers and attempt to do something about them. He was a Saskatchewan man. He had lived for a long time in that part of the country; he had heard the problems of the area discussed in the press and elsewhere, and obviously wanted to do something about the problems of the area. It is that much more impressive that the present Prime Minister, in determining to come to grips with the problems of western Canada, made sure he understood the problems of the west, although he comes from an area of the country different from that from which the right hon. member for Prince Albert comes.

This prairie grain advance payments legislation, which is but one forward step being taken, is a further demonstration of the determination of this government, as expressed in the Western Economic Opportunities Conference, to leave no section of this country unattended, and to leave no section of the country feeling that its aspirations are being neglected. This legislation, therefore, is part of our commitment to meet the aspirations of western Canada. We are trying to change the national concept laid down by Sir John A. Macdonald under which the country was supposed to consist of hewers of wood and drawers of water. We are trying to decentralize the operations of government in the way witnessed in recent months by establishing, for instance, key offices of the Department of Regional Economic Expansion in Saskatoon, in Moncton and in other areas.

This bill is a small but important step on the course about which the Prime Minister has spoken, a course which is strongly espoused within the Liberal party, a course, namely, which suggests that the government of this country must understand each area of this country, and each one of us, no matter from which part of the country he comes—

Mr. Paproski: Liberal concern stops at the Saskatchewan border.

Mr. Lang: —or which party he supports, must make sure he understands the problems of the other regions.

Mr. Paproski: What does the Liberal party know about the west?

Mr. Lang: It is tragic that there are not other parties in the House which take the same approach to national problems.

Some hon. Members: Hear, hear!

Mr. Lang: It is tragic that, instead, there is a tendency for some parties in this House to fight against the interests of other regions. That tendency is shown by the regional party which calls itself the New Democratic Party and is not a national party and by the official opposition.

Mr. Paproski: And where is the main strength of the Liberal party? Is it a national party?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lang: Instead of being hostile to the desires and aspirations of any part of the country, including western Canada, they should determine the true nature of the problems of other parts of the country.

An hon. Member: What about the government? Does it do that?

Mr. Lang: When the official opposition is not represented in any particular part of the country, it acts in a divisive and regional way.

An hon. Member: What about the government?

Mr. Lang: An hon. member says, what about the government? Let me spell out exactly what I mean. When the Liberal party, in government in this country, saw from the clearest evidence available from the electorate that its policies were not meeting the aspirations of western Canada, it did not, in 1972 do what the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) had advised the Conservative party five or six years ago to do, ignore a great part of the country. That would have not been in keeping with Liberal tradition. Instead, the government determined to spend more time and effort studying western problems. It spent more time studying them than any government had in the history of this country.

Mr. Paproski: Who will believe you?

Mr. Lang: And we determined that we would not act superficially but that we would see what was wrong with our western Canadian policy, understand the fundamental nature of the difficulty and, as a result, bring in not policies which had the appearance of solutions but policies which would meet the aspirations of western Canada to the satisfaction of western Canadians. That is what we shall be doing this year and in the years to come.

Mr. Paproski: You are too late, Otto. You will have to wait until you become leader of the Liberal party.

Mr. Jack Murta (Lisgar): Mr. Speaker, the minister responsible for the Wheat Board treated the House to another of his lectures. Everything seemed to go quite well until he tried to inject humour at the end of his speech. He tried to tell us what the government has done to meet the problems of western Canada. If he wants to retain credi-

bility, he should examine carefully what he said in the closing minutes of his speech.

The minister said that grain farmers are now getting fair and adequate returns, that western grain producers at last are receiving the sorts of returns they have not received for the last few years. That situation is reflected throughout the whole of the economy of Canada, and not just in the economy of western Canada.

When considering what this bill does, we must look beyond the aspect of cash advances to prairie farmers and others and consider the agriculture industry in total. Grain farming is one of the foundations on which our agriculture industry is built. It is my impression that the agriculture industry is in a state of confusion it has not known for many years. This is borne out by the legitimate and well intentioned questions asked every day in this House on the subjects of hogs, livestock, poultry and government policy in these areas.

Bill C-25 is only a small step forward, granted, but it should be welcome. It provides for an increase in cash advances. The bill has nothing new or different to say about agriculture; actually, it is long overdue. It should have been introduced much earlier. Basically, the legislation proposes an increase in the cash advance with respect to farm-stored grain from $6,000 to $15,000 where one person is concerned, to $30,000 where two people or a partnership are involved, and to a maximum of $45,000 where a company or three people are concerned.

● (1610)

These increases are certainly justified in the light of farmers' needs. Indeed, they are long overdue. We have seen the cost of seed, fertilizer, barbed wire, bailer twine, chemicals, machinery and a host of other articles or commodities used on the farm go up by amounts which range from 20 per cent to as high as 200 per cent. The new ceilings governing cash advances are welcome, since they are based on realistic considerations.

At the present time we enjoy a relatively high price for grain and it appears as though prices will continue to be relatively high for the next few years, though possibly not as high as they are today. Thank God this is the case, because otherwise with this government's track record, we might be seeing another operation LIFT. As we move into the summer and toward the prospect of a general election, there is still no sign from the government as to what farmers may expect by way of a comprehensive agricultural policy. There is still no indication of the direction in which agriculture is expected to move. We hear muttering and hints, but that is all.

About a month ago, the Minister of Agriculture (Mr. Whelan) was going around the country saying that if he had his way he would take over the job of the minister responsible for the Wheat Board because he felt he could operate more effectively if both portfolios were combined. The results of this uncertainty are being felt by agriculture producers all across Canada. For too long the government has reminded us of a ship lurching first in one direction and then in another, with no one in command, no one with a sense of leadership. There have been indications for some time that a move is to be made toward stabilization, but this has not gone beyond occasional references in speeches by the minister and some of his colleagues. To what extent does the government propose to intervene, if at all? What does the government have in mind by stabilization? Would any scheme which it might produce be a necessary one at the present time? These are questions which should be dealt with in the context of any bill dealing with cash advances or assistance to agriculture generally.

The minister responsible for the Wheat Board has taken his usual arrogant approach to these issues. He still gives the impression he has all the answers. He likes to tell the farmers, members of the opposition and any others who will listen what will be done. I say to him that he may be able to write intellectually stimulating notes to the Prime Minister (Mr. Trudeau) but that he leaves most of the farmers in western Canada cold.

As I say, it is a good thing that grain prices are relatively high. Nevertheless, the situation should be viewed in the light of the total agriculture picture, and the industry as a whole has nothing on which to plan its operations for the next few years. I have here a report of a statement made by Mr. Bill Stewart, the minister of agriculture in Ontario. It says:

> Agriculture Minister William Stewart said Ontario has urged the federal government to immediately increase the producer prices of butter and skim milk powder by two cents a pound. He told the Legislature on April 25 the current federal dairy policy doesn't go far enough in providing the incentive to maintain and increase industrial milk production.

This illustrates what I have been saying about the lack of leadership on the part of the government, or its agriculture spokesmen. The beef subsidy was implemented hastily without regard for its effect on the marketplace. For a while, it caused chaos, and now it appears the beef industry is in full retreat as a result of actions which compounded earlier damage done by this administration.

I turn, now, to the government's feed grain policy. The Minister of Agriculture and the minister responsible for the Wheat Board said it was the fairest policy they could devise. That is a lot of rubbish and they must know it is not the case. The policy was devised as a political half-way measure. Because of the difficulty which arises in relation to the monitoring aspect, the system of payments has not worked since the program was introduced. One of the indications of the government's lack of vision is the quantity of corn imported into Canada from the United States as a result of the unrealistic pricing of domestic feed grain.

The damage done by the federal government in the application of this interim policy, compounded by antics on the part of certain provincial governments, has led to nothing short of economic stagnation for the section of the industry engaged in animal production. Grain prices have risen so rapidly that the economics of producing milk and meat have completely changed in the matter of a few months. In addition to the confusion and uncertainty caused by the feed grain policy, the price maintenance effect must be taken into consideration. Domestic feed grain costs are being deliberately held up at a time when the last thing that is needed is a maintained minimum price.

I see that the minister responsible for the Wheat Board has left the chamber. I hope he will come back to listen to some of the remainder of the debate. If he decides not to do so, it will reinforce my comments about the arrogance displayed by the hon. gentleman from Saskatchewan.

● (1620)

What we need is the only kind of workable policy, a policy based on true supply and demand requirements. As I mentioned before, a political halfway measure will not work, is not working, and I think is a true demonstration to all parties of the House that it cannot work. Political halfway measures only complicate the issue, and if introduced into this House in another form I believe will not receive the support necessary for their passage.

Another area of concern in the question of feed grain is the seeming inability of the government to make up its mind on bringing forward a new policy in plenty of time for the political parties in this House, producer groups across the country and for provincial governments, particularly in Western Canada, to have a good look at the legislation to see whether or not it is acceptable. The debate on the feed grain issue has been going on for far too long. The government should act, and should act as soon as possible, to bring the matter before the public so it can be discussed in concrete terms.

So far as a grain policy is concerned, I think it is safe to say that Canada has almost reached the crossroads at this particular point in time. In my opinion we can opt for one of two policies. We can either opt for a policy that directs us toward a complete grain economy, which seems to be the policy we are adopting now; or we can direct our energies toward devising agricultural policies that provide for a grain-livestock economy, in which for the most part we feed and process our livestock in Canada and, if at all possible, ship the processed product to other parts of the world.

I know it is safe to say that it is the opinion of the Conservative party that the latter direction is the only acceptable one to follow so far as agricultural policy in Canada is concerned. I think we view with a certain amount of alarm the kind of situation that has developed in the production of hogs, livestock, eggs, turkeys, broilers. We seem to be driving ourselves into a strict grain economy and letting the United States produce the poultry products. I suggest that is a policy that is certainly unacceptable.

In closing, Mr. Speaker, it must be remembered by consumers that the only basic method that we have in Canada of reducing relatively high food costs is to increase domestic agricultural production. The public generally must realize that the farmers are entitled to, and indeed must be able to receive, a reasonable return on their time, effort and investment. The alternative to production at a profit is reduced production and increased imports, which ultimately will result in higher food costs for consumers. I say this, Mr. Speaker, because I believe it ties all our thoughts and goals together and points us in the direction we want to follow. While welcoming the amendment the government has brought forward to the cash advances legislation, I have no faith—this has been demonstrated over the period of years I have spent in the House of Commons—that the government will give any meaningful, long-term direction to agriculture today.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the minister gave us some advance warning that finally he was going to bring some legislation into this House, for on Friday last he issued a whole clutch of news releases. I did not know which was going to come first in his plans, an election or some legislation. This House has been in session during this 29th parliament for close to two years, during which time the minister has changed the direction of the marketing practices of the Canadian Wheat Board for domestic grain, practically without the benefit of legislation. Now that the government stands on the edge of defeat because of its mismanagement of Canadian affairs, its unwillingness to meet the problems of Canadians resulting from the cost of living, and its high-handed action in regard to grain marketing, the government finally brings in some legislation to double the amount of cash advance to farmers in the event that they cannot sell their grain.

Are we being given a preview of the minister's thinking? Is the minister concerned for our future grain sales to the extent that at this point in time he doubles cash advances? Let us remember that this was a measure introduced by a Conservative government, as the minister himself has mentioned, and introduced at a time when grain sales were at a very low ebb. The measure was designed to give some cash flow relief to farmers who at that time were unable to sell enough grain to keep themselves in business.

I wondered why the minister put emphasis on this measure at this time, so I looked at the report in the "Grain Statistics Weekly" put out by the Canadian Grain Commission. In terms of commercial disappearance of domestic and export grain at this point in time, our wheat sales are something over 117 million bushels less than the same time last year. And this, Mr. Speaker, in a crop year that has seen one of the highest world demands and market opportunities for wheat for many a year. The least the minister could have done when he introduced this bill was to explain why, with market conditions as they are at this point in time and with less than three months to the end of the crop year, we are over 117 million bushels short of the sales performance of the Canadian Wheat Board one year ago. That is the result of the minister monkeying around with what was a perfectly good marketing system. He armed himself with a monkey-wrench, a pair of plyers and a bale of haywire and started to work on the marketing machinery. That is the situation we are dealing with now, and primary marketings from farmers are almost in tune with the drop in export sales.

● (1630)

It was in these circumstances that the minister put out a bunch of press releases on Friday in respect of grain stabilization, a farm income package, cash advances, two-price wheat legislation and methods to bring certainty into the timing of final payments and so on. If he gets that all before the House at least maybe there will be some legislative base to work on.

In dealing with this bill I should like to point out one or two things to the House and perhaps to the minister. The

original bill was put in at a time when there was some difficulty with marketing. This kind of legislation depends on two or three basic assumptions, or two or three basic things being in place in the grain marketing industry, without which it will not work. It depends on a quota system that works, and this is pretty important because it is on the basis of a working quota system that a farmer is able to deliver his grain in an orderly fashion, and that the Canadian Wheat Board is sure that repayments can be made. This depends on a price system that works and one that is predictable so the farmer and the Canadian Wheat Board can have confidence in it.

What is the quota system to be in the coming crop year? We just do not know what it is to be. The other day I asked Mr. Jarvis, a witness who appeared before the committee, this question about pricing and the quota system, and he said we would have to wait for another month or two. He is one of the members of the minister's grains group, and that was his answer. How does the minister expect us to be happy with what he is proposing in terms of cash advances when he does not tell us what other packages of goodies he has in his pockets? We do not know what the pricing system is to be. I think the minister has in reality said that the system of pricing on August 1 is to be the Winnipeg commodity exchange. That is what he has been saying to this House, but he has not been able to come out and tell the farmers exactly what he intends to do. Can he not bear to contemplate the results of his handiwork? Are the results going to be so horrible that he will not be able to contemplate them? Why does he not say what he is going to do? Does he not have the nerve to do so?

An hon. Member: Before Wednesday night.

Mr. Gleave: He better do so soon. When the cash advance legislation was passed, it was predicated and dependent upon a stable pricing system. Whatever benefits can be claimed for commodity marketing systems such as the Winnipeg Grain Exchange, stability is not one of them. Some people claim they can make more money this way, but you cannot claim stability. How can we have a cash advance system operating when we do not have a stable pricing and quota system? What will be the effect of the present suggested pricing system? How is the cash advance system going to work when it is dependent upon a monitoring system which is now being used to establish prices of feed grains on the prairies? If the farmers borrow these large amounts of money as envisaged by these amendments, and then either through the commodity exchange system or, by the present monitoring system the minister is using, prices drop disastrously, how are the farmers going to repay those cash advances proposed under this legislation?

I think the minister should explain these things instead of giving us a eulogy in his best classroom manner at the end of his speech, as was pointed out by the hon. member for Lisgar (Mr. Murta). I think the hon. member's point was well taken. It is nice to have a euphoric dream, and it is nice to have fine words, but what we must know is what the legislation is going to do. Will the Canadian Wheat Board be able to demand payments when the quota and pricing systems of the Canadian Wheat Board are no longer working and are no longer in place? How is one going to demand payment from the farmer when quotas are not orderly or properly established? How is this all going to operate? How can you demand payment from the farmer when the bloc system, which was developed and working well, is practically destroyed? In view of the various experiments the minister is carrying out around the country, how can payment be fairly demanded from the farmer who is left in the position that he either cannot deliver the grain or the price has dropped so far down it is virtually impossible for him to repay his loans? Those are the questions that should be answered by the minister.

Perhaps the minister does not know the answers to these questions. Let me remind him that in 1971 and 1972 farmers were badgered for payments. They were suffering the miseries of persecution and dunning for payments. They could not deliver their grain and therefore could not get the money to pay the amounts they owed on their loans at that time. It is fine for the minister to stand in his place and blandly refer to the good record of payments on the part of the farmers, and that the farmers can be trusted, but I have some serious doubts as to whether we can trust the minister.

Mr. Lang: Don't criticize the Wheat Board.

Mr. Gleave: I am not criticizing the Wheat Board, I am telling the minister about his shortcomings. I suggest that the minister should be telling this House how this legislation can work. In the press release he put out he is warning farmers that export markets are not now any more stable than they ever were, and we should be prepared for drastic swings both as to price and quantity. We have already witnessed the slump in quantity. A drop of 117 million bushels in the first three-quarters of the crop year is a pretty drastic drop in the export performance.

My colleague, the hon. member for Assiniboia (Mr. Knight), today asked the minister why it was that the Canadian Wheat Board's selling prices were rising so high above the Chicago prices. The minister did not answer that. He skirted the question. He may have a couple of things up his sleeve. If the minister has anything up his sleeve he should bring it out and place it on the table so that we will know what his policies are. He has been operating the grain policy of the country either through Orders in Council or by making statements such as he did in Estevan where he announced that the branch lines would be closed until July 15th. When that announcement had been made the farmers, of course, wanted to know whether or not it was so. Then, it was necessary to go to the management of the CNR in Saskatchewan to find out whether or not they intented to close the branch lines until July. They said that was not their intention.

● (1640)

Mr. Lang: That is why I did not say that.

Mr. Gleave: If the minister did not say that perhaps it was said by one of his handy men, one of the smart boys who run around on his behalf.

What right has a minister of the Crown or any of these other people to go to Saskatchewan and announce that the branch lines of the railway system will be closed down until July. They have no right to tell the people this. It is

just the mouthings of a dictator, a guy who operates out of his hip pocket. The farmers of western Canada deserve a better deal. They deserve better consideration than this.

An hon. Member: They deserve a better government.

Mr. Gleave: Yes, they deserve a better government. The real story in respect of the minister's domestic grain marketing policy was revealed not in this House but over the CBC by a commentator, Mr. Jim Rae, from Winnipeg. This is a government of leaks. You know, somebody gets an idea from a secret conference behind the scenes and peddles it to the press. In that way we find out what is in store for the western farmer in respect of marketing. The real story is that the Canadian Wheat Board's work will be cut severely while the work of other marketing organizations will increase. One has to listen to the public media in order to find out what the minister has in store for the farmer. The minister intends to turn much of the power of the Canadian Wheat Board over to the Canadian Livestock Feed Board.

An hon. Member: That will help the people in Quebec.

Mr. Gleave: Yes. The other day we heard demands in respect of the Unemployment Insurance Commission that the board of referees be bilingual. I told them that the language ought to be Russian or some other ethnic language because that would be a lot better in Saskatchewan. However, these are some of the policies the minister trots out. The Livestock Feed Board may even ask the Wheat Board to sell feed grains in the domestic market and cut off their export sales which have already been made. One reason we have this very poor export performance is this type of approach. Then the experts go on to say that in the next crop year if the Canadian Wheat Board does sell grain in the domestic market the only way they can establish a price is through the Winnipeg commodity exchange. This is the story that is told by newsmen on the CBC. This is the type of policy that is being worked out. Western feed grain will be bought and sold freely and not restricted to any quantity.

I got a kick out of hearing the minister say that they will be selling it to their neighbours but that their neighbours may be a fair piece away. I thought that was pretty good. This is the sort of program that is being proposed. It is the type of program we must consider in respect of this legislation. I think there are two responsibilities here with regard to this legislation. One is to see that it will operate in such a way that if the producer borrows the money he will have full expectation of being able to repay it by the only method he has, which is the delivery of grain. I think the other responsibility we have is to the taxpayer of Canada who is making the money available on an interest-free basis. These are the two responsibilities members of this House have. Perhaps a third responsibility is to see that the farmer can function in good times and in bad times without too much duress.

The point I should like to make is that if the minister intends to change the operations of the Canadian Wheat Board to the extent they have already been changed and to the extent they are apparently to be changed, then the farmer will not be in a position in which he can be sure he will be able to repay the money and the Canadian Wheat Board will not be in a position in which it can be sure that it can recover these payments due. My real fear is that this program which has been excellent, and which has served the people of Canada and the farmers very well, will come into disrepute. That is the real danger. When the minister stood up he made no attempt to tell the House how this legislation could work well under the new pricing and selling methods which will be used in respect of feed grain sales. We must not forget that feed wheat is an integral part of the industry.

This is not only a concern of mine. Other people share this concern, including the government of Manitoba. The minister of agriculture of that province even went to the extent of polling the farmers of Manitoba in order to find out their attitude concerning feed grain marketing. The federal Minister of Agriculture undoubtedly has received opinions from such organizations as the Federation of Agriculture, the Saskatchewan Wheat Pool and the National Farmer's Union. I am sure they told him the same things they told me. They are very concerned about the path he is taking particularly with regard to domestic grain. I am sure they expressed that concern to him as it has been expressed in this House. The minister has chosen to ignore entirely these expressions of concern.

The minister goes on his merry way and winds up making a peroration about what a nice thing it will be when all Canadians lives together in a happy community where momma loves poppa, poppa loves momma and the kids love everybody. That is the sort of dreamland in which the minister is living, but the ordinary producer and farmer must live in the real world where he has not only to borrow money but to repay it. We have not had the answers this afternoon, so I suppose we will not get them. I hope the minister will tell the railroads that branch lines will be in operation soon. It is our hope that he will get them going by June 1.

● (1650)

Mr. Lang: I did it at Lloydminster.

Mr. Gleave: That was good of the minister to unload it on Albertans as well as on Saskatchewanians at the same time. A load of so and so like that should be spread around. It is too much for one province to bear. It is the sort of thing that the minister unloads from time to time.

I am very concerned about the slump in which I find our grain deliveries. I do not believe farmers can borrow themselves into prosperity. If we are to have prosperous agriculture, we will have it because of good production, good marketing and an efficient industry all around. The minister said in his speech that the survival of farmers has been largely due to their efficiency and productivity. I agree, but I suggest that their efficiency and productivity can stand only so much badgering from the poor policies which are poorly planned from the top.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I am pleased to say a word about Bill C-25 this afternoon.

Mr. Knight: Mr. Speaker, I rise on a point of order. We are presently in the first round of the debate, and to be fair we should hear from the agriculture critics of all

parties. I say that not because I want to cut off my friend the hon. member for Swift Current-Maple Creek (Mr. Hamilton) but because it seems to me that we should hear the spokesmen of all the parties on this subject. The hon. member for Bellechasse (Mr. Lambert) was prepared to speak on behalf of his party.

The Acting Speaker (Mr. Boulanger): I am glad the hon. member reminded the Chair that this is the first round. I apologize. I should have recognized the hon. member for Bellechasse.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I thank my hon. colleague of the New Democratic Party for his intervention and I apologize to my hon. colleague from the Progressive Conservative party. I understand that there had been a previous agreement, but we are aware of our responsibilities and we usually respect our engagements. The Chair was well advised to consider the point of order raised by my hon. colleague of the New Democratic Party.

I would like to take part very briefly in this debate because I want to be better informed and to be involved in improving the methods of farming used in the ridings of our Western colleagues. If I understood the minister correctly, he said a moment ago that the Liberal party is the only one able to grasp problems at the national level. I very much deplore this remark by the minister because, with today's media, transmitting news instantaneously throughout Canada, I think that every member who takes a serious interest in his country's problems can surely see that in the East as in the West, in the Maritimes or in Ontario, agricultural problems are very similar.

After listening to the speech made by the hon. member who spoke before me, who was wondering what prices grain producers will be receiving, even with this amendment to the bill, which, I hope, will pass, I am under the impression that even in western Canada, farmers would like to know slightly in advance if their future income will allow them to remain in business and meet their commitments.

About fifteen days ago, when we were discussing a bill to allow the farmers to borrow money under some legislation and talking of establishing a higher loan ceiling I said: that farmers must be allowed not only to get into debts, but also to obtain an income so that they can pay back their loans. I imagine that western Canada's farmers faced with the same problem and that this is why they are very worried about the future sales of their grains.

Incidentally, I would like to point out that this legislation enacted in 1957, as the hon. minister said a while ago. In its Annual Report for 1972-1973, on page 63, the Canadian Wheat Board makes the following statement:

> Advance payments on unharvested grain are payable only under Section 7.2 of the Act and an Order in Council must be made for its application. Grain unharvested on account of bad weather causes also under that Section which was resorted to during the crop year which is the object of this Report through Order in Council 1972-2994 which was valid until May 1st 1973.

Under the amendment to the Advance Payments Act, are any difficulties foreseen as concerns the sales of the 1974 crops? Is a loss anticipated on the international market, or is an even greater demand foreseen on the part of the farmers for the implementation of this act so that they may benefit from it?

Mr. Speaker, if I may refer also to the Annual report of the Canadian Wheat Board—

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wish to rise on a point of order. In line with a suggestion I made earlier this afternoon, I may say that there have been discussions and I believe you will find there is agreement in the House for us to give up the private members hour for today so that the discussion on the second reading of this bill can continue. In that way perhaps two or three more speakers might have time to speak before six o'clock.

The Acting Speaker (Mr. Boulanger): Do I gather that we have the unanimous consent of the House to continue the debate on Bill C-25?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, although the government is a minority one, I suggest that one realises that matters can be handled very quickly, and I welcome this. I would like to see this bill carried as quickly as possible, and for this reason I shall be brief.

I would nonetheless refer to a table published in page 21 of the agenda to the Canadian Wheat Board Annual Report:

> Total Number of Canadian Wheat Board Delivery Permits Issued to Producers:

For the year 1958-59 the number was 229,844, while for 1972-73, the reported figure is 171,612. So there was a decrease of 58,232. Would the minister explain to the House in this debate the reason of that decrease in the number of permits? Did their prices go up in terms of bushels per acre or did the acreage actually remain the same despite the drop in the number of permits?

● (1700)

Those are questions about which we are greatly concerned, and I would hope that some light could be cast on that.

Coming back to the bill itself, I agree that with the devaluation of the dollar and with inflation this amount should be increased from $6,000 to $15,000. I think that would be quite reasonable. Consideration must also be given to organizations and operations and those amounts should be increased to $30,000 in the case of a two-member partnership, or $45,000 in the case of a three-member partnership.

I think those are improvements and I would like to see those contained in the bill implemented so that western farmers will benefit from them in order to ensure the survival of the important farm industry which is currently experiencing excessively difficult times, especially Quebec, Ontario and in the Maritime provinces.

It will be remembered that in recent days, particularly here in this House during the question period, the problem

of beef, hog, milk and poultry producers has often been raised. That means that there are problems across Canada, and I would like to draw the attention of the minister responsible for the Canadian Wheat Board (Mr. Lang), who is also responsible for the distribution of feed grains across Canada, to the fact that the feed grain problem in my province is extremely serious. One has only to come to our ridings to hear hundreds of complaints in that respect and eastern farmers hope that the new policy referred to by the minister not too long ago will be announced soon and will bring improvements to Quebec and Maritime farmers so as to allow them to bring their production costs down without for that matter having to beg for charity from western farmers.

Mr. Speaker, we do not ask western farmers to give us their crops as a present, or to let us have their production at sacrifice prices, but we want the government to ask in such a way as to ensure eastern and western Canada equal opportunities in the areas of beef, pork, poultry and milk production.

The central government must take the necessary measures, otherwise we shall get even closer to reduced production, specially of milk, and we shall have to import more in the coming year. But who will be our suppliers? New Zealand is experiencing the same phenomenon; according to our information, milk production has decreased considerably. The same is happening in Australia. If we do not take the necessary steps for the survival of the industry, I do not know in what country we shall get the dairy products we shall need in the next few years.

The bill deals with agriculture as a whole. In my mind, when we speak of agriculture, it simply means all productions related to agriculture.

Therefore, I support the bill now before us. I endorse its provisions and its principles. I want to assure my colleagues and farmers from western Canada that even though we represent eastern parts of the country, we want to promote their prosperity and support the efforts of those who seek greater and more stable income, so that all together we can work for the survival of the Canadian agricultural industry.

[*English*]

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I am pleased to take part in the debate on Bill C-25 which is to amend the Prairie Grain Advance Payments Act. Over the years the so-called cash advance legislation has been very helpful to western grain producers. As the minister indicated, it was introduced by the government of the right hon. member for Prince Albert (Mr. Diefenbaker).

The bill proposes to raise the ceilings from $6,000 to $15,000 for an individual, and where there are two shareholders or partners over 18 years of age to $30,000. Where there are three or more shareholders involved, and they are principally occupied in farming, the ceiling will be $45,000. These are large sums of money. They indicate just how far rising costs of production and inflation have cut into western agriculture and added to the costs of our operations out there. The minister made a great point about how far he has gone. He went to a lot of trouble to tell us of his concern and to indicate the actions he has taken to help western agriculture. I can tell him that my constituents are completely confused by this lawyer's advice. What they want is common sense advice.

To indicate the concern which we have in the west, I would like to quote as follows from a bulletin of the Saskatchewan Wheat Pool issued on April 22:

> The pool directors said members are concerned that government doesn't seem to understand or listen to their views. "Right now they have the feeling they're not being heard clearly and they're talking about drastic action to make sure the government knows they are highly concerned."
>
> Reports from member meetings indicate that farmers are suggesting that their organization get more militant in dealing with Ottawa. Ideas suggested include a march on Ottawa, mass meetings in Saskatchewan to demonstrate concern, circulation of petitions requesting specific policies, a letter writing campaign to M.P.'s, enlistment of stronger prairie government support for agricultural causes.
>
> "Our members are asking us to be more forceful in our presentations," said the Pool directors. "They're saying we should fight openly if necessary to gain the things that are right for farmers."

I point out that this is from the largest farm organization we have in western Canada. I think it gives the lie to the minister's case. My experience over the years is that the minister has proven just one thing to the grain industry of western Canada, and that is that we are able to give our feed grain away at fire sale prices. Everyone well remembers when we were trying to get a four bushel quota and $1.25 a few years ago, and the best this minister and his experts could come up with was operation LIFT. The money that is being talked about in this bill is a cash advance on the produce that the western grain farmer must store until it can be marketed; it is not a grant from the government in any sense of the word.

● (1710)

There are a good number of reasons why western farmers cannot market their grain, and transportation is the first one. We have just come through a wasted five year freeze on transportation. Our people are desperate for some leadership, Mr. Speaker. The particular subdivision to which I deliver grain has not had a train for over four months. There are absolutely no delivery opportunities there at all, and at the end of the crop year the country elevators were filled. This indicates just how necessary the cash advances are.

I should like to read from a letter which I just received from a constituent of mine who points out that even though the rest of the country seems to think that farmers are receiving $6 per bushel for spring wheat, this is not the case. Farmers received $2.25 initial price and another $1.75 but they will be fortunate if when they receive their final payment it brings them net $4.50 for No. I.C.W., the top grade of spring wheat. My constituent writes as follows:

> Last fall, I harvested my crop but no room was available in the town where I haul my wheat for months—Estuary. As you know, the trouble was due to a lack of boxcars and then later, the rail strike.
>
> Now, the government knew there was a rail workers' strike coming before it ever took place. Then even during the strike, they dragged their feet and were not in a hurry to settle it. I knew what the outcome would be, so did the government. Yet they refused to hurry, even though our wheat was badly needed and winter was coming on.
>
> Finally, I was able to haul my first wheat for the new crop year on October 12, 1973. Then in November I was able to haul two more loads. From then on, the elevators were blocked for a considerable time and finally my farm was snowed in and still is.

This letter was written on April 1, Mr. Speaker. He continues:

> There have been times when I could not haul wheat for three or four months, due to no quotas, etc. If the grocer had not extended credit to me, it would have gone very hard with us in those past years. Yet, these things are never realized or cross the minds of many well fed and well paid government officials. If they would receive a cheque once in three months, maybe their thinking would change a bit also.

Later, the letter continues:

> I say the Trudeau government has had the poorest management and price controls we have seen in many a decade. I hope a change will come for the better, soon. I have grown up in the "dirty thirties" and I know what hard times are. I know how to save, but I have never been able as yet to even keep a life insurance policy paid up let alone have a bank account. Surely things could be managed a lot better in a country that is blessed with all the resources we have in Canada. I was born here and I am grateful for our freedom, but there are some things as I mentioned, that I say is a shame for our country.

There are many, many people who could write similar letters, Mr. Speaker.

As I said at the outset, over the years this cash advance legislation has been very helpful. From its inception in 1957-58 to the crop year, 1972-73, there has been a total cash advance to western producers of $1,042,166,054. Of that, there was owing to the Canadian Wheat Board on July 31, 1973, some $7 million—this is less than three-quarters of 1 per cent. I should like to make the case that most of this has been through loose administration by government employees and not because farmers have not repaid.

While I am on the subject of loose administrative procedures, Mr. Speaker, I should like to say that we resent the harassment of producers by bureaucrats. Particularly we resent what I could call the sinister grains group that has been set up and that has ridden roughshod over some of the respected organizations administering our grain policies in western Canada. I can think of the person who set up the grains group, Mr. Rod Bryden, who is now a consultant for the government and is paid from public money to look into the question of elevators in western Canada. I was shaken the other day when a member of the grains group took it upon himself to announce that there will be a system of flexible tariffs applied to the grain industry in western Canada. We have a very respected Canadian grain commission which has the responsibility for setting tariffs. I was even further surprised when the chairman of the Canadian Wheat Board volunteered the information at a transportation meeting in Ottawa that they would spend some $130 million of farmers' money to purchase 4,000 hopper cars. It seems to me, Mr. Speaker, that this sort of announcement should not come from government boards and commissions.

This afternoon, in reply to a question about whether the government's two price wheat program actually saved consumers eight cents on a loaf of bread, the minister in his typical roundabout way indicated that the government's program did in fact save consumers eight cents per loaf. This is utter rubbish, Mr. Speaker. Any one even slightly familiar with the industry knows that you can get about 60 one pound loaves of bread from a bushel of wheat. A table of subsidies put out by Agriculture Canada shows the posted price of wheat as $6 per bushel but our wheat is selling for about $4.50 per bushel, and the subsidy paid by the federal government is $1.25 which I calculate to be about two cents per loaf.

[Mr. Hamilton (Swift Current-Maple Creek).]

Some things about the cash advance legislation have caused problems, Mr. Speaker. One is the business of terminating quotas. The Canadian Wheat Board has authority to terminate quotas and force the grain in. This works a hardship in a situation where an old couple may have left the farm for the winter and moved into the city or down south. I hope that the government will give more consideration to such people, and I realize that last year the Wheat Board were very responsive, realizing that the roads were snowed in. I would also urge that the government consider allowing a tenant to apply for his share of the cash advance without having the landlord sign.

Finally, I should like everyone to understand that if a farmer takes this cash advance it is only an advance on unsold produce and that he pays income tax on it.

● (1720)

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, the minister traced the history of cash advances to western producers. In the 1950's, when farmers could not find markets for their crops and asked for cash advances, they were told that such a program would be impossible to administer. Strangely, the Conservative government in 1957 introduced the maximum cash advance of $3,000, an amount the minister treated lightly. Three thousand dollars in those days would go farther to meeting costs than a like amount would today. The advance was intended to help small producers. Over the years it has helped smaller producers. Operators of larger farms have always had access to money at low rates of interest. Although I support the increase to $15,000, I think the larger sum will help operators of larger farms.

The idea behind cash advances was not the same in previous years. Cash advance legislation was introduced to meet the needs of farmers who had no markets for their wheat. Not having markets, they could not deliver their grain to elevators and get a cash ticket. Today the difficulty lies in getting grain to export position. Once more the minister has come to the aid of the railroads. If you provide the farmer with a cash advance, he will not be so worried if he does not see the train. The pressure is taken off the railroad. Of course, the cash advance will not help the farmer who has tough or damp grain, or whose grain starts to heat when the weather gets warm.

The minister operates with a method entirely his own. *The Western Producer* of April 25, 1974, carried an article under the headline, "Grains Council gets warning from Lang". The Council did well to heed the minister's warning, as he allows organizations and boards only so long before they are forced to agree with his conclusions. In this connection, may I refer to an article in the *Star Phoenix* of October 15, 1972, in which the minister is quoted as saying:

> One of the significant things about LIFT was that it was the one measure which we had to do a little harshly. We couldn't wait around and give everybody lots of choice and understanding.

Freedom of choice and understanding are what democracy is all about. In his dealings concerning the Wheat Board and western transportation, the minister has told organizations to present briefs and ideas, and then has said that those ideas are wrong and his are right. In the

speech which Mr. Jarvis delivered for him, the minister said, as recorded in *The Western Producer* of April 25:

In the very near future, the federal government will be making known its final policy decisions for a new domestic feed grains policy for Canada.

Apparently the minister does not listen to anybody. He does not act on the basis of compromise.

The minister referred to two-price wheat and how great that was for the western farmer. When two-price wheat was introduced in January, 1972, the asking price in Vancouver for prairie grain with 13½ per cent protein content was $1.71; that represented an additional payment to the farmer of $1.28. The asking price for grain increased, until in May, 1973, it was $3.05 in Vancouver. After that the western farmer started to lose money on the grain consumed domestically in Canada. Let us assume we use about 60 million bushels a year in Canada; we use about 5 million bushels per month. If you apply the asking price to that amount of wheat, you will see that, under two-price wheat, the farmer was about 5 million dollars ahead of the game up to the end of April, 1974. Taking it in round figures, we can say the program has been operating for 2½ years and the farmer has benefitted overall to the extent of about 5 million bushels. Unless we can continue to sell wheat in excess of $5 and get it to export position, the farmer will soon run up a net loss under the two-price system. I hope the government does not try to kid anyone.

The minister, in his speech in Estevan, said how great two-price wheat was. He also said the government intended to buy 4,000 new hopper cars. That is interesting. He still has to announce the order. There are no hopper cars on order. Even if they are ordered now, delivery cannot take place until 1976 at the earliest.

The minister mentioned feed grains policy. The industry could not come up with a satisfactory pricing method for feed grains, but the minister did. He introduced a system of monitoring off board prices. There are monuments to the minister's policy which will stand for many years, and I am referring to the empty feed lots in many municipalities of Saskatchewan. You will find bankrupt feed lots in practically every municipality. They are monuments to the minister's pricing policy and methods with regard to feed grain.

A previous speaker linked cash advances with the quota system. Certainly, the minister's policy has ridden roughshod over the quota system. A quota system will not work if some deliveries come under the quota and others do not. The government's feed grain policy has created havoc in feeding operations. According to *The Western Producer*, you can buy an entire basic herd in just about every municipality in Saskatchewan. I looked at some herds over the weekend and talked to some of the people who are getting out of the business. The government had better take a serious look at the sorts of policies it has introduced in the past as they have practically eliminated incentives for the production of food which is needed in the world and in Canada.

The minister said that we are behind with grain deliveries, as compared with last year. Do you remember the slogan of 1972, "The land is strong"? There was talk of delivering a billion bushels. That slogan is hardly opportune today, in view of recent strikes. Consider the government's response to the rail strike last fall, and compare its attitude last fall with the attitude as shown in the slogans "The land is strong" and "grain handling strikes are a barbaric weapon which costs us sales." It is strange that on the one hand the government considers strikes barbaric and that on the other it condones strikes, legal or illegal, wildcat or otherwise. The government's position here is different from its position on the prairies. The government members here chant that it is the liberal way to allow strikes wildcat or legal.

● (1730)

As I said at the beginning, I welcome this increase. It may help some farmers, especially those who cannot sell their grain because their farms are on rail lines which the companies, for one reason or another, fail to serve.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, Bill C-25 is a simple bill. It provides for increases in cash advance payments to individual farmers on farm-stored prairie grain from $6,000 to $15,000. The ceiling has been raised to $45,000 for partnerships and corporations in which three or more farmers are involved. I welcome this legislation and think it heads in the right direction. Administered properly, this legislation has helped farmers in the past when they have found themselves in dire financial straits.

I should like to examine this bill in relation to the government's total farm package. Then, perhaps, we could discuss it with a little more wisdom. I should certainly like to know what the government's feed grains policy is to be. I think there is a deliberate policy on the part of the government to dismantle the powers of the Canadian Wheat Board, a Board which has been a good friend of the farmer for the last 35 years. Many powerful allies are helping the government to follow this train of thought. As long as a feed grains policy is not fully defined, there will be problems concerning cash advance payments.

What is to happen to the quota system? As I understand it, there is to be an open quota on feed grains but a restricted quota covering grains which come under the Wheat Board. I believe the whole quota system is likely to be a total loss, along with the transportation system which will also be affected. The hon. member for Lisgar (Mr. Murta) said domestic feed grain prices have been deliberately held up in price. In my opinion, it is about time they were. Present prices will at least cover cost of production as well as help farmers to repay some of the debts they accumulated during the years they were selling grain at below cost; for instance, for 30 cents a bushel to farm implement companies who were feeding it to cattle and realizing a good profit on the enterprise. I hope the price of feed grain stays up for the foreseeable future because, as I say, it is about time farmers received a fair price for their products.

I should like to point out that growing grain is one of the most efficient ways of producing protein. The feed grains industry is important, of course; and the livestock industry is important. But there is something we shall have to realize in this country within the next five or ten years, that converting the protein in grain to protein in pork, poultry and beef cattle is an extremely inefficient process. Protein in the form of beef and pork is an expen-

sive form of protein, and as the world becomes hungrier, protein from grain will be an important factor in saving from starvation people in many parts of the world, that is, if we are concerned about people in other parts of the world. I was reading an article recently which pointed out that, weight for weight, soybean contains twice as much protein as animal products.

In conclusion, let me say we should be strengthening the Wheat Board rather than weakening it through a feed grains policy which in my opinion is to the detriment of the western farmer. At least 90 per cent of the western farmers to whom I have spoken feel that barley and oats should remain under control and that the pricing mechanism should come under the board. They are also concerned about the future of the quota system. Many farmers have asked me, "Why is the government buying hopper cars for the railway companies, when it should be the responsibility of the CN and the CP rather than an expense borne by the Canadian taxpayers?"

With regard to rail line abandonment, last summer, when the federal government held the prairies conference in Calgary and met with the western premiers, they said they would postpone railway line abandonment for 18 months. Today, the minister and other spokesmen for the government are saying the lines will be closed down until July 15. There has not been a train to Meadow Lake for about a month: there has not been a train down the Glaslyn-Turtleford line for about six weeks. The rail roads are open; there are no lines washed out there. There may be in the Lumsden area, but not in the northwest. It seems to me a deliberate attempt is being made to abandon lines via the back door, which is something the western Canadian farmer will not forget should an election come, whenever that may be.

I am prepared to see this bill pass second reading. We are in favour of it. However, I am hoping that our railroad system will be so efficient that farmers will be able to sell their grain when they need to, rather than being obliged to make use of this legislative machinery.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I find that the opportunity afforded me to take part in the debate on this bill is opportune since only today I tried to put a question to the minister in charge of the Wheat Board but was unable to pursue it because Your Honour, in your wisdom, did not see fit to allow me to do so. I posed that question believing it was straightforward, forthright and one which producers in western Canada could expect to be answered. I would never question Your Honour's authority or wisdom, but there are occasions when not only members of the House of Commons but people across Canada deserve an answer to questions they have raised.

● (1740)

I believe that the producers of grain deserve an answer on matters as important to them as, not only this bill, but what is happening to their product after it is produced. I have before me a report in the *Globe and Mail*. I trust that the minister in charge of the Canadian Wheat Board is not like his counterpart, the Minister of Agriculture (Mr. Whelan), who has stated that the *Globe and Mail* does not always print the truth, because the minister is quoted by the *Globe and Mail*. The article begins by saying this:

[Mr. Nesdoly.]

Parliament took a major step yesterday toward writing into law the government's two-price wheat program—

This is a program of the minister responsible for the Wheat Board, which the *Globe and Mail* article says is "currently saving consumers eights cents a loaf on bread prices". The hon. member for Swift Current-Maple Creek (Mr. Hamilton) referred in his speech to a question I asked today, and I think fairly well explained the situation. It is not a question of who is paying for what. I am sure that the consumer is prepared to pay for his products, and I know that the producer is prepared to place his grain on the market on an equitable basis. But I believe he has the right to know what is happening to his grain.

The government is paying a subsidy of $1.25 a bushel, which amounts to approximately two cents a loaf. That is a matter of mathematics and I do not think it should present a problem to the minister. Today I was hoping the minister would rise to state unequivocally exactly how this $1.25, to a maximum of $1.75, that the government is prepared to pay as a subsidy to bread manufacturers is going to be applied. The minister may skate around this question and throw in some figures, but I believe the producer has a right to know what is happening to his grain.

The producers are also asking other questions. For example, how is the subsidy payment going to be made? Is the government making this payment as purchases are made, or is it made to the Canadian Wheat Board on a quarterly basis or at the end of the year? Then, again, how is the subsidy, after it is paid to the Wheat Board, paid to the producer? Is it going to be on a acreage basis, as it has been over the past years, or is it going to be placed in the pool and paid out on a bushel basis? On what grades will the payment be made? These are all questions that the producers are asking, and I believe the minister would be doing a service to Canadian producers if he would rise in his place and unequivocally tell the House exactly how these payments are going to be made in the days and months that lie ahead.

Mr. Lang: The hon. member should read the bill.

Mr. Towers: There is nothing about that in the bill. All the bill refers to is advance payment on grain. The question being asked today is how these payments will be made. The minister rose in his place and stated that a Conservative government years ago established, in their wisdom, a base of $3,000 for permit holders. Then in very gracious words he pointed out how much more the government today is giving the producers, namely, $15,000. I would impress upon you, Mr. Speaker, that that original $3,000 bought in those days as much as $15,000 will buy today. The Minister of Agriculture has said that some agricultural input costs have gone up 200 per cent to 300 per cent in the last year. So if you look back over the many years since a Conservative government first had the idea of instituting this type of policy, you will see the producer is just holding his own.

This bill places salve on a sore wound. The government insists on continuing its policy, or rather lack of policy, of failing to come to grips with the real problem facing the agricultural industry today. The real and long-standing difficulty confronting the farmer is the cost-price squeeze

in which he continually finds himself in the present-day economy, one in which inflation is destroying the stability of the industry. Populationwise, the farmer is in the minority. It is a generally accepted fact that 7 per cent of the population is engaged in agriculture and the production of food. Yet the farmer has to compete with the other industries on the labour market, and this includes the government, attempting to hire the workers he needs. The government is causing a great drain on the labour market today. In the agriculture committee we were told there were 662 Ph.D's working in the Department of Agriculture research branch alone. Certainly there is a great demand for efficiency in the industries of the world.

No doubt this bill will be proclaimed by the government as of great advantage to the grain producer, but it certainly falls short of what the farmer could and does expect from the government. This legislation will not give the farmer any extra money for his product. I want to impress upon every urban dweller—and I include in this group the minister responsible for the Wheat Board—that this advance payment has to be repaid, every cent of it. Actually, what it does is to get the government off the hook once more, at a time when it should be going out to sell grain to the maximum potential. If the farmer were assured that there would be an opportunity for him to market his grain on a steady basis throughout the year, knowing full well that at the end of the year he would not be left holding the bag—a bag that does not contain money but only the sweat, labour and tears of his efforts of the previous year—he would not need any other inducement to grow grain.

During the past several years the Liberal government has mishandled farmers' products. First of all, there was the supposedly famous Lift program, which the hon. member for Battleford-Kindersley (Mr. Horner) made reference to and for which the farmers of western Canada have not yet forgiven the government; nor should any consumer of this country forgive a government for establishing any plan that is detrimental to the production of food. For example, I refer to the program of a former minister of agriculture to kill thousands of chickens and hens so the producers could receive a benefit. The people of western Canada referred to this program, and still refer to it, as "henocide". It is immoral and illogical to try to justify a program of this nature, and now we are getting into a similar situation.

The Canadian Wheat Board is sending out letters urging farmers to deliver their grain. Elevators are plugged in many areas, so cannot accept delivery. There are ships on the west coast waiting to be loaded. The Canadian grain producer is paying demurrage charges. There are hungry people at the other end of the line waiting for this grain, waiting for food. Added to this confused muddle we have a Minister of Transport (Mr. Marchand) who admits that our transportation system is in a mess and that he does not have control.

I should like to refer to a letter that appeared in the *Western Producer* of April 25, 1974. A portion of this letter reads as follows:

● (1750)

A survey in early March of elevators at Indian Head, Qu'Appelle and McLean reveals the following:

McLean elevator is filled to capacity.

Indian Head elevators with approximately 633,000-bushel carry-capacity have now in storage 503,000 bushels of grain.

At McLean and Qu'Appelle loaded boxcars waited for ten days before being shipped.

In Indian Head ten loaded cars were stationary from February 11 to 25 before being picked up. Serial numbers of these cars are available.

These points are on the main line of the CPR which would therefore emphasize the fact that there is grain available at centrally located elevators waiting to be shipped to the terminals. It would appear that the responsibility for failure to meet our obligation to overseas grain markets should be accepted by the railroads as they have failed in their obligations to move the grain which the farmers have already supplied to their local elevators.

That is why I suggest we have to go along with this type of program as this government procrastinates to the point where farmers are not able to deliver their product, and they do need money with which to operate. The opposition has tried and tried to get the government to take some definite action. The government has turned transportation over to the Canadian Transport Commission, placing at its head a former member of the Liberal cabinet who certainly did not do anything to enhance his image in the eyes of the Canadian public when he was in parliament. How can he be expected to do other than create the type of situation we have within our transportation system, which the Minister of Transport has defined as a mess?

The chief commissioner of the Canadian Wheat Board said earlier this month that even if the targets set by the railways for grain movement are met starting immediately, the west coast backlog will not be cleared until the end of July. Vessel demurrage will continue to cost producers hundreds of thousands, if not millions of dollars until the situation is rectified. The circumstances at the lakehead are serious also, but will not be realized until the middle of May when stocks disappear and vessels might be waiting in the St. Lawrence. If the railways do not meet their targets, insufficient grain will move to the lakehead for lake vessels to meet Wheat Board commitments. Once lake freight is lost, it cannot be recovered, and the same costs and charges of contractual default will be faced as are now being experienced on the west coast.

The railways said their targets would be met by July 31, but the chief commissioner said that is not satisfactory to our customers who expect to lift their grain between February and July. They are not satisfied to have their supplies by the end of July, especially when there are people hungry and starving in May. He also stated that with the over-all shortage of cars, grain has not been getting its fair share. Regardless of the fact that one minister is urging farmers to plant more grain, another telling them to deliver their crops to the market, and the Minister of Transport announcing the repair and purchase of additional boxcars, with contracts signed for the sale of grain, not one of these requests, pleas or statements is worth anything to the producer when his grain cannot be delivered.

Why should this government or any reasonable, thinking person expect farmers to plant one more field at the request of the minister when they are faced with the pressures and frustrations of not being able to get their grain into the elevators? Why should the farmer continue year after year to sweat it out, knowing that with luck he might break even and without luck he will be met with a loss in his operations? Granted, the farmer is the backbone

of the nation and we cannot get along without him. Why, then, does this government insist upon introducing piecemeal legislation which is only a stopgap, just to make the picture look rosy in the eyes of those who do not understand the difficulties of agriculture, particularly when this serious situation is not going to disappear on its own? Until ministers responsible for agriculture, transport and the Wheat Board work together toward a sound, long-range program not just for today, this week, next month but for the future, this situation will not disappear.

At a time when the price of grain is right and it should be moved, there is a bottleneck; yet farmers are urged to plant one more field, not having any guarantee that the price will last unless this government takes some effective action. We, as Canadians and as parliamentarians, should take the initiative in setting up a world food reserve to purchase surplus grain for emergencies. Neither Canada nor any single country should have to finance such a project; all countries should support it. There should be grain on hand during years of plenty to make up the lack in times of poor harvests. Last year there was a shortfall of 5 per cent, and here we are with grain which cannot be moved but which should be moved now when the price is right.

It has been estimated that 5 per cent of the United States wheat production has already been lost due to the drought in Texas. Although at the moment the over-all picture looks promising for increased supplies of grain, that grain is a long way from the bin. Our hopes are high, and we expect the government to get busy to see that the grain is sold through the Wheat Board for export, to ensure that delivery will not be delayed and to arrange to have a sufficient supply for domestic use.

Farmers are being urged by the minister responsible for the Wheat Board to plant additional acreage in grain, but they cannot deliver the grain they now have and they have no guarantee that good prices will last, unless this government takes some effective steps. The Minister of Agriculture has said that much of the cost of production of feed grain is up, as I said earlier, 200 per cent to 300 per cent. He goes around the country telling people that farmers must have more and more money for their products if they are to remain in operation. Let me assure you, Mr. Speaker, and the minister in charge of the Wheat Board that with these programs of the Minister of Agriculture there is no end to what farmers will have to pay for the production of food and to try to keep ahead of the increasing costs of production.

On motion of Mr. Towers the debate was adjourned.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Towers.]

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. John N. Turner (Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, we Canadians today have reached a threshold of great challenge and great opportunity.

We are thriving as seldom before in our history. Our growth of output, employment and real income surpasses that of virtually every other industrial country.

But we are confronted by the scourge of inflation, worldwide in its origins and impact. No other issue more deeply disturbs our country, this government or me, as Minister of Finance. While we have suffered less from inflation than most other nations, we can and must do better to overcome it and alleviate its burdens.

The challenge facing the country is to break the inflationary spiral. But we must do this in ways that will not erode our prosperity nor damage our growth. Let no one think that this can be done easily or quickly. It will take time and effort. And until we have brought inflation under control, it is imperative that the burdens it inflicts be equitably shared and that those people who are most vulnerable be decently protected.

An opportunity is at hand to strengthen the Canadian economy and to improve the standard of living of every Canadian. This will require the wise development of our unique storehouse of resources—both material and human. In doing this, we must not allow ourselves to be diverted by ill-considered and illusory policies that would prejudice our long-term interests as a nation.

This budget has three main purposes. The first is to reinforce our attack on inflation through encouraging increased supplies of goods and services. This we will do by maintaining the strong expansion of the economy and by increasing the productive capacity of our farms, fisheries and industries. The second is to act directly against high prices where that is practical. The third is further to alleviate the adverse impact of rising prices on all Canadians, particularly those with lower incomes.

[*Translation*]

International Developments

The problem of inflation is clearly world-wide in origin. The Economic Review that I tabled last week deals with this at some length, and documents the leading role which accelerating international prices have played in our domestic price experience. Indeed, world inflation can be traced to the enormous buildup in international liquidity associated with the massive deficits in the U.S. balance of payments which ultimately resulted in the breakdown of the Bretton Woods exchange rate system. More recently, the concurrence of economic expansion in most industrial countries, coupled with major crop failures, led to an explosion of commodity and food prices. Last December, the world was hit further by a cutback in the supply of oil and staggering increases in its price. With so many nations facing massive shocks to their international balances, the world community is threatened by fragmentation and protectionism.

These developments constitute a menace to all countries, and not least to Canada, given our dependence on international trade and investment. No country can long prosper in a world of unsettled international financial and trade arrangements. This is clearly a time for renewed co-operation and strenuous efforts by all countries to rebuild a viable international trade and payments system. Let me stress that Canada has been playing a full role in the broad international effort to achieve this objective.

This government came early to the conclusion that under the conditions of great uncertainty emerging in the world, floating exchange rates were appropriate. Indeed, Canada adopted this policy four years ago. This approach has now been widely adopted and seems in these troubled times to be serving us all well.

In the pursuit of international monetary reform, Canada has persistently urged that the discussions should concentrate on matters of immediate importance where progress is possible. Last January, this approach of making progress where we could was endorsed by world finance ministers at their meetings in Rome.

Canada has also urged, and will continue to urge, that the International Monetary Fund, the key international financial institution, be strengthened in order to play an increasing role in maintaining world monetary order. We support the proposal for a new council of the IMF, composed of ministers, to meet frequently to tackle directly the major international financial issues, especially world inflation.

On the trade side, we have been concerned, as the energy crisis emerged, that countries might individually take restrictive action to relieve their balance of payments deficits. I have stressed this danger at many international meetings. I therefore welcome and support the efforts being made in the Organization for Economic Co-operation and Development, and in the work begun at the Washington Energy Conference, to ensure that countries avoid beggar-thy-neighbour policies. Recent actions in Europe make it all the more urgent that we proceed with this initiative without delay. God and this House willing, I will be in Paris in two weeks' time to offer Canada's full co-operation in an appropriate pledge to avoid such destructive policies.

Looking further ahead, it is important that the Tokyo Round of trade negotiations proceed on schedule. We will need to address ourselves to removing unjustifiable trade barriers, improving the GATT rules governing international trade, and dealing effectively with problems of security of supply for key international commodities. If timely progress is to be made, it is critical that the United States take the required legislative action that will enable it to play its essential role in these negotiations.

All of these international efforts are especially vital to the poorer countries of the world. Many developing countries are in desperate straits because of the sudden escalation of oil prices. They need help, and they need it quickly. Canada supports the efforts of the IMF to establish a new lending facility to help countries, particularly the developing ones, to meet this major crisis. We have informed the Fund that Canada is prepared to lend to the Fund for this purpose under the authority of the Currency and Exchange Fund Act.

We are also revising and improving our own aid program to meet these new circumstances and new requirements. You will recall that in addition to our $549 million already allocated to foreign aid for this year, the government has recently announced that an additional $100 million will be made available this year in fast-disbursing forms of aid, mainly food and fertilizers.

In addition, the government, through the Estimates, is seeking parliamentary authority for the advance commitment of Canada's contribution to the Fourth Replenishment of the International Development Association. This Association is a subsidiary of the World Bank, specializing in the provision of low-interest and interest-free loans to the most needy countries.

● (2010)

[*English*]

THE CANADIAN ECONOMY

The shadows of international events have fallen less darkly on us than on others. The outlook for the Canadian economy is bright. Output, employment and income are all continuing to increase. I don't underestimate for one moment the plague of rising prices but even here we have been less afflicted than have other countries.

Ours is a diversified economy, capable of producing a wide range of primary products as well as manufactured goods. In particular, unlike other industrial countries, we are not on balance dependent on foreign supplies of energy, especially oil. In fact, we are a microcosm of the world as a whole in comprising both oil-producing and oil-consuming regions. But the strength of our federation has enabled us to avoid massive increases in oil prices. Such increases would have had disruptive effects on the level of output and employment as well as accelerating the rate of inflation. The agreement negotiated by the Prime Minister (Mr. Trudeau) with the provincial premiers on March 29 with regard to the price of oil, the export tax and the subsidy to eastern consumers struck a reasonable compromise and strengthened our national unity and purpose. We kept within bounds the increase in the price of oil to Canadian consumers. At the same time, substantial benefits are flowing to the oil-producing companies and the provinces in which they operate to encourage the development of new sources of supply.

In my last budget, I predicted that in 1973 the real growth of the economy would amount to 7 per cent. This was derided by the opposition as wildly optimistic. In fact, we achieved 7.1 per cent, the largest increase in 17 years and, Japan aside, the highest in the industrial world. My first priority has been the creation of permanent satisfying jobs for our rapidly growing labour force, to ensure that those who want work and need work can find it. In 1973, there were 430,000 more Canadians at work than a year earlier. The expansion in employment was 5.2 per cent, a record achievement for Canada by a substantial margin, and the fastest rate of increase among the industrial nations.

Mr. Speaker, I take particular satisfaction from the fact that over one-third of this increase occurred in manufacturing and construction. Manufacturing employment alone rose by 111,000 or 6 per cent, after many years during which it had been almost static. Some of this achievement

comes from good fortune. Much of it comes from the enterprise of Canadian business and the efforts of working men and women in this country. But a good deal is due to the sound economic management and budgetary policies of this government.

It is also a source of satisfaction to me that employment in the Atlantic provinces and in Quebec increased more rapidly in 1973 than in the country as a whole. The reduction of regional disparities—or better put, the growing equality of economic opportunity—has been a high priority of this government. The policies pursued by my colleague, the Minister of Regional Economic Expansion (Mr. Jamieson) are bearing fruit. But we have always recognized that an essential condition for satisfactory growth in the less prosperous parts of this federation is sustained growth in the economy as a whole.

● (2020)

The growth of Canadian output and employment in the early months of 1974 has contrasted sharply with the experience of the United States. In that country, unfortunately, real output dropped at an annual rate of almost 6 per cent in the first quarter. On the other hand, in Canada the production of goods and services rose strongly in the first quarter by at least 8 per cent in annual terms over the fourth quarter of last year. This was accompanied by new job creation in the same period at 7 per cent. We are now at the limits of our physical capacity in many industries. Many products, including such critical industrial items as steel, construction materials, agricultural implements, machinery and chemicals, are in short supply.

Despite the record growth of our labour force, the rate of unemployment has been brought down to 5½ per cent. I know that this is higher than at times in the past when the economy was operating at peak levels. It is certainly at a higher level than I would like to see. The fact remains, however, that the labour market is generally tight across the country, with many jobs remaining unfilled for lack of qualified workers.

Looking to the future, Mr. Speaker, I forecast that real output in 1974 will be 5 per cent higher than in 1973, assuming always that we are not plagued by serious strikes and adverse weather at home, or crises abroad. Given the fact that there is no significant amount of slack to take up, this is about as much as we are physically able to do this year. The most dynamic element of demand is now business investment. The recent survey of investment intentions indicated that business is planning to raise capital investment this year by 19 per cent, manufacturing investment by 28 per cent. These increases are on top of the substantial gains of last year. New capacity is already coming on stream to relieve shortages and to create new jobs, and this will gain momentum as the year goes on.

Consumers will be stepping up the volume of their buying as fast as the economy expands. Net farm income, which rose by 89 per cent last year, is headed for another buoyant year. Exports will grow less rapidly this year because of the international oil crisis and the slowdown in world growth. Housing starts reached a record level of 269,000 last year, well in excess of the rate of family formation. So far this year, starts are running at still higher levels but this rate may prove unsustainable in the face of the shortage of supply of labour, materials and especially of serviced land.

I expect that on top of the massive increase of 430,000 jobs in 1973, we will have a further increase in 1974 in excess of 300,000.

[*Translation*]

The Issue of Inflation

I turn now to the issue of inflation. We all know the harsh facts. The consumer price index rose by 7.6 per cent in 1973 and by 10.4 per cent in the 12 months ending March, 1974.

I have stressed that the inflation is world-wide in origin with the major source of upward pressure being the explosive upsurge of prices of agricultural and industrial commodities in international markets, as a result of rising demands and limited supplies. Since mid-1972, international commodity prices have doubled. The increase in the price of oil, which quadrupled, is only the most spectacular example of the general problem. Other commodities which have more than doubled in price during the past two years include wheat, barley, corn, soybeans, coffee, cocoa, sugar, hogs, rubber, tin, copper, zinc and lead. Only recently have they shown any tendency to peak or turn down. All countries have been affected, most to a greater extent than Canada because they have been less able to protect themselves against the rise in oil prices. According to the latest figures available to me, in the 12-month period ending February, the cost of living rose by 12 per cent in the OECD countries as a whole. It was up by 26 per cent in Japan, 13 per cent in Australia, Italy and the United Kingdom, 11½ per cent in France and 10 per cent in the United States. For Canada the comparable figure was 9.6 per cent.

In our fight against inflation. I have rejected two possible approaches. One is the deflation of demand by severe measures of fiscal and monetary restraint. The effect of this would be stagnation and rising unemployment. In my judgment, such a cure would be worse than the disease.

[*English*]

The second approach, urged upon us by the official Opposition, is to impose a general system of price and wage controls. This would be totally ineffective in overcoming the kind of inflationary problem we have been and are still facing. What we need, still, is not controls but an increase in supply. The United States, Britain and other countries have found to their frustration that controls disrupt supply. In these countries the enthusiasm of even the strongest supporters of controls has been cooled by the hard realities of their recent experience. I am not saying that general controls over prices and incomes would be a cure worse than the disease. I am saying that in the present circumstances where the prime causes of inflation are shortages of supply, controls are no cure at all.

A variant of the general controls advocated by opposition members is selective controls reinforced by a two-price system for those internationally-traded commodities of which Canada is an important producer. This approach would have us control the prices for these commodities in Canada while leaving their export prices free to rise to world levels. Quite clearly, such a system would lead quickly to the drying up of supplies in Canada unless

backed up by a battery of export controls. This would not only jeopardize markets we have built up at great effort over many years but it would invite retaliation through imposition of controls on imported goods we require. For Canada, so dependent on trade, to lead the world into this kind of protectionism would be the height of folly.

Mr. Speaker, this government has not reached for the bludgeon of deflation or for the illusory magic of controls. We have not played either draconian or cosmetic politics with the Canadian people.

In my view, what we have to do is this. First, we have to keep this economy rolling ahead and pouring out the goods and services our people need. Second, we have to reduce the strains reflected in particular market prices where this can be done in a practical way without harmful side effects. Third, we must help those Canadians least able to protect themselves from the hardships of inflation. My purpose tonight is to propose policies and measures which will round out and reinforce all three facets of this strategy.

Fiscal and Monetary Policy

The development of this strategy must be carried out within the framework of an over-all monetary and fiscal policy. Let me therefore explain here my views of the kind of framework we need.

The forecast I have given earlier tonight anticipates that demand in the economy will expand in line with our capacity to produce. In terms of the total demand required to keep the supply of goods flowing at capacity rates, we are on the right course now. We do not require additional stimulus. Neither do we need any severe contraction of demand. I agree with the Governor of the Bank of Canada that the rate of monetary expansion should now be moderated to the pace just sufficient to sustain continuing growth at the levels of our physical capacity. Rates of interest are painfully high, but the way to bring them down is to slow the rate of inflation. This will take time. Meanwhile, I expect the banks to continue to give preference in their lending to small businesses, mortgage finance for housing, and borrowers in the less favoured regions of the country.

On the fiscal side, what is required is that we hold our cash requirements, excluding foreign exchange, to much the same effective level as last year. Given our programs of government lending, this implies a reduction in the budgetary deficit and in the deficit computed on the national accounts basis. In the absence of new policy initiatives, my fiscal forecast indicates broadly this result. In choosing tonight's measures to extend our specific policy thrusts against inflation, I have therefore had to find additional revenues to pay for the costs of new initiatives.

REVENUE-RAISING MEASURES

I propose to find those revenues in ways that hurt least, and I propose to apply them to help people most in need. This must be done without damaging the over-all thrust of the government's budgetary policy. Clearly, additional revenues cannot be obtained without imposing a burden somewhere. I have selected measures which will give us the revenue required, but which will not in my judgment contribute to price increases on essential goods or impede the expansion of supply.

Petroleum and Mining Corporations

The major revenue-raising measures are in the field of corporation taxes. The most important of these relates to the taxation of the petroleum and mining industries.

In the tax reform of 1971 a new regime was established for the taxation of these industries. Since then there have been dramatic changes in the world and in Canada affecting the fortunes of these industries. For one, with respect to oil, I do not have to recall the phenomenal price increases and their potential for profit during the past year. The response of governments around the world has been to review their taxation policies and to strike a new balance appropriate to these changed circumstances. In mining, less dramatic but major price increases have occurred due to shortages and inflationary expectations. Here too, a re-examination of tax regimes is called for.

● (2030)

In Canada our provinces have adjusted royalties, mining taxes and other arrangements to derive what they perceive to be a fair share for the benefit of their people. However, a provincial resource is also a national resource, and the federal government has a responsibility to see that a reasonable portion of this gain is shared by all Canadians. In these circumstances, the federal government has had to reassess its over-all taxation policy with respect to this key sector of the economy. In doing so, we have had the following objectives in mind.

First, it is essential that this sector bears a burden of tax on profits that is reasonable relative to the share borne by other sectors of the economy. Second, it is essential to ensure that all the people of Canada derive a fair share of the substantially increased revenues that flow from the higher value placed by the world on these resources. Third, the federal government should recognize the special position of the provinces with respect to the taxation and charges on resources within their boundaries. Fourth, the federal government must ensure that provincial royalties, provincial mining taxes and other arrangements having similar effects do not unreasonably erode the corporate income tax base. Finally, over-all Canadian tax policy must have regard for the position of these industries in terms of international competition and in terms of the financial resources they require to bring forward the supplies needed in the years ahead.

Taking all these considerations into account, I have the following proposals to make for a revised regime of taxation for these industries.

First, I am proposing that the basic rate of corporation tax applicable to production profits from minerals, oil, and gas be increased to 50 per cent. Because of the gradual reduction in the corporate rate under the tax reform schedule this will mean an increase of 2 percentage points of tax for the balance of 1974, 3 points in 1975 and 4 points in 1976 and thereafter. I believe that a 50 per cent rate of corporation tax for this type of income is appropriate to the new circumstances, rather than the 46 per cent rate which otherwise would have applied by 1976.

Second, I am proposing that revenues derived by provincial governments in respect of production from a petroleum or mineral resource should no longer be deductible in computing the income of the operator of the resource. At the same time, in recognition of the special position of the provinces in relation to natural resources, I am proposing that, effective immediately, there be an extra abatement from federal income tax in respect of taxable production income derived in Canada. The extra abatement will be 15 points in the case of mineral profits and 10 points in the case of petroleum profits. For mineral profits, the combination of the new abatement, together with the standard provincial abatement of 10 points, will reduce the effective statutory federal rate from 50 to 25 per cent. In the case of petroleum, the result will be to reduce the federal rate to 30 per cent.

The question of the provincial abatement with respect to mining income requires some elaboration. In August, 1970, at a time when the basic corporate tax rate was 50 per cent, the then minister of finance announced that commencing in 1977 the federal government would abate 15 points of corporate tax in respect of mineral production income. At the same time he indicated that commencing in 1977, provincial mineral taxes and similar payments would not be deductible for corporate tax purposes. Provincial mining royalties were not mentioned because provinces traditionally relied at that time on mining taxes to derive revenues from the industry.

Subsequently, many important changes have occurred in provincial tax policies. In particular, provinces have begun to make use of royalties of many different kinds to increase their revenues. I am not opposing this. But I am saying these developments are making it almost impossible to arrive at a meaningful distinction between mining taxes and the varying types of royalties or arrangements which have similar effects in terms of what is or is not allowed as deductions for corporate income tax purposes.

Hence, I propose that with regard to the taxation of mineral resource profits, none of these payments to provinces be recognized as deductible in determining corporate tax. I point out, moreover, that this bears not only on the federal corporation tax but also on the provincial corporation tax for those provinces for whom we collect this tax.

In respect of petroleum, the additional provincial abatement is an entirely new feature.

It is also apparent that the petroleum and mineral resource industries in Canada have reached sufficient maturity that the existing tax incentives are more generous than is needed to encourage continuing development. Accordingly, I am also proposing to cut back immediately on some of the existing incentives. Henceforth, depletion can be claimed only if it is earned and only up to an annual maximum rate of 25 per cent of production income rather than 33⅓ per cent. Canadian exploration and development expenditures have in the past been deductible immediately. If incurred in the future, they will be amortized at a rate of 30 per cent calculated on the diminishing balance basis.

Earned depletion which can presently be accumulated at the rate of $1 for every $3 of eligible exploration and development expenditure will continue. With rising resource profits, and the discontinuance of automatic depletion, this earning of depletion will be very effective incentive for encouraging exploration. Similarly, I propose to retain the immediate deductibility of the cost of capital assets invested in a new mine or a major expansion of a mine because of the incentive it provides to new development.

[Mr. Turner (Ottawa-Carleton).]

I believe these proposals accomplish the objectives we have set for ourselves. Given the circumstances of the day, they establish an improved and not unreasonable position for the federal government on behalf of all the people with respect to the taxation of this sector of the economy.

I estimate that these measures will increase the federal tax liability in 1974 of the mining industry by $40 million, and that of the oil and gas sector by $410 million. For the eight provinces with whom we have collection agreements, the comparable amounts are $5 million in respect of mining and $115 million in respect of oil and gas. Ontario and Quebec, of course, collect their own corporation tax, and therefore I have not attempted to estimate any revenue increase with regard to these two provinces.

[*Translation*]

Financial Institutions

Mr. Speaker, another major sector of the business community which has been very profitable in recent years is the financial area. This has been particularly true of the larger institutions. I have had the occasion to examine their position and I have reached several conclusions. First, the volume of business of financial institutions, and consequently their profit-ability, has increased substantially. Second, during the last decade the loss experience of these institutions generally has been less than 1 per cent and with regard to the larger institutions, the loss experience has been less than 4/10ths of 1 per cent.

In October of 1968, the then Minister of Finance changed the tax treatment of these institutions by reducing their tax-free reserves from 3 per cent to 1½ per cent of eligible assets. Tonight, I am proposing to reduce the level of tax-free reserves from 1½ per cent to 1 per cent of eligible assets for all financial institutions such as banks, trust companies, insurance companies and any others who are required to compute their reserves on this formula basis. This measure will be applicable for taxation years ending after tonight.

At the same time, I recognize that the loss experience of the smaller institutions is greater than that of the larger ones. Therefore, I am proposing that the present reserve of 1½ per cent be retained in respect of the first $2 billion of eligible assets and that the 1-per-cent rate apply to the excess. This new regime will yield the federal government $40 million in fiscal 1974-75. It will ensure that the large financial institutions bear their fair share of the tax burden, and yet avoid an adverse effect on the smaller institutions and any new institutions.

[*English*]

Other Corporate Measures

Mr. Speaker, I would now like to turn to corporate tax measures of a more general nature.

Corporate profits have risen sharply in the last year or two. In part, this has been a recovery from earlier depressed levels, but companies have benefitted from the strong economy and from inventory gains enjoyed during

a period of sharply rising prices. I have said before, and I reiterate tonight, that I welcome the improvement in the position of Canadian corporations so essential to their continued expansion and the creation of new job opportunities. At the same time, I have pointed out on several occasions, both inside and outside the House, that there is a proper balance to be struck.

Given the level of profits Canadian corporations are enjoying, it is appropriate that as a temporary measure some additional tax revenue should be obtained from such corporations. Subject to certain important exceptions which I will outline in a moment, I am therefore proposing a temporary 10 per cent surtax on federal corporate income tax for the period from May 1, 1974, to April 30, 1975. The obligation of corporations to pay monthly instalments in respect of their tax liability will be adjusted to reflect the imposition of this surtax and the other measures introduced tonight.

This surtax will not apply to small business corporations. I am attempting to do all I can to encourage the growth of small business corporations which are largely owned and controlled by Canadians.

Because of the major changes I am proposing for the taxation of mining and petroleum corporations they also would be exempt from this temporary, one-year measure in respect of their production profits.

● (2040)

In addition, the surtax will not apply to the profits from manufacturing and processing in Canada. I believe it is essential to maintain the reduction in the tax burden on that vitally important sector to enable it to strengthen its international competitive position. Canadian manufacturers and processors continue to be vulnerable to foreign competition as a result of the extensive use being made of the U.S. DISC tax provisions, the favourable tax treatment provided to manufacturers in other countries, and the intensified pressures they have faced from abroad more recently following the increase in our exchange rate.

The manufacturing and processing industries are not only a major source of employment directly, but they also provide a strong underpinning to the burgeoning service sector of our economy. The importance of bolstering manufacturing and processing is by no means confined to the central provinces where the greater proportion of those industries is now located. It is of equal or even greater importance to the Western and Atlantic Provinces, all of which are giving top priority to broadening the base of their economies through the large-scale development of secondary manufacturing and processing operations.

The measures which we introduced are doing exactly what they were intended to do. After years of slow growth, Canada's manufacturing and processing industries are rapidly expanding. Profits of manufacturers and processors have improved substantially, but they are being plowed back into heavy new capital investment to increase productive capacity, the supply of goods required by our expanding economy, and employment for our rapidly growing labour force. As I recalled earlier, manufacturing employment last year rose by 111,000, which was 8,000 more than the total increase in the previous six years combined. Manufacturing output rose by 8 per cent in 1973, the largest increase since 1965. Manu- facturing investment in new productive facilities rose by 19 per cent last year and this year is expected to grow by an extraordinary 28 per cent, the greatest increase in more than a decade.

Under these circumstances, and in view of the vulnerability of this sector to competition from abroad, I am convinced that it is in the national interest to maintain the reduced tax rate on manufacturing and processing profits which parliament adopted last year. Members will recall that in my last budget I indicated the companion measure implemented by order-in-council providing for a rapid two-year write-off of machinery and equipment acquired by this sector would be put in place for an initial period ending December 31, 1974. It is my intention to reassess this provision toward the end of this year when I have the benefit of the review now under way of the capital cost allowance structure and the further report on the impact of the tax measures on the manufacturing and processing companies.

Let me add a word, Mr. Speaker, about why I rejected proposals for an excess profits tax put forward by some members of the opposition. Hard, practical experience with such a system in the past has made it clear that it has major defects. In the first place, it is extremely difficult to define excess profits—as distinct from blatant profiteering—in a way that is equitable and workable. Any excess profits scheme is full of loopholes, with the result that some companies escape taxes otherwise payable. Secondly, imposition of a heavy tax on profits above some level that is defined as normal or reasonable, removes substantially the incentive of business to hold down costs and maintain or improve efficiency. The result is that instead of reducing inflationary pressures, as it is intended to do, an excess profits tax tends to increase those pressures. It is for these reasons that I rejected the idea of erecting a complex excess profits tax system and chose instead to propose a temporary, one-year surtax that is reasonable and administratively simple, but which still maintains the incentive for business to operate as efficiently as possible.

[*Translation*]

A further measure that I am proposing tonight will ensure that corporations not only pay their fair share of taxes, but also pay it promptly. I am advancing the timing of the final payment of a corporation's tax to the end of the second month rather than the third month after the end of the corporation's fiscal period. This change in tax payment date will not apply to a small business corporation.

The effect of all these measures in the corporate income tax field is to provide a significant increase in federal tax collections in 1974-75. In the absence of the changes affecting the petroleum and mining industries, the advancing of the final payment date would have yielded $200 million. The measures affecting the resource industries would have yielded very little in 1974-75 unless the final payment date had been advanced, because in their case the payments would not have been received until the next fiscal year. But in combination with the advancing of the final payment date, I estimate that these measures will yield $400 million. The proposals regarding financial institutions are estimated to yield $40 million. The temporary

10-per-cent surtax is estimated to yield $150 million. The combined effect of all these measures on federal corporate income tax collections this fiscal year amounts to an increase of $790 million.

Excise Taxes

Mr. Speaker, I now turn to other sources of revenue. I have already made considerable reference to the energy crisis with which we struggled this past year. All of us have become more conscious that we need to economize in our use of energy, particularly petroleum. I propose a measure which will make some contribution to this end.

Effective tonight, a special excise tax is to be introduced on high-energy consuming passenger cars and other types of energy-consuming vehicles. This will include large, heavy cars, high-powered motorcycles, privately-owned aircraft and large power boats. The tax will yield the federal government an additional $10 million of revenue in 1974-75.

I have stressed that one of my requirements in this budget is to raise in revenues an amount at least equivalent to the tax reductions I will propose shortly. It seems to me that an increase in the tax levied on liquor and tobacco is an appropriate source to look to for some increase in revenues. Specifically, the proposed changes, which come into effect tonight, will raise federal levies on cigarettes, cigars, tobacco, spirits other than beer, and wine other than cider, by approximately 15 per cent. This measure will yield the federal government an additional $100 million of revenues in fiscal 1974-75.

These increases would be implemented by a number of measures, details of which will be found in the Ways and Means Motion.

THE PROGRAM AGAINST INFLATION

Mr. Speaker, I have explained that the fiscal framework needed for this period is one that maintains about the same level of cash requirements as last year. I have described how I propose to raise additional revenues. I now wish to outline how these revenues might be applied within such a framework to finance measures which best round out and reinforce our policies to deal with inflation.

Measures to Increase Supply

The first element in our strategy against inflation has been and continues to be the expansion of supply. The central features of that policy have been in place for some time. Our fiscal and monetary policies have been designed to bring the economy up to full capacity growth. We have taken measures to increase the capability of the economy to produce efficiently the goods and services which are needed. This not only increases our production capacity, but it also creates remunerative and satisfying jobs, relieves shortages and reduces costs. The reduction of taxes on manufacturing and processing is clearly bringing about just such a massive increase in capacity.

Further, as part of the agreements reached with respect to oil, the governments of the producing provinces will channel substantial funds into the encouragement of exploration and development. The National Petroleum Corporation will serve the same objectives. In facing the growing need for electrical energy, we have announced a major program of federal aid for inter-regional transmission lines. We are also well-launched on a nation-wide policy of support for nuclear power plants, utilizing the highly successful Candu reactor, developed by Canadian science and technology under the aegis of the federal government.

Wide-ranging measures have already been taken to assist and encourage farmers and fishermen, with assurances that they will be able to market their increased production at fair prices. In this regard the government will undertake further major financial commitments under new farm stabilization measures to be introduced shortly and, of course, the House has just recently approved important measures to increase the effectiveness of the Farm and Fisheries Improvement Acts.

My colleague, the Minister of Agriculture (Mr. Whelan), will also be introducing extensions to the Farm Credit Act to enlarge the flow of capital investment in food production. One amendment will increase the total amount of federal loans available for expansion and improvement of agricultural output to well over $2 billion. Moreover, special provisions will be proposed to make it easier for young farmers to purchase farms and get into the business on their own. Last year total lending activity by the Farm Credit Corporation more than doubled to some $400 million in loan approvals. For this fiscal year, the corporation's capital budget will jump again to well over $500 million.

Later, when I deal with tax reform, I shall be proposing an important measure of relief for small businesses to encourage them to contribute further to the increase in supply.

The over-all fiscal and monetary policy proposed in this budget, by providing for adequate over-all demand, will ensure that new output of goods and services will flow on to the market in as abundant a volume as the economy is capable of producing.

● (2050)

[*English*]

Measures to Hold Down Particular Prices

The second element in the strategy against inflation is to dampen down the prices of particular products where this is feasible. Here, the government has already adopted a number of measures. The most important of these has been the holding down of domestic oil prices to about 55 per cent of the international monopoly price. Subsidies have also been provided on bread and milk to help all Canadian consumers. The Food Prices Review Board has been focusing public attention on pricing and marketing practices in problem areas. Powers are being sought to enable the government to deal with particular cases of profiteering. In my last budget, I eliminated the sales tax on children's clothing, all remaining food items and non-alcoholic beverages, and certain other products. Tariffs were also reduced on a wide range of consumer goods.

Tonight I propose to remove the sales tax on all clothing and footwear. Clothing and footwear account for a significant proportion of the budgets of most families and this action should significantly reduce the prices of these products. This measure will affect about $5 billion in family

expenditures annually. It will save consumers directly $280 million in taxes this year, and on top of this the substantial markups on these taxes which result from the normal business practice of calculating percentage markups on tax-paid costs.

Let me say to the business community—and to wholesalers and retailers particularly—that the purpose of this measure is to help the people of this country by reducing prices. I am confident that in most cases these benefits will be passed on to the consumer. However, I intend to ask my colleague, the Minister for Consumer and Corporate Affairs (Mr. Gray) to monitor prices of clothing and footwear and to report his findings to me. If these tax cuts do not get reflected in prices, then I undertake to recommend that the government take action, in one way or another, to ensure that the consumer does gain and that others are not allowed to appropriate the benefits.

Complementing the tax increases I announced earlier on high-energy consuming vehicles, I propose to remove the sales tax on buses and other public passenger transportation equipment purchased by local governments. This will provide important assistance to municipalities in supplying more effective transit systems to reduce reliance on the private car, reduce total energy consumption and abate pollution.

Further in the sales tax field, I propose to abolish the tax on bicycles. The advantage of this will be self-evident to Canadians in large numbers who are adopting this popular and healthful form of recreation.

Tariff Changes

In last year's budget there was a reduction in customs duties for a one-year period on a broad range of consumer goods. These reductions affected trade valued at about $1.6 billion in 1973. There is before the House Bill C-21 which, if implemented, would continue most of these temporary reductions until June 30, 1974. Given the delay in proceeding with the GATT negotiations, I am now proposing that except for one item only, these reductions should be extended until December 31, 1974.

Exchange Rate

Some further relief on our price structure is resulting from the rise of the exchange rate on the Canadian dollar, which stems from the good over-all performance of the Canadian economy and world confidence in our future. The government has not sought to bring this appreciation about; it has resulted from the underlying forces at work in the exchange market and we have intervened in this market only to maintain orderly conditions. We will continue to be concerned that the competitive position of our industry is not impaired. However, there can be no question that the appreciation that has taken place is providing some relief in moderating the increase in the cost of living.

Housing

An important aspect of the recent inflationary experience in Canada has been its impact on the cost of housing and the ability of the average Canadian, particularly young people and people of modest income, to meet their housing needs. The government has put in place a number of important programs and measures to ease both supply and cost aspects of the problem. These measures are reflected in the expansion of the budget of Central Mortgage and Housing Corporation to $1.2 billion per year. Special assistance to low-income families has reduced the net cost of their mortgage financing. Indeed, in cases of demonstrated need, the amount of the assisted home ownership grant is such as to reduce the effective rate of interest paid to almost 6 per cent. The programs to assist municipalities with land development and servicing have also been extended and improved to speed up the whole process of bringing additional serviced land onto the market.

● (2100)

Tonight I wish to announce several further measures to improve the housing situation. Before doing so I should refer to certain popular suggestions in this regard, specifically the cancellation of the sales tax on building materials, subsidized interest rates, and the deductibility of mortgage interest for tax purposes. Apart from problems of cost and inequity in these suggestions, in the present environment of a sellers' market they all suffer from the fatal defect of overstimulating demand, raising prices, and providing benefits which are almost certain to be captured by builders and sellers. In contrast, my objective is to help home buyers by the following proposals.

First, one tax factor which may be holding back the flow of land for housing is that a taxpayer, personal or corporate, may claim against other income the carrying charges on land which is being held for future development. This sheltering of other income has lowered the financial cost of carrying undeveloped land and, therefore, reduced the pressure for early use.

I am proposing that the carrying costs on land awaiting development may not be charged against other income but be taken into account only as the land is sold. This new rule for carrying charges would not apply to land which is being held primarily to earn rental income in the year, or to land which is used in the course of carrying on a business other than a real estate business. This measure, which is estimated to yield the federal government about $10 million this year, will assist in bringing land for housing onto the market more quickly.

Second, I propose to remove the sales tax on a range of construction equipment including excavation and earth-moving equipment, tower and climbing cranes, air compressors and pumps, equipment for preparing and spreading concrete and asphlat, and several other categories of goods used in the construction industry. The effect of this measure will be to exempt from sales tax all major classes of construction equipment purchased by contractors and local governments.

Third, to provide assistance to municipalities which are also struggling with the housing problem, I propose to abolish the federal sales tax on articles and materials purchased by local governments for use in the construction of water distribution systems.

The foregoing two measures will reduce costs by $50 million directly in a full year, and by a further considerable amount through indirect effects.

Fourth, together with my colleague, the Minister of State for Housing and Urban Affairs (Mr. Basford) I propose to take steps to assure the fullest possible allocation of mortgage funds to lower-cost housing. In addition to the use of the mortgage insurance provisions of the

National Housing Act, we propose to enlist the support of the principal lenders and the private mortgage insurance corporations to adjust down payment requirements in such a way as to confine high-ratio loans to middle and lower-priced housing.

My last and most important measure in this field will greatly ease the formidable difficulties facing our young people in accumulating the savings required for a down payment on a home and its initial furnishing.

All taxpayers over the age of 18 who do not own a home will be able to contribute up to $1,000 a year, to a maximum lifetime amount of $10,000, to a registered home ownership savings plan, and these contributions will be deductible for income tax purposes. The income earned by the plan will bear no tax and the proceeds of the plan will be exempt from income tax if they are applied as a down payment for the purchase of a house and furnishing it at the time of first occupancy. This measure applies not only to urban homes but to purchases of farm homes. The mechanics of this new plan are detailed in the ways and means motion, but in large measure it will operate in much the same manner as the existing registered retirement savings plan.

I am sure that the introduction of this innovative program will encourage savings and make it easier for Canadians to acquire homes. Together with the steps to be taken in respect of down payments, this proposal should help to reduce current speculative pressures on housing prices. It is difficult to measure the cost of this new measure. But no doubt as it develops and Canadians become aware of its real value, the registered home ownership savings plan will become a source of significant tax savings to many Canadians and particularly young people.

[*Translation*]

Easing the Burdens of Inflation

The third element of the government's strategy against inflation is to ease the burdens on those Canadians who are most vulnerable. We have fully indexed old age security pensions, the guaranteed income supplement and the Canada Pension Plan. We have indexed government pensions and facilitated the indexing of private pensions. As for family allowances, not only have they been very substantially increased, but we have ensured that their real value will be maintained. The federal minimum wage has also been progressively increased. My last budget included a very substantial cut in personal income taxes of particular benefit to the lower income groups, and provided for the indexing of the personal income tax system.

Tonight, I shall be proposing a wide range of measures which will further alleviate the impact of inflation on all Canadians, particularly those of more modest incomes.

First, under the personal income tax, members will recall that just last year I introduced a measure to give all taxpayers a tax reduction in the form of a 5 per cent credit against federal tax payable, with a minimum credit of $100 and a maximum credit of $500. I intend not only to maintain this substantial tax reduction but to augment it for the lower income groups. This will be accomplished by increasing the minimum credit from $100 to $150, effective January 1, 1974.

[Mr. Turner (Ottawa-Carleton).]

This change means lower taxes for everyone up to the $13,000 to $14,000 income range, and its benefits are concentrated among income-earners receiving less than $10,000. For example, a married taxpayer with two children and earning $6,000 will have his total tax reduced to $269 from $329 or 15 per cent. This tax cut removes at least 300,000 Canadians from the federal tax rolls.

The tax reduction tables will be adjusted as of July 1, 1974, so as to give the full benefit of this measure in the second half of this year. it will reduce personal taxes in fiscal year 1974-75 by some $440 million.

Members will be aware, of course, that as a result of the tax reform the rate of tax under the first $500 of taxable income will also be reduced this year from 15 per cent to 12 per cent. Even more important is the continuing benefit which all taxpayers are now enjoying as a result of the indexation of the personal income tax. The effect of this new system was to increase exemptions and raise tax brackets by 6.6 per cent for this year—and to remove a further 175,000 citizens from federal tax rolls. Under this automatic plan to relieve the burden of inflation on all taxpayers there will be a further adjustment next year to fully reflect the increase in the consumer price index currently taking place.

[*English*]

In our overriding concern with the fight against inflation we must not overlook the needs of those less fortunate Canadians handicapped by illness and other disabilities. In this regard we will, by regulation, broaden considerably the list of expenditures that qualify as medical expenses for tax purposes. This broader list will now include the cost of such items as heart monitoring devices, orthopaedic shoes and boots, a hospital bed required in a home, and walking aids required by crippled persons.

Moreover, I propose a change which will aid those Canadians who are confined for extensive periods of the day to beds and wheelchairs or who are so confined for periods longer than 12 months. This will permit these people to qualify for the additional $1,000 deduction now available to permanently disabled and blind persons. At present, in order to get the deduction of $1,000 per year, a person must have been confined to a bed or wheelchair throughout the taxation year. This provision will be amended in two ways. The time period will be changed to cover situations where a person has been confined for any 12-month period which ended in the year. The second change will ensure that even if a person is up and about for periods during the day, he will not be deprived of the deduction. This amendment recognizes that it is often in the best interest of the patient, whenever he can, to get out of bed or wheelchair.

I would also like to announce that my colleague, the Minister of Veterans' Affairs (Mr. MacDonald) will introduce legislation to provide further help for needy veterans, their survivors and their dependents in meeting increased costs. Effective from last October, the income ceilings applied to the war veterans' allowances and civilian war allowances will be increased by 5.3 per cent and escalated quarterly thereafter, in line with increases in the consumer price index. The pensions will be raised by the same dollar amount as the increase in the ceiling. These changes preserve the relationship between veterans'

allowances and old age pensions. From April 1, 1974, the rate paid for orphans' allowances will be raised to $125 per month for each orphan, and escalated annually in line with the formula for family allowances. A new allowance for dependent children of needy veterans will be provided and the qualifying age for the allowances now paid on behalf of a child or to an orphan, as long as that child or orphan continues his education, will be extended to 25 years. These changes will cost an additional $10 million in 1974-75.

● (2110)

MEASURES TO ENCOURAGE AND PROTECT SAVINGS

One of the most pervasive aspects of inflation is its eroding effect on the real value of people's savings. This budget includes two major measures to relieve this effect. The first measure recognizes that the increases in interest rates which have taken place, although substantial, do not offset the decline in the real value of people's savings when they are invested in interest-earning securities, particularly after tax. I therefore propose that, effective from January 1, 1974, the first $1,000 interest income from securities such as bank and trust company deposits, mortgages, Canada Savings Bonds and other bonds be deductible in computing the taxable income of individuals. The precise details will be found in the ways and means motion.

I am proposing a limit of $1,000 per year because I want to help the average person; I have no intention of allowing the wealthy members of our society to avoid paying their fair share of the tax burden. I believe that this proposal will be a very considerable incentive for average Canadians to save. This measure will reduce personal taxes by about $270 million in 1974.

The second measure concerns a particular debt obligation of the federal government which is the instrument through which nearly two million Canadians accumulate savings. I refer to Canada Savings Bonds. Nearly $10.5 billion of these bonds are outstanding and the interest yield does not now reflect current interest rates. In order to raise the average effective yield to maturity to 9 per cent, I propose to provide cash bonuses to the holders of these bonds. More specifically, bonds maturing before November 1, 1979, will receive one bonus, at their maturity. Bonds maturing after November 1, 1979, will receive two cash bonuses; an interim bonus on November 1, 1979, and a final bonus at the date of their maturity.

For example, the holder of a $1,000 Canada Savings Bond of the 1967-68 series will receive a first cash bonus of $220 in 1979 and a second cash bonus of $30 at maturity in 1980.

In all cases these bonuses, which will have the effect of raising the yield to maturity to 9 per cent, will be taxed at the lower effective rates applicable to capital gains. All other features of the Canada Savings Bonds, including their encashability on demand and the compounding of interest, will remain unchanged. The current issue of Canada Savings Bonds, which is still on sale, will of course carry the two bonus payments. Savers who may wish to acquire this bond will know that the return to maturity on it will be 9 per cent. Action is under way to inform holders of Canada Savings Bonds of the steps to be taken in order to obtain these benefits.

Among the many Canadians who save through interest-earning investments and who will benefit from these two measures, a large proportion are older, retired people who depend upon interest earnings from lifetime savings for a substantial portion of their income. These people who have saved for themselves should be given every encouragement.

As a final proposal affecting the savings of Canadians, I wish to broaden an important existing incentive for retirement saving. As members of this House are aware, registered retirement savings plans provide for postponing of tax, up to limits, in the savings accumulated for retirement. They have become a major vehicle by which Canadians anticipate their needs for income in the years after they stop working. I have felt that we should be more accommodating in allowing a taxpayer to make provision for his or her spouse through such retirement plans. I therefore propose to allow a taxpayer to contribute to a registered retirement savings plan for the benefit of his or her spouse to the extent that the taxpayer does not use the available deductions for his own plan. This measure will allow, for instance, a husband to forego contributing to his own registered retirement savings plan and to contribute instead to a plan for his wife who carries the burden of household and family duties. It will provide the same opportunity for a wife who is the income earner for the family and who is entitled to contribute to a registered retirement savings plan.

[*Translation*]

Tax Reform

I would like to take a few moments to speak about the continuing process of tax reform. One of my first priorities has been to see that the income tax legislation is improved as experience is gained in its application. As will be shown by the length of the Ways and Means Motions which I will be tabling tonight, this has not proven to be a small task. Nevertheless, it is a task we must face if the tax system is to work well, and fairly, in today's society. The amendments being proposed reflect experience gained in the application of the new tax provisions and many useful suggestions from the public.

One of my main concerns has been with the application of tax laws to corporate reorganizations. If we are to have vital and efficient corporations, it is important that the tax system not discourage reorganization intended to help our corporations to become more efficient and to adapt to the changing needs of a competitive society. During the past year, I have conducted an indepth review of the relevant provisions and have concluded that some changes are required. I am proposing that where it is evident that corporate changes are taking place for legitimate business purposes and not to avoid tax, the existing rules should be relaxed.

With the advent of tax reform in 1972, several new rules were introduced to permit certain types of pre-1972 corporate surpluses to be distributed tax-free to shareholders. A number of corporations are still having difficulty complying with the technical details of these rules. I am therefore introducing amendments tonight further to simplify these

rules and remove hardships which might otherwise have been caused by a misunderstanding of the law.

It has also come to my attention that the tax system does not apply fairly where property has been expropriated, lost or destroyed. Quite often a taxpayer may be faced with a significant tax liability long before a settlement has been agreed upon and funds are available. This seems quite unfair, and I am introducing a relieving amendment which will ensure that under such circumstances no tax is payable until the compensation has been finally determined.

I am proposing several amendments, essentially of a relieving nature, relating to the taxation of partnerships. These new rules will make it easier for partners to withdraw from partnerships, either for purposes of retirement or to accept employment outside the partnership.

Another area of tax reform which has been the subject matter of considerable controversy has been the taxation of foreign-source income. I have important changes to announce tonight with respect to the passive income rules. These rules were introduced as part of tax reform in 1971 to protect against the diversion of income that would otherwise be taxable in Canada.

The law in this area was new and inevitably complex. Its application was postponed to 1975 to enable the government to re-examine the law in light of representations. The proposed changes improve our protection against the improper use of tax havens to avoid Canadian tax on passive investment income and on income diverted from Canada. At the same time, the changes remove from the scope of these rules the income Canadians derive from their active business operations abroad. In addition, the rules will apply only to those offshore corporations and trusts that are controlled by Canadian taxpayers, and not, as at present, where there may simply be some equity interest. Canada's fiscal climate must remain hospitable to the Canadian company that competes internationally with the large multinational companies of other countries. The changes proposed in this area of the law are designed to ensure that this principle is not compromised.

Another matter which I wish to mention concerns the protection of Canada's cultural heritage. Earlier this year, my colleague, the Secretary of State, announced measures to control the export from this country of objects which are significant to Canada as cultural, artistic, historical or scientific treasures. As part of the bill which the Secretary of State will, in due course, introduce to this House, certain amendments will be made to the Income Tax Act which will create an incentive to the owners of such treasures to keep them in Canada.

Finally, Mr. Speaker, I wish to announce a most important change related to the existing tax system. All of us realize that the strength of our economy rests to a large measure on the efforts of our smaller independent businessmen. They provide a constant source of innovative and dynamic enterprise in our country, and play a crucial role in maintaining domestic ownership.

Members will recall that at the time of tax reform, special provision was made whereby the first $50,000 per year of business income of a Canadian controlled private corporation would be taxed at a special low rate until the corporation has earned $400,000. In order to provide further stimulus for this vital sector of our economy, I am proposing that effective immediately, the cumulative limit of earnings be raised from $400,000 to $500,000 and furthermore that the annual amount of business income that can qualify for the low rate of tax be increased from $50,000 to $100,000.

[Mr. Turner (Ottawa-Carleton).]

[*Translation*]

Further Tariff Changes

In view of the forthcoming multilateral trade negotiations—the Tokyo Round—I am proposing only a few amendments to the Customs Tariff at this time. Many of the requests we have received for tariff changes will have to be considered in the course of the negotiations.

One amendment worth special mention involves removal of the duty on handicraft products imported from developing countries. Selected handicrafts produced in countries entitled to the benefits of the General Preferential Tariff will be allowed duty-free entry under this new provision.

One other measure is of considerable importance. I refer to the so-called tourist allowance. I propose to liberalize the provisions in the Customs Tariff under which goods brought back by Canadian residents on their return from trips abroad are exempt from duties and taxes. The quarterly exemption available after an absence of 48 hours will be doubled to $50 from $25. The annual exemption, now available after an absence from Canada of 12 days or more, will be increased to $150 from $100. Moreover, the minimum period of absence required to qualify for the annual exemption will be reduced from 12 days to 7 days. And I should mention that the Minister of National Revenue has recently directed that the administrative requirements at the border for those claiming the quarterly exemption should be materially eased.

These changes will be of considerable benefit to the large and rapidly increasing number of Canadians who travel outside Canada.

● (2120)

[*English*]

SUMMARY OF FISCAL POSITION

Mr. Speaker, may I now briefly sum up the financial position of the government, taking tonight's proposals into account. I estimate that the cash requirements of the government in 1974-75 will be of the order of $2 billion, excluding foreign exchange requirements. Having in mind that certain substantial payments, such as the loans to the CNR and Air Canada under the Financing and Guarantee Act and other expenditure items, were scheduled to be disbursed in the last fiscal year, but were not actually made until this year, this figure of $2 billion is for practical purposes not different from that for 1973-74. The budgetary deficit for 1974-75 will be somewhat lower than in the previous fiscal year. On a national accounts basis, the deficit of $500 million which we experienced in 1973-74 will be reduced by more than half in the current year.

I must remind hon. members that these figures are estimates. The actual outcome of the financial accounts will reflect the decisions of this House respecting legisla-

tion now before it and which will come before it in the course of the fiscal year.

With the permission of the House I should like now to include in today's *Hansard* supplementary tables showing estimates of Government of Canada cash requirements, details of the budgetary revenues, federal government revenues and expenditures on a national accounts basis and reconciliations of these figures with those compiled on a public accounts basis. The information in these tables applies to the fiscal years 1973-74 and 1974-75.

I should also like to table, with the consent of the House, several notices of ways and means motions setting out the changes I have proposed tonight and I would ask that they be printed in the notice paper appended to *Votes and Proceedings.*

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: For notices of ways and means motions, see today's Votes and Proceedings.*]

[*The tables referred to above are as follows:*]

GOVERNMENT OF CANADA
FINANCIAL REQUIREMENTS

	1973–74 Preliminary Actual[1]	1974–75 Forecast[2]
	(Millions of dollars)	
Budgetary Transactions—		
Revenues	19,000	23,950
Expenditures	−20,000	−24,400
Surplus (+) or Deficit (−)	− 1,000	− 450
Net Non-Budgetary Transactions— Excluding Foreign Exchange Transactions	− 675	− 1,550
Total Financial Requirements— Excluding Foreign Exchange Transactions	− 1,675	− 2,000
Foreign Exchange Transactions[3]	297	− 368
Total Financial Requirements— Including Foreign Exchange Transactions.	− 1,378	− 2,368

[1] Numbers in this column are subject to revision pending closing the accounts for the fiscal year. However, the numbers for total financial requirements whether including or excluding foreign exchange transactions are subject to only minor adjustments.
[2] Numbers in this column should be interpreted as mid-points of ranges of estimates.
[3] The amount which is shown for financial requirements arising from foreign exchange transactions in fiscal year 1974–75 reflects the transactions which occurred in April.

GOVERNMENT OF CANADA
BUDGETARY REVENUES

	1973–74 Preliminary Actual[1]	1974–75 Forecast[2]
	(Millions of dollars)	
Personal Income Tax	7,915	9,500
Corporation Income Tax	3,185	4,610
Non-Resident Tax	325	340
Estate Tax	15	—
Customs Duties	1,375	1,520
Sales Tax	2,625	2,640
Oil Export Tax	300	1,740
Other Duties and Taxes	1,080	1,250
Total Tax Revenues	16,820	21,600
Non-Tax Revenues	2,180	2,350
Total Budgetary Revenues	19,000	23,950

[1] Numbers in this column are subject to revisions pending closing the accounts for the fiscal year.
[2] Numbers in this column should be interpreted as mid-points of ranges of estimates.

GOVERNMENT OF CANADA
REVENUES AND EXPENDITURES ON
A NATIONAL ACCOUNTS BASIS

	1973–74 Forecast[1]	1974–75 Forecast[1]
	(Millions of dollars)	
Revenues—		
Direct Taxes, Persons	10,950	13,405
Direct Taxes, Corporations	3,520	4,860
Direct Taxes, Non-Residents	325	350
Indirect Taxes	6,475	8,095
Other Current Transfers from Persons	5	5
Investment Income	1,850	2,095
Capital Consumption Allowances	300	330
Total Revenues	23,425	29,140
Expenditures—		
Current Goods and Services	6,250	7,025
(Non-Defence)	(3,950)	(4,575)
(Defence)	(2,300)	(2,450)
Transfer Payments to Persons	7,540	9,215
Subsidies	1,025	2,335
Capital Assistance	235	210
Current Transfers to Non-Residents	305	410
Interest on the Public Debt	2,600	2,960
Transfers to Provinces	5,080	6,150
Transfers to Local Governments	110	120
Gross Capital Formation	780	875
Total Expenditures	23,925	29,300
Surplus (+) or Deficit (−)	−500	− 160

[1] Numbers in these columns should be interpreted as mid-points of ranges of estimates.

GOVERNMENT OF CANADA REVENUES
PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS
RECONCILIATION

	1973–74 Forecast[1]	1974–75 Forecast[1]
	(Millions of dollars)	
Budgetary Revenues	19,000	23,950
Deduct		
Post Office Revenues and Deficit	−590	−690
Deficit of Government Business Enterprises[2]	−120	−120
Excess of Accruals (+) over Collections(−)		
Corporate Income Tax	115	−35
Oil Export Tax	225	−60
Add		
Government Pensions and Social Security Receipts[3]	4,850	5,880
Capital Consumption Allowance	300	330
Miscellaneous Adjustments[4]	−355	−115
Total Revenues, National Accounts Basis	23,425	29,140

[1] Numbers in these columns should be interpreted as mid-points of ranges of estimates.

[2] In the Public Accounts, deficits of government business enterprises are a charge to budgetary expenditures whereas in the National Accounts, these deficits are deducted from remitted profits of other government business enterprises.

[3] In the Public Accounts, the government pensions and social security receipts and benefits are treated as non-budgetary transactions whereas in the National Accounts, these transactions are reflected in the determination of government revenue and expenditure.

[4] These miscellaneous adjustments arise as a result of conceptual differences between the two forms of presentation. These items represent, for example, the proceeds from the sales of existing capital assets; budgetary revenue items offset against budgetary expenditures; imputed items; and, an adjustment for the treatment of revenue in the supplementary period.

GOVERNMENT OF CANADA EXPENDITURES
PUBLIC ACCOUNTS AND NATIONAL
ACCOUNTS RECONCILIATION

	1973–74 Forecast[1]	1974–75 Forecast[1]
	(Millions of dollars)	
Budgetary Expenditures	20,000	24,400
Deduct		
Transfers to Funds and Agencies[2]	−1,860	−1,880
Post Office Expenditures	− 590	− 690
Deficit of Government Business Enterprises[3]	− 120	− 120
Add		
Expenditures of Funds and Agencies[2]	785	1,030
Government Pensions and Social Security Benefits[4]	5,545	6,375
Capital Consumption Allowance	300	330
Miscellaneous Adjustments[5]	− 135	− 145
Total Expenditures, National Accounts Basis.	23,925	29,300

[1] Numbers in these columns should be interpreted as mid-points of ranges of estimates.

[2] In the National Accounts, budgetary appropriations to various funds and agencies are replaced by the expenditure actually made by these funds and agencies.

[3] In the Public Accounts, deficits of government business enterprises are a charge to budgetary expenditures whereas in the National Accounts, these deficits are deducted from remitted profits of other government business enterprises.

[4] In the Public Accounts, the government pensions and social security receipts and benefits are treated as non-budgetary transactions whereas in the National Accounts, these transactions are reflected in the determination of government revenue and expenditure.

[5] As in the case of revenues, the miscellaneous adjustments arise as a result of conceptual differences between the two forms of presentation. These items represent, for example, reserves and write-offs; purchase of existing capital assets; budgetary revenue items offset against budgetary expenditure; expenditures of reserve accounts and revolving funds; imputed items; and, an adjustment for the treatment of expenditures in the supplementary period.

Mr. Turner (Ottawa-Carleton): In conclusion Mr. Speaker, the budget I have brought down tonight is a fiscally responsible budget. It is an equitable budget, aimed at raising revenue where it hurts least, distributing it where it helps most. It is an economically sound budget which attacks the scourge of inflation at its source—the shortage of supply. It recognizes that the fundamental cure to both inflation and unemployment is to overcome the physical limits on our capacity to produce by expanding the agricultural and industrial base of the country. And this budget further extends our policies of protecting those least able to protect themselves from the ravages of inflation and of moderating price increases of a number of goods that play an important part in daily living.

I have always tried to be frank with parliament and the people. In this budget I have rejected cosmetic policies—the easy, popular course at the sacrifice of realism and of the best long-term interests of the Canadian people. I am gambling that Canadians are too smart to be taken in by gimmicks, slogans or slick jargon—that they want to know the facts, whether they are pleasant or unpleasant, and they ask only for a man's best judgment in meeting them.

This budget reflects my determination to deal with inflation. It presents a responsible fiscal and monetary policy. It recognizes the need for all governments, including this one responsible to parliament, to restrain spending. It focuses upon the pivotal issue in the economy—the physical constraints on capacity. It proposes solutions within the context of Canada's place in the markets of the world, where we are not helpless, but neither are we immune to universal price trends.

When I first faced the House as Minister of Finance, I said that no economy is working as well as it should if there are men and women earnestly seeking work who cannot find it. The scene has improved but I am still not satisfied with the results. Now that our cost of living absorbs our attention, I say that I won't be satisfied if this country merely does better than our major competitors. I do not believe that is good enough. My goals are not relative but absolute ones: to moderate our rate of inflation, to relieve the pressure of prices on incomes, on savings and on the peace of mind of Canadians.

It can be done. It will take time to do. But it will happen—partly because international commodity prices will yield, partly because this government's policies will be proven right.

I am confident that most Canadians will accept what I have been saying tonight and will support the thrust and tone of this budget. The people of this country are gifted with good common sense and an open mind. If this House can bring itself to judge my budget with the same common sense and open mind, then I am sure that the measures I have proposed will commend themselves to enough members to ensure its passage.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, if that was to be the swan song of the Minister of Finance (Mr. Turner), it certainly was a long one. I think we must commend him for his physical endurance, and commiserate with the physical plight of the people who have had to listen to this rather long review.

● (2130)

The minister proposes to remove the sales tax on bicycles, but this budget demonstrates in him and his advisers the mentality of the bicycle age in dealing with modern day inflation. The minister and the government have finally come to admit that inflation is the number one problem facing this country. Last year, in February, the matter that the minister was after was unemployment. I casually looked over the motions that have been tabled by the opposition in all the budgets since 1968—the Secretary of State for External Affairs (Mr. Sharp) was then minister of finance—and they all warned of inflation.

The government, outside of that halting and bungling step taken by the Prime Minister (Mr. Trudeau) in 1969, did nothing to contend with inflation, and now the savings of Canadians are being eroded to the point that they must be bribed to buy Canada Savings Bonds which are supposed to be the yardstick and as good as cash. There is a cash bonus which, incidentally, when you read the fine print is a lot more complicated than the Minister of Finance indicated, that is, it is not available until maturity. Is it not a crying shame that what the public really buys must be subject to premiums during the currency of the bond and at the end, much in the way that we have seen financial institutions operate, the government is trying to bribe investors with a turkey—or a bicycle—for the opening of the new account? This is what the minister is trying to do in order to keep Canadians buying Canada Savings Bonds.

One question the minister did not answer tonight refers to whether the minister has reserved the right to close off the present series of Canada Savings Bonds. When will that happen? We know that this year an investment in Canada Savings Bonds, because of inflation and the government's lack of concern for inflation, has meant a loss to individuals. Smallholders, estates, educational funds and all who depend on Canada Savings Bonds will find that because of inflation their savings have been eroded. Is it not a reflection that the past week's Bank of Canada weekly report indicated that the average rate on government long-term obligations has gone up to 8.91 per cent, in effect 9 per cent? That is what this government must pay for its money, all because it has neglected inflation shamefully.

The budget that the Minister of Finance has presented tonight contains some cosmetic proposals that sound very nice and will appeal to people superficially. Some of them have some merit—I will concede this; I think there are some good measures in this budget. But basically the minister reminded me—I have said this before—of a man who is trying to save a patient from bleeding to death simply by putting on bandaids. The minister will run out of bandaids. He is putting on a plaster here and a plaster there without going to the root source of inflation in any way.

It was very instructive to learn that the minister has rejected the idea of a comprehensive incomes policy to turn the corner of the inflationary anticipation that exists in Canada. He is prepared to do nothing, and he has ridiculed the policies put forward by this party.

An hon. Member: What policies?

Mr. Lambert (Edmonton West): Yet last Friday, when I asked the Prime Minister what was the contingency plan to deal with inflation, he said: a wages and incomes policy. Yes, there it is, when everything comes down in ruins and everything is a shambles, when this administration fails to recognize the problem of inflation, it decides that we shall have a wages and incomes policy. At the moment we are getting selective price controls; we are getting palliatives. The Minister of Finance has frankly told the Canadian people, "I am hoping that we will be able to outrun inflation. We will give you fuel and we will try to help you outrun inflation." Well, they cannot do it. In effect, the attitude of the administration is that they hope inflation will go away somehow, somewhere; that there will be an event, that someone will discover some magical formula which will relieve them of the difficult decisions that must be made with regard to inflation.

This House has been in session for over an hour and a half, and I think hon. members want to study this budget. Incidentally, Mr. Speaker, there is one point that I would like to draw to the attention of the Minister of Finance on behalf of all members of the House. It came to my attention tonight that while members of the House were denied the contents of the budget, all that was required was for anyone to listen to radio or watch television at about 8.15 or 8.20 p.m. However, that would not have helped that brilliant member for Ottawa Centre (Mr. Poulin), because what I am saying is that a colleague of mine brought in the total of the minister's proposals by 8.20 tonight. They went out through the media—the total proposals that the minister made.

If it is to be the case—and this is not just idle carping—that members are denied copies of the minister's proposals, but all you have to do is listen to the radio and by 8.20 you have the total budget, while members here had to wait until 9.30 to get the minister's speech in total, then there is something wrong and I would suggest that the matter be looked into so there is no repetition. This would apply also to whoever may be minister of finance next year.

● (2140)

In the event that the government House leader has quit having fun and games with the continuation of this debate, and if he can indicate to us when the budget debate will resume, bearing in mind the traditions of the House and all that goes with the serious consideration of a budget, I would move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell), the adjournment of this debate.

On motion of Mr. Lambert (Edmonton West) the debate was adjourned.

Mr. Bell: Mr. Speaker, bearing in mind what the government House leader said the other day regarding debate on the budget to be announced as late as Monday, is it late enough now for him to tell us when this debate will be resumed?

Mr. MacEachen: Yes, Mr. Speaker. In accordance with the request of the Leader of the Opposition (Mr. Stanfield), the budget debate will commence practically immediately, which in my understanding will be tomorrow.

On motion of Mr. MacEachen the House adjourned at 9.43 p.m.

HOUSE OF COMMONS

Tuesday, May 7, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

REGIONAL ECONOMIC EXPANSION

FEASIBILITY STUDY OF PROPOSED STEEL COMPLEX IN EASTERN CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise at this time under the provisions of Standing Order 43 to move a motion. In view of the grave concern and deep unrest that now exists in Nova Scotia as a result of the recently announced commissioning by the Department of Regional Economic Expansion of a study to investigate the economic feasibility of a steel complex in Atlantic Canada, and in light of the fact that another steel operation in eastern Canada would definitely jeopardize the future of the operations of the steel plant at Sydney and the jobs of over 4,000 steelworkers, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. MacInnis):

That the federal government immediately cancel the study undertaken to investigate a site for a possible steel complex in eastern Canada and instead solely concentrate on assisting the Nova Scotia government to modernize and diversify the present steel operation at Sydney.

Mr. Speaker, the future fate of the economy of Cape Breton could well hang in the balance as a result of the stupidity of the federal government in commissioning this study.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: MacEachen's boys said no.

Mr. Speaker: There is not unanimous consent.

* * *

PUBLIC SERVICE

TABLING OF PART III OF REPORT BY JACOB FINKELMAN ON EMPLOYER-EMPLOYEE RELATIONS

Mr. Maurice Foster (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table, on behalf of the President of the Privy Council (Mr. MacEachen), Part III of the report of Mr. Finkelman on employee-employer relations in the Public Service of Canada.

* * *

CANADA ELECTIONS ACT

PROVISION TO MEMBERS OF PARLIAMENT OF LISTS OF MILITARY VOTERS TO PERMIT COMMUNICATION

Mr. Sean O'Sullivan (Hamilton-Wentworth) moved for leave to introduce Bill C-284, to amend the Canada Elections Act.

Some hon. Members: Explain.

Mr. O'Sullivan: Mr. Speaker, the purpose of this bill is to compel the Chief Electoral Officer to place at the disposal of members of parliament the lists of military voters electing to be enumerated in their respective electoral districts, and thereby to permit members' communication with all their constituents.

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

● (1410)

ORAL QUESTION PERIOD

FINANCE

THE BUDGET—RATE OF INFLATION ASSUMED IN CALCULATING RATE OF GROWTH IN REAL TERMS AND INCREASE IN INCOME TAX COLLECTIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this question is directed to the Minister of Finance who has forecast a rate of growth of 5 per cent in real terms during 1974 and in his budget presentation last night accompanying figures indicated that the increase in income tax collections in the current fiscal year would be $1½ billion. In making this calculation, what was the assumption as to the rate of inflation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the assumption was based on the inter-reaction between the progressive rate of tax and the expectation of receipts from that tax based on that progressive rate.

Mr. Stanfield: Mr. Speaker, I understood the reluctance yesterday of the Minister of Finance to make a prediction as to what inflation will take place in the current calendar year, but I would like the minister to be frank with us and

tell us quite frankly the basis upon which the calculation of income tax collections was made and a real rate of growth of 5 per cent. Would the minister please be frank and tell us what the rate of inflation was assumed to be for the purpose of the calculation?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the rate of return on the tax is not only based on assumptions of inflation but on assumptions of the strength of the economy, assumptions of the strength of the economy in various income ranges. As I said last night I am not in a position to predict a rate of inflation for Canada in 1974 for the reasons I mentioned last night.

Mr. Stanfield: Mr. Speaker, I am sorry the minister is being difficult about this. He just said this calculation was based on other assumptions besides an assumption of the rate of inflation, indicating there was some assumption made about the rate of inflation for the purpose of this calculation. I ask the minister to give us this information so that we can judge the value of the calculation. What was the rate of inflation upon which this calculation was based? There were other assumptions as to the rate of growth and other things the minister has mentioned, but what was the rate of inflation upon which this calculation was based?

Mr. Turner (Ottawa-Carleton): There are so many interrelated factors. We went through this exercise last year on the budget and I give the Leader of the Opposition the same answer I gave him on the last occasion.

Mr. Speaker: Order, please. There are three or four or more supplementaries. Hon. members, I am sure, will want to spend most of the question period on this matter which actually should be dealt with when we reach the budget debate, but I will recognize hon. members for these supplementaries in a moment after we have completed the first round of questioning. The hon. member for Brant.

* * *

SOCIAL SECURITY

SUGGESTED INCREASE IN OLD AGE PENSIONS BY $500 A YEAR IN LINE WITH INCREASE GRANTED CERTAIN PUBLIC SERVANTS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is also directed to the Minister of Finance. In view of the fact the government recently gave a $500 a year increase to certain members of the Public Service, specifically to cope with rising inflation, is it the minister's intention to do the same thing for those receiving old age security and, if not, why not?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that question was put in similar terms yesterday. I am not in a position to respond to it in positive terms because they are two different types of situations.

[Mr. Stanfield.]

[*Translation*]

CANADIAN BROADCASTING CORPORATION

LACK OF NEWS BROADCAST ON FRENCH NETWORK BECAUSE OF ACTION BY EMPLOYEES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

Since the entire French network of the CBC was paralyzed last evening, so that the Canadian people were deprived of the national news due to a work stoppage ordered by stupid and irresponsible individuals, does the Prime Minister intend to ask a thorough cleaning of the CBC piggery contaminated by well-known separatists and leftists?

Mr. Grafftey: Incredible!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the House no doubt knows, the work stoppage to which the Social Credit leader referred to comes under the Canadian Labour Code. We hope that the CBC authorities will act firmly in that illegal strike, as the House also hopes. For the moment, I think it would be premature for the government to intervene in that strike, but once again, I hope that the authorities will find a solution to that strike which is not only illegal but whose timing strangely seems to have been in contempt of Parliament representing the entire nation.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary.

I realize that it behooves the CBC to take decisions, but I would like to know if the Prime Minister and the government intend to recommend to the corporation that it deal severely with those responsible for this absolutely illegal strike?

Mr. Trudeau: Mr. Speaker, I suppose that the hon. member's question and the reply I just gave will be broadcast, if not on the CBC network at least on those of the other radio and television stations, and that the strikers will probably be informed of our views, mine and that of the hon. member.

* * *

[*English*]

FINANCE

PROPOSED ONTARIO TAX ON LAND SPECULATION—POSITION OF MINISTER RESPECTING DEDUCTIBILITY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, would the Minister of Finance clarify for Ontario citizens whether he is undercutting the provincial tax on land speculation by removing one of the bases of the tax, namely, the deductibility provision with regard to such tax?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I understand it, that bill is still before the Ontario legislature so there is no undercutting at all.

Some hon. Members: Oh, oh!

Mr. Lawrence: The suggestion I have had is that the legislation has been put in a freeze in the Ontario legislature pending clarification of what the minister is apparently doing. I think it is a fairly simple question: Is government policy going to continue to permit the deductibility of such a tax at the provincial level or not? A simple yes or no will be sufficient.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): It is my understanding that the bill has been put in a freeze in the Ontario legislature until they find out whether or not it works.

Mr. Speaker: The hon. member for St. John's East.

Mr. Lawrence: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Perhaps the hon. member for St. John's East, who has the next question, will allow me to recognize the hon. member for Northumberland-Durham on a supplementary.

Mr. Lawrence: I am sorry, sir, to have to do this again, but obviously the question of the workability of the provincial legislation depends entirely on the attitude of the minister, and he will not give it. I ask him again, and a simple yes or no will be sufficient: is this tax going to be deductible or not?

Mr. Speaker: Order, please. The hon. member is repeating the question he has already asked. The hon. member for St. John's East.

MONITORING OF CERTAIN BUDGET TAX CHANGES TO ENSURE THAT CONSUMERS ARE PROTECTED

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs who has been charged with monitoring responsibility in regard to the budget of the Minister of Finance. May I ask him what steps he intends to take in carrying out this monitoring responsibility to ensure that the excise tax is not used as an excuse to raise profits on existing stocks? I ask this in view of the fact that the decrease in the sales tax on clothing and footwear will not be effective until existing stocks are exhausted, probably in the fall, if ever.

● (1420)

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, we carried out a successful monitoring program with respect to the excise tax and customs duty cuts in the last budget, and I hope to be announcing very shortly the details of the monitoring program with respect to the present measures. Obviously, as the hon. member suggests, it will have to be developed to take into account the very factors he has mentioned. I will be announcing the details later.

Mr. McGrath: Mr. Speaker, in view of the minister's outstanding failure to succeed in this regard with respect to the last budget, may I ask him what immediate steps he is taking to ensure that people are not taking advantage of the elimination of the excise tax on tobacco and certain other products as an excuse to make immediate windfall profits?

Mr. Gray: Mr. Speaker, I think that most people, perhaps with the exception of the hon. member and some of his colleagues, recognize the report on the monitoring of the cuts in the last budget as being a fair balanced and accurate statement of what actually took place and the actual benefit to the consumer. We are prepared to carry out the responsibility mentioned by the Minister of Finance in his statement last night to get the facts in order that the government can take any appropriate action that may be necessary.

THE BUDGET—GROWTH IN GROSS NATIONAL PRODUCT IN CURRENT DOLLAR TERMS USED IN ESTIMATING REVENUES

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is supplementary to the first question asked of the Minister of Finance. Can the minister give the House the figure for growth in the gross national product in firm dollar terms which was used in the determination of his estimate of revenues for the future year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is just another way of putting the same question.

Mr. Hellyer: Does the minister not feel he has a solemn obligation to parliament and to the Canadian people to tell them the growth rate on which his forecasts are based, and that it is rather contemptuous of the House and the Canadian people to try to hide exactly what he predicts to be the case for the coming year? Will he not now change his mind and come clean with the Canadian people and with parliament and tell us what the basis is?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I came clean with the Canadian people last night.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Yesterday afternoon, in reply to a question from one of the hon. gentleman's colleagues, I said in the current state of the worldwide factors at play no one could accurately predict the rate of inflation in Canada or in any other country of the world.

Mr. Speaker: I will recognize the hon. member for Trinity for the sixth or seventh supplementary on this subject, after which I will see the hon. member for Yorkton-Melville.

Mr. Hellyer: Mr. Speaker, my question is simple. How can anyone estimate income revenues based on the gross national product if at the same time he is totally incapable of estimating the compound of the real growth and the inflationary growth which is going to take place? It is a fraudulent prediction.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the hon. gentleman recognizes, by the preamble to his question, how many interreacting assumptions there are.

Oral Questions

NET VALUE TO CORPORATIONS OF TAX CUT AND WRITE-OFFS LAST YEAR

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the fact we have been unable to get from his officials the net value to corporations of the corporate tax cut last year as well as the tax write-offs, can the minister tell us today how much the tax cuts were worth last year, as well as for 1974?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the reason the hon. gentleman was not able to get those figures is that you have to calculate the gross effect of the corporate tax cut as against increased activity in personal employment, expansion of capacity and expanded production, all of which will bring in renewed tax revenue. So the net figure is difficult to get at.

Mr. Nystrom: Can the Minister of Finance assure the House that the people of the country will have that figure in the next few weeks? Can he also tell the House when we may expect the complete answer to that question?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I should like to assure the hon. gentleman that these measures have produced 430,000 new jobs in this country.

* * *

PENITENTIARIES

PRINCE ALBERT—MURDER OF INMATE—NOTIFICATION OF FAMILY—REQUEST FOR INDEPENDENT INQUIRY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Solicitor General and concerns an event that took place in Prince Albert Penitentiary three days ago in which an inmate, Mervin Johnston, was stabbed to death, allegedly by another inmate. The press in Calgary has been very critical of the circumstances connected with the announcement to members of the family of the death of this young man. I spent yesterday trying to look into the matter and feel that it can be cleared up provided the minister will set up an independent inquiry, not an institutional one but an independent inquiry, into all the circumstances because the stories that are going around can only be detrimental to our penal institutions.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am advised that the penitentiary authorities tried to reach the wife of the man who was murdered in the penitentiary but were unable to do so. It seems that she was separated from her husband and there was no full address on file; consequently they could not reach her. I shall refer this matter to the penitentiary ombudsman who acts under the Inquiries Act and have her investigate this case for the right hon. gentleman. She is in an independent position and will provide a report.

Mr. Diefenbaker: Mr. Speaker, I take it that is an undertaking that there will be an independent investigation. If it is, I thank the minister for action which can only be beneficial if the facts are as alleged by officials in the penitentiary.

[Mr. Turner (Ottawa-Carleton).]

Mr. Allmand: Yes, Mr. Speaker. As I said, the correctional investigator or ombudsman acts under the Inquiries Act and I will refer this matter to her for an independent investigation.

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FINANCE

THE BUDGET—APPLICATION TO ALBERTA OIL SANDS DEVELOPMENT OF PROVISION THAT AMOUNTS PAID PROVINCIAL GOVERNMENTS BY DEVELOPERS NOT DEDUCTIBLE IN COMPUTING THEIR INCOME

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Minister of Finance. Last night the minister said that revenues derived by provincial governments in respect of production from petroleum or mineral resources should no longer be deductible in computing the income of the operator of the resources. Will the minister tell the House whether this statement in the budget will affect the special arrangements made and being made by the Alberta government with developers of the Alberta oil sands, which exempt the company from tax on the share of profit paid to the province?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to see a competitive return for the development of oil, but that is going to take an interpretation of the provisions of ways and means motion tabled in the House and the contract between the province and the developers.

Mr. Bawden: In view of the extreme importance to Canadians in their long range energy supplies that these developments proceed and proceed quickly, will the minister confirm that the arrangements he made with the company developing the tar sands last fall are no longer valid, that is, the commitment he gave?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker, that is not what I was saying.

Mr. Bawden: When the first ministers' conference concluded at the end of March it appeared that all matters relating to petroleum revenue sharing were settled. In view of this new and serious change in the sharing of revenues, will the minister say whether it is proposed to bring the first ministers together again to discuss this matter before the legislation is implemented?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker, not at this time, but the Premier of Alberta has been made well aware of the concern of the federal government as to the availability of its own federal corporate tax base.

Mr. Speaker: Order, please. There are a number of members seeking supplementaries. I will recognize the hon. member for Nipissing.

MEASURES TO EQUALIZE PRICE OF OIL, IF PETROLEUM ADMINISTRATION BILL NOT IMPLEMENTED

Mr. J.-J. Blais (Nipissing): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view

of the slow progress of Bill C-18, the oil administration bill, in committee, and in view of the indication by the leaders of the opposition parties that they may not let the government proceed with its administrative measures, would the minister indicate what measures would be available to the government to equalize the price of oil and maintain agreement in the event that Bill C-18 would not be implemented?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if the bill is not made law there would, of course, be no legislative base to maintain the single price for Canadians. It would, of course, be possible if the House were dissolved to provide the cushion by way of Governor General's warrants. But there would be no authority for the collection of the export charge, and as a result approximately $4 per barrel would go to the industry—

● (1430)

Mr. Baldwin: Nonsense!

Mr. Macdonald (Rosedale): —and the cost of the payment of the cushion would have to be borne by the general taxpayer.

Mr. Baldwin: Bribery!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What a red herring!

Mr. Speaker: Order, please. May we have order, please. The hon. member for Calgary North is recognized for the purpose of asking a supplementary.

OIL—PROVISION IN BUDGET THAT AMOUNTS PAID PROVINCES BY DEVELOPERS NOT DEDUCTIBLE IN COMPUTING INCOME—PRIOR CONSULTATION WITH PROVINCES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask the Minister of Finance a question along the same lines as the one asked by the hon. member for Calgary South. The minister said last night, "I am proposing that revenues derived by provincial governments in respect of production from a petroleum or mineral resource should no longer be deductible in computing the income of the operator". Was there any consultation with the provinces prior to that statement in the budget? Did any consultation take place when the agreement was made with reference to the surtax and the compensation which will net eastern Canada $1 billion out of the resources of Alberta?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not accept the preamble to the question. There was no consultation before last night's budget statement, although the province of Alberta was well aware of the government of Canada's concern about the erosion of the federal tax base as a result of actions taken by provincial governments.

Oral Questions

VETERANS AFFAIRS

DISPOSITION OF GEORGE DERBY HOSPITAL LANDS—REQUEST FOR TRANSFER TO MUNICIPALITY OF BURNABY

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the fact the disposition of the 28 acres on which the George Derby Hospital is located appears to be virtually settled, and in view of the increasing urgency of reaching a decision regarding the disposition of the remainder of this tract of land, can the minister give any assurance that the government is willing to transfer this land to the municipality of Burnaby?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the answer is no.

* * *

FINANCE

THE BUDGET—ALLEGED EARLY RELEASE TO LIBERAL LEADER IN MANITOBA LEGISLATURE AND OTHERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Finance. Is the hon. gentleman aware that a copy of his budget was in the hands of the leader of the Liberal opposition in the Manitoba Legislature before his reading of the budget and before it was available to members of this chamber? Can he inform the House how this budget leak took place?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am not aware of that but I will check it out.

Mr. Dinsdale: In view of the fact that this is a fundamental violation of the rights and privileges of every member of this House—

Some hon. Members: Hear, hear!

Mr. Dinsdale: —would the hon. gentleman in his investigation inquire as to how many copies were released ahead of his budget address and to whom they were released, and report to the House in some detail on this matter?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I doubt very much the allegation raised by the hon. member. The budget was sent under security guard in national defence aircraft right across the country, and copies were released in all provincial capitals simultaneously with my rising in the House. Allowing for time zones, and I will check the particular incident raised by the hon. gentleman, it is quite possible that at seven o'clock Winnipeg time the budget would have been available to anyone who approached the Bank of Canada office or the legislature in Manitoba.

[*Translation*]

THE BUDGET—PROVISIONS RESPECTING MUNICIPALITIES AND ACCUMULATION OF FUNDS BY INDIVIDUALS TO BUY HOMES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Finance. It deals with the very important speech he made last night and is of interest to municipalities and persons of 18 or more. I should like to be very specific. Will the removal of the sales tax on building materials mentioned on page 22 of the speech which will apply to municipalities and water distribution systems also apply to municipal sewers? Secondly, will the fiscal advantages granted persons 18 or over through a registered home ownership savings plan apply not only to the purchase of homes but also to home construction?

Mr. Speaker: Order. I shall allow the minister to reply briefly, but may I remind the hon. member for Bellechasse that in a few minutes we will be discussing the budget, in addition to which those questions should not really be put before we reach orders for the day. But the question having been put, the minister may want to answer it briefly.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the answer can be found in the document I tabled last night. The answer to the second part of the question is yes. With regard to the first part of his question, I must refer the hon. member to the document I tabled last night. In any event, I shall be in touch with him in this regard.

[*English*]

LOSS IN REVENUE RESULTING FROM CORPORATE TAX CUT AND FASTER WRITE-OFFS LAST YEAR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Finance and has reference to the question put to him by the hon. member for Yorkton-Melville relating to the estimated loss of revenues flowing from the cut in corporate taxes for manufacturers and processors and the fast write-offs. In view of the fact the Deputy Minister of Finance promised an answer on that this morning at the latest, am I to take it from the Minister of Finance's response to the hon. member that he is refusing to give that information?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am saying to the hon. gentleman that in order to calculate the net tax effect of the corporate tax incentives to manufacturers and processors one has to take the gross tax receipts and set off against them taxation from increased activity in the construction industry and in capital investment, and what that means in terms of greater productivity and greater taxation, and also net out the greater personal taxation from the new jobs that are provided by that increase.

Mr. Stanfield: How was it that the minister's officials were quite prepared to give us an estimate last year? In view of this, why is the minister going through all this elaborate cover-up which is creating suspicion in the minds of people that is exceedingly regrettable? I ask the minister, will he not do what his officials promised would be done, give us this information, and prevent the suspicion developing that the minister is creating today?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am replying on my authority as minister and reporting to a fellow member of the House, and I have told him of the difficulty in supplying that answer.

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PENITENTIARIES

ESCAPE OF TWO INMATES FROM MILLHAVEN—ALLEGED DELAY IN NOTIFYING NAPANEE POLICE DEPARTMENT

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is to the Solicitor General and deals with permissiveness in our penal administration. Last week two convicts escaped from Millhaven Penitentiary, enjoyed a delightful day in the county town of Napanee in the luxury of spendid anonymity at the expense of the public, and are still at large because there was no communication from the prison to the police department of the town of Napanee. What reason can the Solicitor General give for the failure of his department for 14 hours to notify the Napanee police department of the escape of these men and of their description?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will have to get the information on that question. I was expecting it a few days ago. I had the information here then but I do not have it today.

* * *

AGRICULTURE

INCREASE IN FERTILIZER AND BALER TWINE PRICES—INVESTIGATION OF JUSTIFICATION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture with regard to the recent increases in fertilizer prices amounting to 30 per cent about which the minister has not satisfied me, and also with regard to other products involved in the production of agricultural products such as baler twine which has increased in price by at least 300 per cent. Has the minister had any inquiries conducted to see whether these increases are justified?

● (1440)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member knows we have been checking on these prices. We know that the supply of baler twine is increasing. If there is a so-called shortage, this is one way in which unjustified price increases can be overcome. A cargo of baler twine was recently unloaded at Saint John, New Brunswick, and another is being unloaded at Toronto. If the supply becomes greater, that will have a controlling effect on prices. We know the increase will not be 300 per cent as the hon. member has suggested. According to our survey, fertilizer prices in western Canada have gone up by approximately 23 per cent. The big problem we are now facing is that some small dealers and farmers are

exporting fertilizer to the United States in order to make a rip-off.

Mr. Speaker: The Chair will recognize the hon. member for Mackenzie on a supplementary and then the hon. member for Egmont.

Mr. Korchinski: The minister may be dealing with the small problem of an increase of 40 per cent in the price of fertilizer, but the price of baler twine has gone up over 300 per cent, from $8 to at least $27 a bale. Can the minister indicate what justification there is for that in view of the fact that fuel oil and natural gas prices and transportation costs have not gone up at that rate? Why is this type of increase necessary?

Mr. Whelan: Mr. Speaker, baler twine is made out of sisal fibre which is imported from Mexico and other countries. There is not much we can do but pay the price for that product and get it to Canada as quickly as possible. In Mexico, for instance, it went up by $5 a bale. I think it should be made clear that when the hon. member suggests 300 per cent—

Mr. Speaker: Order, please. The hon. member for Egmont.

Mr. Korchinski: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member is rising on a point of order. I will allow the minister to reply to the point of order, but I am not sure it will settle very much.

Mr. Korchinski: Mr. Speaker, what happens in Mexico does not have anything to do with the price of twine in Canada. I am not talking about sisal twine. I am talking about plastic twine which is entirely different from the sisal twine that comes from Mexico. The price of plastic twine—

Some hon. Members: Order!

Mr. Speaker: Order, please. Order, please. I have to be fair to the minister and allow him to speak to the alleged point of order. I hope hon. members will appreciate there are only a few minutes left before the end of the question period.

Mr. Whelan: For your information, Mr. Speaker, plastic twine is used by less than 10 per cent of those who use baler twine in Canada. Its main source is petroleum products. In the case of sisal fibre, it is all imported.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. This shouting is not very helpful. In the circumstances hon. members can expect that orders of the day will be called promptly when we reach the end of the question period. If we have to go, I wish we would go in peace.

Some hon. Members: Hear, hear!

Mr. Korchinski: Mr. Speaker, I would go in peace if the minister would admit he has not done a darn thing about the price of baler twine which has increased by 300 per cent. That is exactly what this government intends to live with.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I call on the Minister of Agriculture to give the Chair an opportunity to recognize another two or three questioners before we reach the end of the question period. I recognize the hon. member for Saint-Hyacinthe. I hope it will not be a supplementary.

* * *

[*Translation*]

AIR CANADA

POSSIBLE LOCATION OF CERTAIN OVERHAUL FACILITIES IN WINNIPEG—INQUIRY AS TO DECISION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, in the absence of the Minister of Transport to whom we wish a quick return, I address my question to the head of government.

In view of the statement made in this House by the minister on March 22, as recorded on page 774 of *Hansard*, to the effect that, and I quote:

"Air Canada is the one that will decide where the base will be located . . ."

Can the Prime Minister tell the House whether he agrees with this point of view and intends to confirm this decision already taken by Air Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will refer to what I said to the House two days ago, he will realize that I indicated indeed this question was before the Cabinet.

The hon. member should know that the government's and Parliament's policy is to leave as much freedom as possible to Crown corporations, but that the government, by appointing the directors of various boards and through contacts with the main administrators, can certainly influence this kind of decision.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

OIL SPILLS FROM GROUNDING OF SHIPS OFF NORTHERN TIP OF VANCOUVER ISLAND AND IN ST. LAWRENCE RIVER

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my question is for the Minister of the Environment. In view of the reported grounding of a Canadian National cruise ship off the northern tip of Vancouver Island with a resulting oil spill, will the minister advise the House whether he has information as to the extent of the oil spill, the cause of the accident and what action is being taken to contain the oil?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I can tell the House that the spill is not serious. I

do not know the cause of the accident. Staff of several departments are on the spot and oil containment efforts are under way.

Mr. Harding: Who will be responsible for the clean-up costs of this spill and for the clean-up costs of a similar grounding in the St. Lawrence River recently which I understand resulted in a very costly clean-up operation?

Mr. Davis: In the first case, Mr. Speaker, Canadian National Railways; in the second case, Imperial Oil.

* * *

FINANCE

IMPACT OF BUDGET ON AREAS OF HIGH UNEMPLOYMENT

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a question to the Minister of Finance. In light of the fact that Canada's areas of regional disparity, particularly the Atlantic region, have had high unemployment rates together with an increasingly tight money situation, has the minister assessed the impact his budget will have on these regional economies, particularly in light of the forecast downturn for the latter part of this year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I tried to make it clear last night when I referred to the policies to eliminate regional disparity or to enhance equality of economic opportunity in Canada that the budgetary thrust of the government would continue to try to spread expansion of the economy into the Atlantic and western provinces. I took some encouragement last night, as I hope the hon. gentleman did, from the fact that despite the high unemployment figures, which I regret as much as he, the rate of growth in the Atlantic provinces and Quebec in 1973 exceeded the rate of growth for the country as a whole.

● (1450)

Mr. MacDonald (Egmont): Since the minister referred to the fact that he expected the banks would continue giving preference with regard to loans to small businesses, mortgage financing for housing and other borrowers, is the minister now prepared to indicate the exact capital targets that have been arrived at? Is the minister prepared to report to the House the extent to which the banks will enter into some arrangement, in view of the fact that unemployment is in fact increasing on an over-all basis in the Atlantic provinces and that often inflation is greater there than in the more affluent parts of the country?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I recognize that while monetary policy has a uniform national rate which may have different effects, depending on the strengths of different parts of the economy, our fiscal policy has a regional differentiation. I have asked the governor of the Bank of Canada, through the Canadian Banking Association, to arrange to have figures compiled on a more regular basis indicating the rate of authorization of loans of $200,000 and under and $200,000 and over, regionally differentiated. I will see what I can get for the hon. gentleman.

[Mr. Davis.]

[*Translation*]

LABOUR RELATIONS

STRIKE AT UNITED AIRCRAFT PLANT, LONGUEUIL—RETURN OF SUBCONTRACTS FROM UNITED STATES UPON SETTLEMENT

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce concerning the strike of United Aircraft employees, in the constituency of Longueuil. Since this strike has been going on for 19 weeks now, can the minister tell the House whether he was assured by United Aircraft officials that all subcontracts given in the United States will cease as soon as the strike is over?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am very concerned about the prolongation of this strike, its effects on employment and its effects, both present and future, on supplying our customers throughout the world. My department has registered our concern and we are monitoring the situation very closely. We have received written assurances from the company that, immediately following the end of the strike, any work which has been shifted temporarily from the plant will be returned immediately to United Aircraft Limited.

* * *

AIR CANADA

DUTIES AND FUNCTIONS OF RECENTLY APPOINTED PRESIDENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Acting Minister of Transport, of which notice was given the minister's office this morning. Can the acting minister say whether or not the recently appointed president of Air Canada has the same duties and functions as his predecessor, or have his responsibilities and duties been lessened or diminished in any way?

Hon. Donald C. Jamieson (Acting Minister of Transport): Mr. Speaker, I regret that I did not get the notice ahead of time. I am sure it is my own fault, but I did not get an opportunity to read this question. I will make inquiries. I think a written answer would probably be the most appropriate because the answer would be fairly lengthy.

Mr. Speaker: The Chair will recognize the hon. member for a supplementary and will then recognize the hon. member for Lisgar before calling orders of the day.

Mr. MacKay: Very briefly, Mr. Speaker, may I thank the minister and ask him whether, when he is investigating this matter, he will also determine if fewer vice-presidents or departments within Air Canada report directly to the president than was formerly the case?

Mr. Jamieson: Mr. Speaker, I will do my very best to have that included in the answer.

FINANCE

ACTION TO ENSURE BANKS MAKE MONEY AVAILABLE TO FARMERS UNDER FARM IMPROVEMENT LOANS ACT

Mr. Jack Murta (Lisgar): Mr. Speaker, may I direct my question to the Minister of Finance. On April 30 last I asked him whether or not he would undertake discussions with officials of the banks with a view to ensuring that under the Farm Improvement Loans Act money would be available to farmers for use this spring. At that time he said he would do so. Would the minister now tell the House what has now transpired since his discussions with the banks?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I transmitted my undertaking to my officials and I hope to report to the hon. member shortly. In the last few days I have been distracted somewhat by other matters.

AVAILABILITY OF FISHERIES IMPROVEMENT AND SMALL BUSINESS LOANS IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I ask the Minister of Finance a supplementary question. The minister also indicated two or three weeks ago that he would look into the fact that fisheries improvement loans and small business loans were not being directed to the Atlantic region, particularly to the province of Newfoundland. Can the minister report on the investigation that he directed the chairman of the financial administration to carry out?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I undertook to the hon. gentleman when we were sitting in committee, I sent the director of the bank down to St. John's, Newfoundland. I have not had an opportunity of receiving a report from him, not because he has not been ready to report but because I have not had an opportunity to talk to him.

Mr. Speaker: Order, please. I believe all hon. members are anxious to hear the continuation of the address by the hon. member for Edmonton West. I am prepared to call orders of the day, but I see a number of members rising on points of order, beginning with the Solicitor General.

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PENITENTIARIES

ESCAPE OF TWO INMATES FROM MILLHAVEN—ALLEGED DELAY IN NOTIFYING NAPANEE POLICE DEPARTMENT

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have had my office send me the answer to the question asked by the hon. member for Frontenac-Lennox and Addington.

Mr. Speaker: Order, please. I am not sure that is a point of order, but with the consent of the House the minister will be allowed to reply to the hon. member's question.

Some hon. Members: Agreed.

Mr. Allmand: Mr. Speaker, when there is an escape from a penitentiary in Ontario we have an arrangement to notify the Ontario Provincial Police. In this case we did notify the Ontario Provincial Police within one hour of the escape and provided them with photos and identification. I might say that these men did not escape from the Millhaven maximum security institution but were walkaways from the minimum security institution and are in no way dangerous.

Mr. Speaker: Order, please. The hon. member for Frontenac-Lennox and Addington is rising on a point of order. Again I appeal to hon. members to allow the Chair to call orders of the day since I gather there is important business to be considered this afternoon. The hon. member rises on a point of order.

Mr. Alkenbrack: Mr. Speaker, I rise on a question of privilege to explain to the House why the answer given by the minister is not satisfactory. There are other autonomous police departments in the district besides the provincial police. These smaller autonomous police departments were not notified, and I ask the minister why.

Mr. Speaker: Order, please. I hope this intervention will not go on the record of the House as a question of privilege. The hon. member for Peace River.

Mr. Baldwin: Mr. Speaker, I did not rise on a point of order at the time the hon. member for Nipissing asked his question because I did not want to intervene while the question period was under way. My point of order is this. The hon. member for Nipissing dealt in his question with matters that were the subject of discussion before the Standing Committee on National Resources and Public Works this morning, and the facts given before the committee were contrary to what the hon. member suggested. It was made quite plain that there was machinery in place by which the provisions of that bill could in fact be covered. The representative of the province of Alberta, the Attorney General, made it quite plain that the province would honour its commitment to maintain the price at $6.50, and we would, of course, agree with him. I think that fact should have been made known by the hon. member when he asked his question.

Mr. Blais: Mr. Speaker, on the same point of order, the Attorney General also indicated before the committee that he was not concerned about whether that bill would be passed by the committee. He indicated that, in his view, there were already measures that could be implemented by the minister. That is why the question was asked of the Minister of Energy, Mines and Resources.

● (1500)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, May 6, consideration of the motion of Mr. Turner (Ottawa-Carleton) that this House approves in general the budgetary policy of the government.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, some time ago there were written these following words: "Inflation mocks the idea of a just society". I am just wondering whether the author of those words would stand up and take a bow, because that man was the Prime Minister (Mr. Trudeau), who said that in October of 1969. But strangely enough, notwithstanding that his pet theory of a just society is not only mocked but destroyed by inflation, in his own words, but this administration has been most lax and reluctant to deal with inflation in a meaningful way. This administration stands indicted before the Canadian public on the ground of its inability to deal with inflation. Thousands upon thousands of senior citizens accuse the government. They accuse the government and they use the traditional term "j'accuse". They accuse this government when they see their hard earned lifesavings frittered away, to the extent of 10 per cent last year alone.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): The hon. member for Sherbrooke (Mr. Pelletier) can consult the Bank of Canada tables if he wants, or go to any records beyond his own knowledge and memory and he will find that in one year, from the last budget in February 1973 to this present budget, the cost-price index moved upward over 15 points. In other words, it was in excess of 10 per cent. In view of that situation how can anyone look any senior citizen, a person on fixed income, anyone who holds insurance or government bonds or who has any investment, in the eye and say that the situation can and must continue? This government has been in power—

An hon. Member: Too long.

Mr. Lambert (Edmonton West): —since October 1972, and it has been singularly unconcerned about inflation. We have had bandaid after bandaid measures here and there. Even the move by the Minister of Finance (Mr. Turner) at the time of the last budget in indexing personal income was a bandaid measure, and how he crawled in order to do that. The indexing at 6.6 per cent left the income earners of Canada some four points in arrears on the basis of inflation in Canada during the past 12 months. How can he give any assurance to the people of Canada with equanimity?

Possibly some bachelor members do not appreciate the situation, but any housewife could tell them what has happened in respect of shopping in the grocery stores.

[Mr. Blais.]

Bachelors do not notice the change as much, but I want to ask each and every individual member:

[*Translation*]

How much was the provider or the housewife spending on food, last week for instance, as compared to a year ago? It is the same thing everywhere, Mr. Speaker. Those people do not care about Canadians facing inflation. They definitely do not care, they believe everything is right; put one band-aid here, another there, this will cure everything. They should indeed put some tape across the lips of the hon. member for Sherbrooke (Mr. Pelletier), this would eliminate a good deal of noise in the House, because all he says is nonsense.

Mr. Pelletier (Sherbrooke): I rise on a point of order, Mr. Speaker.

Mr. Speaker: May I interrupt the hon. member for Edmonton West, the hon. member for Sherbrooke rose on a point of order.

Mr. Pelletier (Sherbrooke): I have a question for the hon. member, Mr. Speaker.

Mr. Speaker: The hon. member for Sherbrooke rose on a point of order, but it now appears he has a question for the hon. member for Edmonton West, who has the floor.

Mr. Lambert (Edmonton West): Mr. Speaker, I understood nothing of what the hon. member said. It would be nonsense, as usual.

[*English*]

Mr. Speaker, I think it is quite understood that the minister—

Mr. Speaker: Order, please. I apologize to the hon. member, but I believe I should try to make this clear by indicating that the hon. member for Sherbrooke (Mr. Pelletier) rose a moment ago with the intention of asking a question of the hon. member for Edmonton West (Mr. Lambert). I reminded the House that the hon. member for Edmonton West has the floor and the hon. member can rise only with the consent of that hon. member.

Mr. Lambert (Edmonton West): Mr. Speaker, I will certainly let the hon. member ask his questions when I finish my speech. I understood that he had risen on a point of order in order to ask the question.

I am sure that my good friend the Minister of Finance will agree with me that he is the one who has to provide economic leadership to the country.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): That is the nature of his job. He is supposed to be the captain of the ship.

Mr. Muir: She has gone aground.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): The Minister of Finance can control only 35 per cent of government expenditure through the estimates and the rest of it is statutory. In spite of the fact the take of the GNP in 1972 and all

levels of government was 37.9 per cent, only 18.7 per cent fell to the federal government. This is something the Minister of Finance did not put on the record, but these are the latest correct figures as published in the National Finances of the Canadian Tax Foundation. I doubt that the minister would doubt the veracity of those figures.

Revenues of government and hospitals at all levels in the country amounted to some $39 billion at market value. I have been studying some other tables which are very interesting. Does anyone appreciate how far inflation has gone in this country? In 1972 the GNP in market dollars was close to $104 billion. The Minister of Finance was really spraining his shoulder patting himself on the back over the strength of the Canadian economy because it had gone up to $104 billion. Let us compare that with 1961 constant dollars. In those terms the GNP was only $70 billion to $71 billion. That indicates the nature of the disparity because of inflation since 1961.

The other day the minister talked about the records of capital investment in Canada and suggested this shows there will be a great deal of investment, but it only takes a little bit of figuring, and the Minister of Finance is not able or does not want to do this, to realize that investment in 1974-75 will not, in purchases in constant dollars, amount to as much as in 1966, and 1966 was a pretty good year. Canada has presumably advanced since then, but purchasing power in 1974-75 will be less in respect of equipment and plants than in 1966.

I would ask you: Does that mean we are making progress? It does not mean that at all. I suggest there has been a standstill or a reversion back to something less than the figures of eight years ago in so far as capital investment is concerned. I do not care what kind of dollars you are talking about because that does not mean a thing. What is important is how many machines, how many plants and how many productive facilities are actually being put into place, that is what counts.

• (1510)

Yesterday the minister said, and I think we all agree with him, that Canada's number one economic and social problem is inflation. I suggest to the minister that that should have been the one and only thrust of his budgetary proposals. But, does this budget go to the root of the problem of inflation or does it do anything to reduce the inflationary expectations? Not at all. In fact, on the contrary, it feeds and nurses those inflationary expectations. What do you think this bonus in respect of Canada savings bonds is but a cushion seven or ten years down the way telling people that they need not worry about inflation because they will be paid a bonus so that the Canada savings bonds will be worth roughly the same as they are at the date of purchase. Is that not nursing inflationary expectations, because that offer is open-ended. There is no limitation concerning amount. It simply says that if inflation goes up at the rate of 12 per cent the bonus will be paid at the rate of 12 per cent. This is rather ridiculous. The same minds using the same tools and the same philosophy as last year designed the 1974 budget.

In the same way, the budget of February 1973 failed to adequately cope with inflation.

Mr. Pelletier (Sherbrooke): It did not.

Mr. Lambert (Edmonton West): It did. There is that brilliant member for Sherbrooke. The present day situation is bad enough. Since February 1973, the last budget, the Canadian cost-price index has gone from 145.3 to 160.8 in March 1974. I invite hon. members to get hold of this publication and read it so that they will be instructed.

[*Translation*]

Those who seek enlightenment should definitely read what the Bank of Canada report for the month of April says about the consumer price index on page 58. The food prices index, which was 151.6 before, reached 180.5 in March 1974. The overall index for food products, February excluded, was 142.9 and for the rest, 153.7. Do you need anymore? Surely not. The Liberals are too ashamed about it, Mr. Speaker.

[*English*]

As I said, Mr. Speaker, the same minds are at work with the same disappointing results. Canadians are to be afforded some more small cushion against inflation. There will be some transfers of income by tax increases here and there in the corporate sector and minor decreases in personal income tax. Last year there was an elimination of sales tax on children's clothing and shoes, not forgetting chocolate bars and soft drinks, but that benefit has been more than overtaken and lost by spiralling inflation. If one goes to the shelf to buy those same clothes one will find that they are more expensive now than they were with the sales tax. Now, it is to be wearing apparel and shoes. Some people will benefit. I share their satisfaction. Certainly, it is a step in the right direction. On this point I shall not quarrel with the minister, but it is only one small item. This is not an all-out attack on inflation. After all some months ago the Leader of the Opposition (Mr. Stanfield) proposed that the sales tax be removed on clothing.

The minister shakes his head. Last year he borrowed and stole ideas for his budget and this year he also dipped. The only difference between this year and the previous year is that the minister did not have a political campaign this year in which to go around deriding the ideas of the Leader of the Opposition and then putting them into practice. Let us have a look at some of the tax proposals the minister has made. First let me say without reservation that I think the interest exemption of up to $1,000 from whatever sources for the benefit primarily of senior citizens is a move in the right direction. It has always been difficult for these people to determine what was the purpose in saving. They wondered why they had scrimped and put aside savings so that they would have a more enjoyable and more honourable age of retirement when they saw their bank accounts whittled away by reason of the decrease in purchasing power. They also see their mortgages being whittled away in value. These people honestly earned their money. They are not Scrooges trying to grind out money from the poor. They are trying to live honestly.

That is a step part way toward alleviating the situation. However, if inflation is to continue during 1974-75 at the rate of 10 per cent or 12 per cent, which it is now in the cards it will do, then this measure itself will be seriously eroded. The minister has accelerated corporate tax payments. This is a windfall. I remember when his seatmate of the moment brought in acceleration of corporate tax

payments he sort of puffed out his chest. The minister might ask me what chest, but I will not embarrass him. In any event, it was a windfall once in a lifetime operation. The only trouble is that the minister knows the string has now reached the last quarter inch because almost the next thing is that the corporations will be asked to pay their tax instantly on the completion of a transaction. The profit will be payable at that time.

The minister said he was helping housing by putting on a tax and by providing that carrying charges could not be levied against other income with regard to undeveloped land and that these would have to be capitalized. He thinks he will make some more money on this. I say, yes, he will make more money right now but every penny that is collected from the land holders under this proposal will be loaded on the back of the ultimate purchaser. There is no escaping that. The minister knows this. If carrying charges are allowed to be capitalized and are put on at the end of the road at the time of the disposition of the property, of course the purchaser will pay for it. Anyone who dares suggest otherwise is either being mentally dishonest or mentally incompetent on that particular point.

● (1520)

With regard to the tax upon high energy consuming vehicles, this is a return to a luxury tax. As to the tax on tobacco and alcohol, there will be some grumbling but it will be paid. I would much rather see an honest tax such as this one on liquor than the one imposed by many provincial liquor boards which, on the instruction of some cabinet minister in the province, merely jack up the price of their commodities. That tax is imposed without any representation, without any "yea" or "nay" by the legislature. I have always thought that that was the wrong way to proceed. To that extent at least, the federal Minister of Finance is honest with regard to the excise tax on liquor and tobacco. It is above board, while in the provincial field it is not. I have often said that.

The addition of the $50 allowance to the personal income tax will certainly help some people. The minister mentioned those several hundred thousand people who had been taken off the tax rolls by a previous tax cut, and he stood them alongside another 300,000 who he says will be relieved of any income tax at this time. As a result of two years of inflation, many people who formerly were not taxpayers, thank goodness, have reached the level of becoming taxpayers, so there will be a duplication. But I will tell you this much, to the person who does not pay any income tax this type of proposal means absolutely nothing. If you are not going to pay income tax, to give you $150 credit or greater exemption is of course quite meaningless.

The registered home ownership savings plan was thrown out as something novel, as though it were going to do something big. My colleagues who are primarily concerned with urban affairs will look at this in greater detail, but I will comment on it briefly. The limit is $1,000 per taxpayer. This means that persons over the age of 18, both male and female, can avail themselves of this. If they are married, they must continue to remain taxpayers. Each one contributes $1,000 to the pot for five years, and then they have this money available to purchase a house. At the price of houses today, this $10,000 will be practically meaningless. This is the big problem. I have a relative who is getting married this fall. Some three weeks ago he and his fiancee went out to look for a house in the Toronto area. These two youngsters are out of luck. Both of them have good jobs but they are both out of luck because all they can find are houses between $45,000 and $55,000.

[Mr. Lambert (Edmonton West).]

Mr. Gillies: That is lucky in Toronto.

Mr. Lambert (Edmonton West): Yes, my colleague is right. The price of housing is absolutely ludicrous. I know of a house that was built in 1967 in this city. I think it cost $42,000 at that time and about $1,000 was spent on landscaping, general painting, and so forth. It is on the market right now for $90,000. Who on earth can begin to look even for a new house?

Mr. Blackburn: Will you be getting that house?

Mr. Lambert (Edmonton West): No, in no way, and it is not my house, either. I can tell you that a house five doors away from that one sold last week for $90,000. This is just an indication of how nonsensical the situation is. In some areas in Toronto, in Ottawa and in other major cities in Canada you can pay up to $55,000 and $65,000 for a lot. These lots are not hard to find, they are numerous at that price. What does it mean? All I am saying is that this is the result of inflation. This is a hedge. People buy lots not merely to make a speculative profit. For many people the holding of land acts as a hedge against inflation. Yet, this administration seems to feel that the best they can do is act like the ostrich, shove its head in the sand, bare its backside to the breeze and hope for the best. This is what I find so incomprehensible.

I remember seeing the Prime Minister (Mr. Trudeau) on television in 1969—he had just discovered inflation at that time—saying that this and that had to be done. The point I am making is that in so far as the public service of Canada is concerned since that time—and there was a freeze put on it—it has gone up to over 60,000. Even this year I asked the President of the Treasury Board (Mr. Drury) at a meeting of the Miscellaneous Estimates Committee when we were considering supplementary estimates what was the purpose of these supplementary estimates, and he said that this would take care of the increases in staff. I asked him what size of an increase there was going to be in the federal civil service this year, and he said that, provided we can get sufficient inspectors for unemployment insurance and provided we can get some more people in some other department, the increase in 1974-75 will be 13,000 persons in the public service of Canada. Now, we wonder what was the resolve of this administration in trying to contain inflation.

We have here certain sales tax deductions. I will come to those when I compare revenues. We also have the tourist exemption. That is a curious one. It is very nice, but the funny point is that it allows Canadians who already have a most massive deficit on the tourist account to increase their permitted expenditures abroad by some 50 per cent. They will be purchasing foreign goods to bring them back into Canada, not for the employment of Canadians, and they will be spending money abroad, thus increasing the problem of our international trade deficit. I cannot honestly find any rationale in this. It may be that there is some undertaking with the United States government, or per-

haps the government thinks they can butter up the U.S. so that pressures will come off the auto pact. I do not know what it is but in so far as Canada is concerned that proposal does not help. My colleague, the hon. member for Perth-Wilmot (Mr. Jarvis) will be discussing in this debate later the changes in small business deductions. There will be also those with regard to the resource industries.

I should like to make one final remark about the customs changes. There are always some funny things that come up in a budget when one refers to customs changes. There are not many of them this year, with the exception of the one on facilities for orthopaedic casts, splints and other similar supports for handicapped persons. That is fine, but there is something else to do with veterinary medicine which relates to the bovine intranasal vaccines which will be admitted free. What is the particular purpose of this change leading to free admission into Canada of "amusement riding devices of the kinds used at exhibitions or fairs, ancillary equipment imported therewith; parts of the foregoing"? Hitherto there used to be some duty on this. Now, amusement ground equipment will benefit the most.

● (1530)

There are other things to which I am not going to refer, ranging from handicraft goods which are "designated by Order of the Governor in Council" and which are now to be entitled to the benefits of the general preferential tariff. That is a move in the right direction, but there are many other changes outside of those, which provide for the tourist returning from abroad, as well as limited changes in the customs tariff.

The minister has said that domestically one of the reasons for inflation is that industry and productive capacity are stretched to the limit, and we are feeling the effects of demand-pull. Yet one of the reasons for the limited capacity of the economy, as put by the Governor of the Bank of Canada in his last review, is "the relatively sluggish pace of investment for several years prior to 1973." In other words, the under-investment in previous years under the present administration is now responsible for the bottleneck in industrial production capacity. I cannot see the minister taking some comfort in saying that Canadian industrial capacity is right up to the collar in utilization when the only reason for that is that there was under-investment in previous years. But in any event, Mr. Speaker, historically investment follows increases in demand.

It is important to note that business fixed capital formation in 1973 as a percentage of gross national expenditure had not yet attained the level of 1965, and was considerably lower than the percentage of gross national expenditure achieved by business investment in the previous cycle of large business expansion from 1964 to 1967. The level of investment must become a source of concern for government planners if better price and employment performance are to be expected from the Canadian economy.

Concern for investment should be directed to particular sectors and regions of Canada. The minister was pretty solemn about regional disparities. There were a great number of areas in which the budget speech was rather solemn. Very little was said about the worsening trend in the international trade commodity section for the remaining quarters of 1974, if we look at this on a constant dollar basis. There is also the question of banking. It was not mentioned at all. I think the minister should have attended to Canadian banking facilities, and what have you, in his budget speech, There were many areas in which the writers were overly long in preparing the material, and I contend they could have concerned themselves with rather more pertinent facts dealing with the Canadian economy.

Here is one of the things that the minister will not tell us. Investment in new capacity, in equipment in manufacturing in 1972 was lower than in 1966, measured in current dollars. Even investment planned for 1974 in new capital equipment for manufacturing, once deflated by the change in the gross national expenditure implicit price index from 1966 to 1973, is less in terms of purchasing power than it was in 1966.

In the Atlantic region planned corporation investment for 1974 ranges from a low of roughly a 2 per cent increase in Newfoundland to a high of 28 per cent in New Brunswick. These increases will do nothing to lessen the regional disparities between provinces, and the level of investment in the Atlantic region is a cause of grave concern for the continued economic viability of the area.

Now dealing, with the budget itself we must look at the tables which were presented with it, and about which the minister did not speak. If we look at pages 31 and 32, for instance, we see that in 1973-74 the revenues under budgetary transaction were some $19 billion, and the minister expects to collect some $23,950,000,000 under his 1974-75 budget. In other words, government revenues are going to go up 26 per cent.

On the basis of expenditures there was an over-reach of more than $1 billion as contrasted with what was forecast for last year, and there will be an increase this year to $24 billion, which is an increase of 22 per cent. It is amazing when you think that the economy can withstand an increase in government revenues and expenditures at a rate of 24 per cent and 22 per cent per year.

Mr. Gillies: It cannot stand it, and that is why you have 12 per cent inflation.

Mr. Lambert (Edmonton West): Right. Just look at the last Bank of Canada weekly statement which indicates that in just one year, from April, 1973, to April, 1974, there was a 20 per cent increase in the money supply, putting aside government deposits. How can this possibly continue?

The minister says that his deputy minister was at pains to explain that it was the policy of the government and of the Bank of Canada to maintain a control on the total money supply which is enough to ease an increasing economy and, of course, increased population consumption. All of us would accept that natural increase but, Mr. Speaker, there is no way that the Canadian economy can countenance an increase of 20 per cent in its money supply in one year. That is one of the reasons why we have inflation, but the minister did not talk about that.

In the same way the cash requirements of the government are going to go up about $2 billion. Again we see reasons why the coming year will not be too different

from the past year, with the money supply having to be increased by some 20 per cent. I base this on the minister's own figures. This is something that absolutely shakes us. It is impossible to understand how the minister, his advisers and the cabinet can go along in this sort of smooth, unconcerned way with regard to inflation. Oh, they make polite noises, and they cluck like a bunch of old hens about inflation.

Mr. Gillies: Old roosters.

Mr. Lambert (Edmonton West): The hon. member for Don Valley (Mr. Gillies) suggests that instead of hens they are a bunch of old roosters. That may be more accurate. At the moment the members of the administration act like a bunch of tired old roosters.

The minister prided himself on taking $440 million off personal income tax, but yet if we look at the tables on page 32, the government of Canada's budgetary revenues under personal income tax are increasing to $9,500 million, up 18 per cent. Some $400 million will be saved by some people, but the total system for personal income tax is going to pay $1,600 million more during the coming year.

There is to be an increase in the tax on corporate profits. There is to be an increase in the yield of some $1,500 million, up 46 per cent.

● (1540)

Mr. Speaker, corporate income tax comes home in your pocket and in my pocket on the second run. Who is going to pay? Not the corporations, but John Q. Citizen. That is the impact of the tax increase or tax yield. It all goes back to that most infamous and unjust tax system that was foisted on the Canadian public in 1971, the notorious tax reform. The minister's predecessor, now Chairman of the CTC, said he was going to put an increase in yield in this new tax system. The Canadian public has been turned into a Holstein cow of championship calibre to provide all the milk in the way of tax money under this new system. It is almost as if the Canadian public had inexhaustible resources to pay taxes to an insatiable government.

There used to be a minister here by the name of Walter Gordon. He had just taken over when the present minister came to this House.

Mr. Turner (Ottawa-Carleton): And you were Speaker.

Mr. Lambert (Edmonton West): Yes, I was occupying your chair, Mr. Speaker, and was therefore able to observe the hon. minister. At that time the budget barely exceeded $6 billion, and now we see total expenditures of $24½ billion, more than four time as much.

Sales tax is an example of how the Canadian public is taxed and of how inflation works. I suggest to the hon. member for Sarnia-Lambton (Mr. Cullen), who is interjecting, that he look at those tables and see how much money he is being soaked, then he will complain about the inadequacy of his salary because his wife has long ago told him that it is inadequate. The deductions in the sales tax that the minister proposes amount to $390 million in his figures, mostly on clothing, shoes and other items. The funniest thing is that, because of inflation, the yield will be precisely $15 million more. This is like the old shell game and is a consequence of inflation, because unfortunately sales tax is fixed on price levels. These ad valorem taxes go on yielding and they become an embarrassment; then the minister has to give them away.

Then, there is a $1,400 million bonanza known as the oil export tax. The minister is trying to move in on the resources with this budget, particularly in a couple of provinces. I would be interested to know the minister's reaction had he been a member from the province of Alberta or even had his deputy minister come from there. I have said it before and I will say it here, that I think he has a knife in the back of the province of Alberta.

Some time ago the minister and his colleagues voted for a foreign investment review agency which was to require very few people to run it. I was interested to receive a news release the other day about the appointment of a deputy commissioner who had at one time worked in the government and was now a consultant. I was interested in what they were doing to control expenditure. We have been told about their niggardly attitude and slow progress with the lower ranks of the public service, particularly nurses in government hospitals who waited 18 months or two years to negotiate a new agreement. But here we see what happens when it is something for the boys. The other day members opposite were asking us to support the trade practices commission, another vast bureaucracy, and we have seen legislation for the introduction of Petro-Can, legislation for other commissions, boards, Crown corporations and God knows what.

I would like to read into the record an example of how this government spends public funds to set up the foreign investment review agency. This shows a commissioner in the salary range of $35,750 to $43,750; deputy commissioner, $32,500 to $41,500; director, registration branch, and there are three of them, $28,500 to $36,500; director assessment group, $25,000 to $32,000 and two assistant directors somewhat lower; three chiefs of assessment groups, $22,371 to $27,966, and then there are a couple of assistant directors. There are 14 positions altogether, Mr. Speaker, in the top level of the foreign investment review agency, and the median salary is $416,000 per annum without considering support staff.

We were to get a new trade practices commission which was going to duplicate, triplicate, refer back, refer forward, all sorts of reports and at the end of about 18 months consideration they would consider whether there had been any price gouging or improper price consideration. Then, there was to be Petro-Can, and what a refuge for jobs for the boys that was going to be and at what salaries.

If this government wants to show where it can cut expenditures, let them trim some of these agencies. For every executive in the $40,000 range there has to be a couple at $30,000, some at $25,000 and so down the line. There may be 20 or 30 people below, all the way down to junior typists. I say, Mr. Speaker, that this government has failed miserably to counter the effects of inflation. It has failed to protect the Canadian public against inflation. It has failed to go to the root of the problem in dealing with inflation, simply because it wants to buy popularity. In these circumstances, I can only say that I have lost complete confidence in this administration's ability to handle the problem of inflation.

● (1550)

An hon. Member: Are you not going to speak on the budget?

[*Translation*]

Mr. Lambert (Edmonton West): Mr. Speaker, I see that the "crow" from Sherbrooke has not left its post on the fence, doing nothing but croaking—

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Sherbrooke rises on a point of order.

[*Translation*]

Mr. Pelletier (Sherbrooke): Mr. Speaker, I rise on a point of order. May I invite the "crow" on the other side of the House to come and make the same speech in my riding?

[*English*]

Mr. Deputy Speaker: Order, please. That sounds more like an invitation than a point of order or a question of privilege.

Mr. Lambert (Edmonton West): Mr. Speaker, I enjoy these exchanges with the hon. member. They show why he is sitting in the back row.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): At least the hon. member does not crawl away, as some of his colleagues do. He had a brief question he wanted to ask at the beginning of my remarks. Perhaps he might ask it now, and I will deal with it.

[*Translation*]

Mr. Pelletier (Sherbrooke): Mr. Speaker, I have no question. I would have had one at the end of his speech, but as he said nothing, I do not have any—

[*English*]

Mr. Lambert (Edmonton West): That is what I thought. In any event, I now move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell) the following motion:

[*Translation*]

That all the words after "That" be deleted and the following substituted therefor:

"this House does not have confidence in the government by reason of its failure to propose effective budgetary measures to contain and reduce inflation".

[*English*]

Mr. David Lewis (York South): Mr. Speaker, when I listened to the Minister of Finance (Mr. Turner), I understood why he had delayed so long in presenting his budget. Even he was ashamed of it. To suggest that the budget attacks the problem of the rising cost of living is the height of hypocrisy. To suggest that the budget helps those most hurt by the burden of rising prices is the depth of cruelty.

I have said often in this House on behalf of the New Democratic Party, as have other members of my party, that we reject the idea of over-all wage and price controls. In this we agree with the minister, so far as his budget is concerned, although I am somewhat worried about the contingency plan about which the Prime Minister (Mr. Trudeau) has spoken.

We disagree with the idea of wage and price controls for reasons we have often given. Let me summarize them in one sentence. I suggest that such policy would either freeze high prices and low wages or would have to be so modified that it would cease to be an over-all plan and would become what the NDP has proposed, a selective price control system. Indeed, the members of the Conservative Party themselves have edited their proposal. First, it was to be a 90-day freeze; then it was to be for 120 days; then they were to institute controls for 18 months. Then, there were to be controls for two years. Then, there would be no freeze or control at the farm gate; then low paid workers were to have their wages lifted. I think the proponents of the idea of over-all price and wage controls have condemned it themselves, because they cannot stick with it.

But equally, we will not accept the proposition that nothing can be done for the people of Canada with respect to the rising cost of living. We reject the notion that you can let the corporations control the market at the expense of the consumer, and slap them on the wrist for so doing, as the minister did yesterday. The redistribution of income in Canada that has taken place in the last year or two has been redistribution in reverse, Mr. Speaker.

Mr. Gillies: That is absolutely right.

Mr. Lewis: Wages in the 12-month period between February, 1973 and February, 1974 rose by only 8 per cent, but the cost of living index rose by 9.6 per cent, leaving the worker worse off than he had been one year earlier. In 1971, sir, profits as a proportion of the Gross National Product were at 9.6 per cent; but, in 1973 they rose to 13.7 per cent of the Gross National Product. That was an increase of 42.7 per cent in the proportion that profits in our economy gouged out of the people of this country. At the same time the proportion that went to wages in 1971 was 55 per cent; in 1973, it was down to 53.2 per cent. Everywhere you look, Mr. Speaker, redistribution of income in this country has taken place in reverse. Wealth has been redistributed; it has gone in ever larger, stronger and more powerful concentrations to the centre of this country, at the expense of the average Canadian.

Just listen to the logic of the Minister of Finance in two or three places in his budget address. In comparing him with his colleagues, at least I respect him for his honesty and straightforwardness. Just listen to his logic. He said that if we have a two-price system for some of our basic commodities, we will need some kind of control over exports. That, he said with self-conscious pomposity, would be the height of folly. Let me remind the Minister of Finance that we now have a two-price system for oil, for wheat and for copper. I would like to understand the logic which suggests that if you also have it for steel, lumber and cement, it becomes the height of folly.

● (1600)

Some hon. Members: Hear, hear!

Mr. Lewis: What utter, unmitigated rubbish. Of course. you would need to have some export controls if you hold

the price down in Canada to a fair price and sell commodities outside at the international price outside. If you do not have some kind of control of the exports, the commodities would flow out of this country. Why should the minister worry about retaliation? Why is it that Washington can do anything it wishes to protect the interests of Americans and the Canadian government gets down on its knees every time it has to do something to protect the interest of Canadians?

Some hon. Members: Hear, hear!

Mr. Lewis: No one suggests that export controls would be intended to interfere with normal export trade. All that would be required would be to make sure that the portion of production to stay in Canada would remain in Canada. These gentlemen are always afraid of taking steps that require courage.

The proposal we made for a national price control board with power to roll back and hold back unjustifiable price increases in areas where that control could be made with effectiveness and in a practical way would be an immense good for the people of Canada in this difficult period.

I agree with the minister that a large part of the inflation is international. Let no one suggest, here or elsewhere, in the next number of weeks that they have a wand which they will wave and the inflation will disappear. I hope that neither the Leader of the Opposition (Mr. Stanfield) nor any of his colleagues will descend to that kind of dishonesty because no one in Canada, or anywhere else for that matter, can wave a wand and get rid of all the inflationary pressures in the world.

We are a fortunate country in that we produce many of the things we consume. We have a wealth of resources and a well developed manufacturing industry, although it is not very rational because of the foreign control of manufacturing in many areas. However, it is a well developed manufacturing industry and we do have a well developed processing industry. The population of farmers across this country is second to none in productivity and in its ability and dedication to production.

Some hon. Members: Hear, hear!

Mr. Lewis: We have the minerals, food, fisheries, processing and manufacturing capacity. We have a people that are educated and trained. Because we have these riches, it is possible for Canadians, the Canadian government and parliament to do a great deal to reduce the burden of the high cost of living on ordinary Canadians.

Some hon. Members: Hear, hear!

Mr. Lewis: In order to do any good or accomplish anything, it is not gimmicks that are needed. The minister referred to other people suggesting gimmicks. I will have something to say about some of his gimmicks in a moment. In order to do any of these things in an effective way, what is required in a modern society is the will, courage and imagination to intervene in the market place, instead of leaving the market place in the hands of the corporations.

Some hon. Members: Hear, hear!

[Mr. Lewis.]

Mr. Lewis: The reason the Minister of Finance did not do that is he is a Liberal. Because he is a Liberal, he is still governed by the old fashioned notion that the market place is free. Like hell it is, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Lewis: I use that word with deliberate intention. It is not a free market place. The large corporations of this country control the market. With their advertising campaigns and funds, they persuade Canadians to want what they do not need, to need what they do not want and to pay the sky for it.

Some hon. Members: Hear, hear!

Mr. Lewis: It is because the minister is wedded to the old fashioned notion that the market place is free that he wants the free market to continue. Obviously, it is not free. Because it is not free, it continues at the expense of the Canadian people.

He then threw out the idea of a 6 per cent interest rate on mortgages. I never thought an intelligent Minister of Finance, and the Minister of Finance has intelligence—

Some hon. Members: Oh, oh!

Mr. Lewis: I am not going to withdraw that. It is the truth. If it is damning him with feint praise, I cannot help it. The minister has intelligence. I never thought an intelligent Minister of Finance would give the reason he did. He said he cannot support the 6 per cent mortgage interest rate because that would push up the demand for houses and put prices up higher at a time when we in Canada have over a half a million unemployed men and women to produce the homes that are needed. We have all the materials in Canada to build the houses and housing units that are required. It is necessary to build more homes. Certainly, the 6 per cent interest rate or any other provision that would assist the purchaser of the home would not produce the houses that are needed by the Canadian people.

What did the minister say with regard to producing homes in Canada? He said he had no gimmicks. He was not using cosmetic policies. He was not using draconian policies. He was not using draconian policies as far as the corporations are concerned, but he was using cosmetic policies when he said his solution to the home ownership problem in Canada would be to allow people who can save up to $1,000 a year to a maximum of $10,000 in their lifetime to deduct that saving from their income tax.

The first question to ask is how many young Canadian couples make the kind of income that would enable them to save $1,000 a year? The minister ought to have looked into that. To save $1,000 a year on top of taxes and everything else is very difficult. I suggest the minister would be lucky if 20 per cent of young married couples could save $1,000 a year for this purpose, in addition to everything else.

The second question to ask is, what does this deduction mean? It will help the wealthier young couple a great deal more than the poorer couple. The young couple who can only save $200 a year and who pay an income tax rate of 25 per cent will only save $50 in taxes. However, a young

couple who can save the total $1,000 a year and who pay a tax rate of 40 per cent will save $400 in taxes that year. The poorer couple save $50, the richer couple $400. That is exactly characteristic of the budget of the Minister of Finance.

● (1610)

What is more, Mr. Speaker, the minister does nothing in his budget to lower the cost of a house. If hon. members have followed what has happened during the last year or two, they will know what this means. By the time the young couple have saved $4,000 or $5,000, if they can afford to, over a period of five, seven or eight years, that sum is inadequate even for a downpayment. In addition, the increased price of the house will have eaten up their total savings probably two or three time over. We never suggested that 6 per cent interest is a complete solution to the housing problem.

On behalf of my party, I say that what is needed is a buying up or banking of urban land in Canada today. Indeed, Mr. Speaker, I suggest to you that the time has come to put this kind of land under public ownership, whether under the ownership of the municipality, province or federal government, instead of letting it remain in the hands of the speculative developer. Urban development land should no longer be left in the private market for the price to be pushed up so it becomes unavailable to the ordinary Canadian family. A public agency of this kind, be it federal, provincial or municipal, should take over. We also suggest, if the provinces will not do this, that we need in Canada a national construction corporation, a Crown company, to fill in the gaps left by private builders, so as to build homes for the people of Canada which are made available to the purchaser or renter at reasonable cost.

What does the Minister of Finance do by way of assistance in this regard? He produces this gimmick of a $1,000 deduction, and then removes the carrying charges on land held for future development as a deductible expense. I agree that this is a good proposal, one that is long overdue. But we noted with chagrin and distress that there is no meaningful tax on speculative profits in the land development area.

There is no doubt that there are some goodies in this budget. I have never known a budget that did not contain favourable items with which everybody could agree, particularly a budget that it is expected might come before an election. But I must say that the niggardliness of the minister is such that even in a pre-election budget he could not let himself go. For example, Mr. Speaker, take the tax cut for individual taxpayers: an additional $50 a year. That amounts to 96 cents a week, or two cents for every hour worked by the average worker in this country. That is the kind of tax cut they are going to get. This is the extent of the relief that the minister boasted about last night, the extent of the relief to people whom, he said, were hurt by rising prices. He has given them relief from income tax to the tune of 96 cents a week.

Within a few days, Mr. Speaker, the price of gasoline will be increased by eight to 10 cents per gallon. I suggest this $50 a year will be eaten up within a few months by the increase in the price of gasoline alone, so far as the average Canadian is concerned, and not a penny will be left for anything else. The farmers of this country, as a group, are the largest consumers of petroleum products. The farmer uses gasoline not only for his car, but for his trucks, his tractors and all his other farm equipment. For him, this $50 will be eaten up within a week. That is the relief that the farmers of Canada are given from the rising cost of living. I should like to understand what kind of psychology makes a government produce this sort of niggardly, mean and cruel hoax on the individual taxpayer.

Some hon. Members: Hear, hear!

Mr. Lewis: Then, the minister removes sales tax on shoes and clothing, something obviously desirable. I could not help but notice last night, when the Minister of Finance read his speech, the plaintive tone in his voice when he read a particular paragraph. I am not going to take the time to read the paragraph word for word, but I can mentally visualize the minister's speaking to them and pointing his finger at them. The minister said: "I say to the manufacturers, the wholesalers and the retailers that this elimination of the 12 per cent sales tax should get to the consumers, please; and if it does not, I am going to do something about it". By the time the consumer has been had, Mr. Speaker, this Minister of Finance will have forgotten his undertaking to do something about it.

Having removed the 12 per cent sales tax on clothing and shoes, something which should have been done long ago in this period of inflation, surely one should have put a limit on it so that the people who can afford three suits a year, three pairs of shoes a year and three fancy dresses for their wives are not the ones to receive the greatest benefit from the elimination of this sales tax. The fellow who can afford only one suit a year is not going to get much benefit from this elimination of the sales tax.

Some hon. Members: Oh, oh!

Mr. Dupras: Be serious for a minute.

Mr. Lewis: I am being serious. The Liberals may make a noise about this, but it is another kind of tax cut that will be of much greater benefit to the wealthy in this country than to the poor.

Then the minister introduced another provision that is supposed to help people. The minister said it is designed to help in particular people in the older age brackets—if they are rich enough, he should have added. This is the deduction of up to $1,000 of income from interest from various sources. Whom is this provision going to help, Mr. Speaker? I asked our research advisers to make a careful study and analysis of the interest income of various income groups in this country. I have looked at the working papers and I am satisfied that the results of this study are accurate. The results show that all those in Canada with incomes of $25,000 or more have an average interest income per year of about $2,100. That is the average income from interest of those Canadians who have an income of $25,000 or more a year? The tax abatement which the Minister of Finance is offering under this heading would give that group of Canadians, small but powerful, an average annual tax cut of $500, but the Canadians

who make between $10,000 and $11,000 a year have an average income from interest per year of $196.

● (1620)

Mr. Turner (Ottawa-Carleton): That is pretty selective.

Mr. Lewis: The minister says it is selective, but it is not.

Mr. Turner (Ottawa-Carleton): Damn right it is.

Mr. Lewis: It includes those who make incomes such as some of us in this House, and selects the relatively high average in cities like Oshawa, Windsor, Toronto, Vancouver and Hamilton, and it is a perfectly legitimate comparison, Mr. Speaker. The average interest income of people earning between $10,000 and $11,000 is $196 a year, and their tax saving would be $50 or one-tenth of the tax saving to wealthy Canadians.

Who will this provision really help, Mr. Speaker? I do not deny that it is of some value to some people, but to say that this is the way to help the ordinary Canadian against inflation surely is the kind of statement that can only be made by a person who indulges in hyperbole, which is as incomprehensible as it is intolerable.

Some hon. Members: Hear, hear!

Mr. Lewis: Then, the Minister of Finance boasts about what he is doing for small business in this country. He has redefined small businesses from $50,000 to $100,000, and increased the amount from $400,000 to $500,000, if I remember correctly. It is true that there is some improvement for some small businessmen, but I think the small business people in this country ought to realize that those of them who make profits of $50,000 or less will, in 1974, pay higher profit taxes than they paid in 1973, excluding those in manufacturing and processing which have their own tax rate.

Some hon. Members: Shame.

Mr. Lewis: Those small businesses which are not manufacturing or processing making $50,000 or less in profits in 1974 will pay 25 per cent tax on their profits whereas in 1973 they paid 21 per cent tax on their profits. Even in that area of small business the minister gives a much bigger break to the guys who make more than he does to the corner grocer and the other small businessmen in this country who are struggling for their lives.

Some hon. Members: Hear, hear!

Mr. Lewis: The really—I said I was going to use strong language, and I hope Your Honour will not mind—dastardly thing about this budget is that it—

An hon. Member: Do you spell that with a "b"?

Mr. Lewis: Someone asks me how I spell that. I spell it with a "d", in spite of what is suggested. What is really dastardly about this budget is that it offers nothing to the senior citizens of this country. It offers nothing to the working poor, and it offers nothing to the people on low fixed incomes in this country.

Some hon. Members: Shame, shame!

[Mr. Lewis.]

Mr. Lewis: It offers nothing to those people, unless they are living on low incomes but have an income from interest of $1,000 a year. Then, of course, the budget will help them. One of my assistants suggested that the person who will really benefit from this budget is the corpulant corporate executive who neither smokes nor drinks and rides a bicycle.

Some hon. Members: Hear, hear!

Mr. Lewis: The minister dares to say that his budget was designed to help those who suffer and need help the most. I say to you, Mr. Speaker, and to all hon. members in this House, that at this stage in Canada's history when our country is developing a very large economy, well based and well developed, what a budget ought to be doing, every year and everytime it is presented, is progressively redistributing income from the wealthy and strong to the ordinary worker and the low paid people of this country.

Some hon. Members: Hear, hear!

Mr. Lewis: That must be one of the major objectives of every budget presented by the government at this time in our history, and when a budget fails to do that it fails to serve the needs of Canada and Canada's people both now and in the future. The opposite is what will result from this budget.

The tax cuts in respect of manufacturing and processing corporations, which the Conservatives helped the government put into effect, are to continue. Most of the tax concessions to the resource industries are to continue in the tax system. As for the fast writeoffs the Minister of Finance persuaded the Leader of the Official Opposition (Mr. Stanfield) to accept last July, they apparently are to continue. The minister, in his speech, was very careful not to say that they were going to end on December 31, 1974, even though it was intended that they would end, but that he was going to review them or reassess them after the final review which is now taking place in his department is completed. He has given a very strong suggestion to me that he is going to continue the fast writeoffs beyond December 31, 1974, because I cannot imagine any review by his department giving him any other advice than they gave last July.

We asked during the briefing that members of parliament had with officials of the minister yesterday, and even though this was in private I am sure I am not being improper when I mention this, what they estimated the cost of these concessions to the manufacturing and processing corporations was going to be in 1974. They said they did not have the figures but they were going to work on them and, if my memory serves me right and anyone who was there can correct me, they hoped to have them this morning and would provide them to the leader of the opposition and to me. We did not get them this morning. I do not know whether the leader of the opposition got them, but I certainly did not. The leader of the opposition indicates he did not get them. Then, during the question period, although I was not here at the time, I understand the Minister of Finance was asked for those figures. He did not give them either. He just said he could not give them, or would not give them.

In the absence of any accurate figures from the Department of Finance I am going to give you a figure, Mr. Speaker. I will give you a figure based on estimates made by the Minister of Finance last July for 1973 when he said that for the two concessions together it would cost about $500 million. Based on the increase in profits which is taking place in Canada now, and based on the fact that fast writeoffs are for two years instead of only one year, meaning that a piece of equipment bought in 1973 was written off to the extent of 50 per cent in 1973 and 50 per cent in 1974, and a piece of equipment bought in 1974 will be subject to the same thing; taking all those elements into account, I am confident that the loss to the federal treasury as a result of these concessions in 1974-75 will be well over $1 billion.

Some hon. Members: Shame, shame!

Mr. Lewis: What does that mean in human terms? It means that over $1 billion would be enough to increase old age pensions for every old age pensioner $45 and more a month.

Some hon. Members: Hear, hear!

● (1630)

Mr. Lewis: An amount of $1 billion a year in 1974-75 is more than double what it costs the treasury to give this measly $50 income tax cut to the individual taxpayer in Canada. These things are happening at a time of enormous profits in this country.

The minister said, and some of the writings I have seen since indicate that some people have swallowed it, that $450 million would be taken out of the petroleum and mining coprorations in 1974-75. May I say first that is not true. What the minister was talking about was a liability on behalf of these corporations, and when you remember the concessions to mining and petroleum are still there, God alone knows how much of the $450 million will in fact be paid into the treasury, both federal and provincial. But we have this thing at a time of immense profits.

Imperial Oil in the first quarter of this year over the first quarter of 1973 had an increase of 101.5 per cent, and in 1972 their profits were high enough. Gulf Oil in the same period had an increase of 100 per cent. Shell Oil had an increase of 78 per cent. Noranda Mines had an increase of 67 per cent. Rio Algom Mines had an increase of 74 per cent, not to mention the 700 per cent increase in 1973 over 1972 for Falconbridge or the 107 per cent increase in 1973 over 1972 for Inco. In this kind of situation I suggest that the small tax adjustments which the minister made last night in respect of these corporations are a laugh. Sure, the corporations will complain publicly. Surely, they will object to the loss of some of their gains, but I am certain that when their presidents and directors went to bed last night they included John Turner in their prayers.

Mr. Deputy Speaker: I hope, however, that they referred to him as the Minister of Finance since we usually do not designate each other by names in this chamber.

Mr. Lewis: Mr. Speaker, I know that of course, but I had a notion that the Minister of Finance knows these people so well that in their prayers they would simply say "John". I have not said all that I would like to say, and if hon. members would give me a little extra time I would be glad to use it.

Mr. Deputy Speaker: Perhaps the Chair could put the request in the name of the hon. member for York South, since he has approximately 45 seconds remaining. Is it agreed that he have an extension of time.

Some hon. Members: Agreed.

Mr. Lewis: Thank you very much, Mr. Speaker. I express my gratitude to the members of this House. The minister rejected the excess profits tax mainly because he said they could not technically define what is desirable and what is excess profit. There was not sufficient ingenuity in his department to be able to solve the technical problem. I have seen the work of his department before. The people in his department have ingenuity enough when they want to do their own thing. The only time they lack ingenuity is when we want them to do the right thing. But the minister says to the people of Canada and to this House, not in these words but to this effect, that he will not bring in an excess profit tax but that he has a new one, a 10 per cent surtax on corporate taxes. That sounded pretty good until I read the entire paragraph and found that he had excluded a number of areas of the economy.

He excluded, let me say quickly so that he will not have to remind me, small businesses and I agree with him that they should be excluded. I have no argument with that. There is no end to my generosity. However, from the 10 per cent surtax the minister excludes processing, mining, petroleum, investment corporations, mortgage investment corporations, mutual fund corporations and non-resident owned investment corporations. Let us be fair—he leaves the banking and financial institutions and they ought to be kicked a great deal more than in the past, I agree. He leaves some other industries. The point I want to make is that the areas of the economy which made the largest profits in 1973-74, which had the largest increases in profits in 1973-74, are excluded from the 10 per cent surtax. The suggestion that that is an alternative to the excess profits tax is really an unacceptable thing. Then, there is the half tax on capital gains which remains.

Now, Mr. Speaker, I have come to my concluding paragraph or two.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I had hoped that I would be sufficiently sharp in my remarks that the Liberals would not have any energy left in their arms to applaud when I told them I was about to conclude. I am glad to see they are still there. Seriously, Mr. Speaker, when this parliament began in January, 1973, the New Democratic members of this House said to parliament and to the country that we would do our best to help parliament work; that so long as the government and parliament produced things that in our judgment—and it is only our judgment we can use, not anyone else's—were for the benefit of Canada and Canadians we would continue to help make parliament work. We did so during the last session. The session was productive and useful for the people of Canada. We in the New Democratic Party in this House of Commons are

proud of the part we played in the last session of parliament.

However, in this second session of parliament we could not help but notice that a paralysis has set in in this government. In fact, Sir, the ignoble so-called anti-profiteering bill and the budget pronounced by the Minister of Finance last night are clear proof that the right wing has taken over again in the Liberal Party. There are some people in this country who suggest that the time has come for a Tory government.

● (1640)

Some hon. Members: Hear, hear!

Mr. Lewis: I want to say to the members of this parliament and to the people of Canada that a Tory government has already arrived. I want to add that the people of Canada are so intelligent that they are not likely to change one Tory government for another.

Mr. Reid: Why have an election?

Mr. Lewis: So that they may elect an NDP government.

Some hon. Members: Oh, oh!

Mr. Lewis: These people who have misgoverned this country for over 100 years are so determined that they will do everything possible to prevent Canada from making progress, but the people will see to that. I say, sir—

An hon. Member: With humility?

Some hon. Members: Oh, oh!

Mr. Lewis: —with regret and distress that in my view, and in the view of my colleagues, no progressive person could support this budget and live with himself.

Some hon. Members: Hear, hear!

Mr. Lewis: It does little if anything to combat the cost of living. No wonder the Minister of Finance keeps on repeating that he is certain things will get worse. He knows it, and he is making certain that that will happen. The budget does nothing for pensioners and low income people; it does nothing to solve the housing crisis; it does nothing to introduce real equity in our tax system; it does nothing to regain control of the Canadian economy; it does nothing to remove the regional inequalities from which this country suffers.

Because the budget fails in all these important areas, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words: "and its failure to propose any measures to assist pensioners and other Canadians on low and fixed incomes, to deal with the housing crisis, or to remove the glaring inequities in the taxation system".

Some hon. Members: Hear, hear!

An hon. Member: Goodbye, Pierre.

Mr. Lewis: So that the amendment as amended would read:

[Mr. Lewis.]

This House does not have confidence in the government by reason of its failure to propose effective budgetary measures to contain and reduce inflation and its failure to propose any measures to assist pensioners and other Canadians on low and fixed incomes, to deal with the housing crisis or to remove the glaring inequities in the taxation system.

Some hon. Members: Question.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House,
Ottawa 7 May, 1974

Sir,

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 7th day of May, at 5.45 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Egmont (Mr. MacDonald)—Energy—Electricity—Suggested need for formula to equalize cost in Prince Edward Island and Nova Scotia; the hon. member for Fraser Valley West (Mr. Rose)—Public Service—Request that $500 salary increase granted employees be given to those now retired; the hon. member for Vegreville (Mr. Mazankowski)—Grain—Suggested relief of producers from additional charges because of transportation and contract difficulties.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, having heard the speeches of the Progressive Conservatives and the Leader of the New Democratic Party (Mr. Lewis), I venture to say that we have seen it all. I never thought that one day I would see a socialist and conservative coalition in the Canadian Parliament. It is the most disgracious spectacle that I have seen in this House.

The Progressive Conservative Party which doesn't care a damn about the consideration that must be given to legislation is solely concerned about coming into power since October 1972. Mr. Speaker, the NDP members have been constantly repeating that a minority government is healthy for the Canadian people. We now have one, but they are not satisfied. Mr. Speaker, the New Democratic Party is now more powerful that it will ever be in Parliament. I hear them saying: "Old age pensions have not been raised, income tax has not been lowered, social measures have not been increased, this or that has not been done." Mr. Speaker, when we Social Crediters introduced in this House some motions aimed at raising pensions and granting them at age 60, the New Democratic Party voted against us. When we proposed the establishment of an annual guaranteed income to be added to earnings, the News Democratic Party voted against us. Mr. Speaker, when we urged granting interest-free loans to the Canadian provinces, the New Democratic Party voted against us, and, let us not forget it, the Liberals did also.

● (1650)

Mr. Speaker, when we suggested a compensated discount on retail prices to fight inflation, the members of the New Democratic Party once again voted against us. And today, the leader of the New Democratic Party said that the Minister of Finance (Mr. Turner) is a hypocrite because of last night's budget. Mr. Speaker, since 1972, the true hypocrites of Parliament have been the members of the New Democratic Party. There is not one of them who did not tell his constituents: Look, old age security pensions are now $190 a month because of us, the New Democrats. However, the Social Crediters have been asking for improvements in the social field for 35 years. The New Democrats are showing themselves as hypocrites and liars throughout Canada. This is so true that if their ideas were good, the New Democratic administrations of Western Canada, in British Columbia, in Saskatchewan and in Manitoba would do something, at least in these areas. On the contrary, it is worse there than elsewhere. There is now a general strike in British Columbia where there is a New Democratic government. What is done to settle it? Nothing. This is where I say to the New Democrats:

"Defeat the government, you have the balance of power." Mr. Speaker, they can defeat the government tomorrow night, but I warn them who have only 31 members in Parliament now that if the present minority government, which is doing more for the population than any other majority government before it, is defeated, they will not be more than 10 after the next election.

Mr. Knowles (Winnipeg North Centre): You may not come back either!

Mr. Caouette (Témiscamingue): I will tell the hon. member which ones will not come back. Listen carefully, I am going to be frank. Obviously, in the event of an election, we Social Crediters do not expect to be in power, but I think we shall have the balance of power since, in my opinion, another minority government will be elected. Then, why another election? To have another minority government? We have one. We are going to spend $50 million to hold an election when the Canadian people are asking for action and not election.

Mr. Speaker, I said I would be frank: at this time, an election will settle nothing. I am going to be frank; it is the third time I have said this. In the western provinces, in British Columbia, where some NDP members are coming from, one NDP member will probably be elected, and note this, the other NDP candidates will be defeated by Progressive Conservatives.

Mr. Speaker, let the NDP members join together to be cleaned out in British Columbia. That is good. In Ontario, it is the opposite. Some ridings represented by NDP members in Toronto will go to the Liberals.

Mr. Speaker, I met with some York South constituents, workers who are members of the NDP and have never been Social Crediters in their lives. They told me that they would vote against the leader of the NDP, the hon. member for York South (Mr. Lewis), who will not return here after the next election.

Some hon. Members: What about Quebec?

Mr. Caouette (Témiscamingue): Some NDP members are asking what will happen in Quebec. They have no need to worry, none of them will be elected in Quebec. It is not a problem in Quebec, and they know it, their own leader put it straight: There is no way in Quebec.

I am asked:

[*English*]

An hon. Member: How many will you get in Quebec?

Mr. Caouette (Témiscamingue): I can't say but we will be more than 15 for sure.

[*Translation*]

In the province of Quebec, they tried everything to infiltrate the unions, for instance, with "Big" Pepin, "Big" Laberge and "Little" Charbonneau. They thought: The workers will certainly follow us! So they sent nearly all their elected members into the province of Quebec, but these all came back saying: "Our scheme did not work!"

Come election time, none of the New Democratic Party candidates ever succeed in recovering his deposit in the

province of Quebec. This situation will happen over and over because the people there are in their right senses.

A moment ago, Mr. Speaker, I said that the New Democratic Party are using hypocritical means. Let us consider the gist of their amendment to the amendment. There is nothing in there which is part of their own platform.

[*English*]

—its failure to propose any measures to assist pensioners and other Canadians on low and fixed incomes, to deal with the housing crisis, or to remove the glaring inequities in the taxation system.

[*Translation*]

Mr. Speaker, I have been saying that all along for the past 35 years. I need not be a socialist for that, but why should their system—Yesterday, in my remarks to the English television network on the budget speech made by the hon. Minister of Finance, I said:

[*English*]

It is another budget just like the others—take away from the have's to give to the have-not's, so that in the end you will have all kinds of have-not's and no more have's.

● (1700)

[*Translation*]

The leader of the NDP said it does not go far enough, and, a while ago, the Progressive Conservatives, who represent big business, applauded while being robbed. How is one to understand such reasoning?

Mr. Speaker, the amendment of the NDP means nothing. One can say one is not pleased with the budget. I am not either. But instead of provoking an election which will be costly for the Canadian people, it would probably be better to wait for legislation, propose amendments and fight to get results.

In 1963, we of the Social Credit Party of Canada had the balance of power; in 1965 I was accused of having supported the Liberals of Mr. Pearson. I therefore put the following questions to the voters of Quebec and other areas of Canada: With a minority government, as holders of the balance of power is our role merely to bring about an election or to get results? What should we do? The important thing is to obtain good results for the people, to think of one's country before thinking of one's party.

I shall probably be blamed again for not wanting an election and be accused of playing politics. Mr. Speaker, whether there is an election or not I fear nothing in my riding nor in that of my colleagues. I am convinced we are up to facing an election. But for the time being, I think it would be unwise to call an election after only one and a half year of this minority government. The Canadian people can understand this.

I have one thing to say to the Progressive Conservatives. They have been demanding a budget for at least six months and they say: The government is afraid to bring down its budget, the government fears this or that; the government does not fight inflation. Would the Progressive Conservatives do any better?

Mr. Speaker, let me give one example: last week, I went shopping in Hull to buy Stanfield underwear, and I had to pay three times as much as last year.

[Mr. Caouette (Témiscamingue).]

Mr. Speaker, I see the hon. member for Saint-Hyacinthe (Mr. Wagner) smiling. Let him conduct surveys in his own riding so as to know the price of Stanfield underwear in Saint-Hyacinthe. He should know, for they are speaking against inflation. What would he do to deal with inflation? He does not say.

They have been clamouring for a budget for the last six months. I see the hon. member for Saint-Hyacinthe fairly often on television. He is a very good friend of the CBC people. Indeed, he likes that, he is always the first in line in front of room 130-S, waiting to be invited to speak on television. Moreover, he is a smart dresser.

In 1963, the Conservatives were sitting on this side of the House. The right hon. member for Prince Albert (Mr. Diefenbaker), the then Prime Minister, was leading a minority government. On the night of February 4, if my memory serves me well, the government was defeated because it did not have the courage to bring down a budget. One year without bringing down a budget! Today, the Conservatives are blaming the government. Yet, in 1963, on the night of the vote, the Prime Minister rose and promised to bring down a budget within 30 days in order to save his skin. They were overthrown just the same. So, Mr. Speaker, why play that kind of politics? The Tories should at least he honest enough to recognize that all is not perfect. That is true, but all is not bad either. There were some improvements. Family allowances and old age pensions were increased. Even though the New Democratic Party voted against proposed increases, there was some improvement in the social, economic and agricultural fields.

For example, producers were asking some years ago for $5 per hundredweight of milk and the government said, it is impossible. Now, the Minister of Agriculture (Mr. Whelan) will have to give farmers at least $11 per hundredweight for industrial milk. It will come to this, but under a government watched by an alert and careful opposition, we stand a better chance of getting results instead of having elections all the time.

If the New Democratic Party involves Parliament and the people of this country in an election campaign, I am convinced that they will be held fully responsible. The Tories want an election since 1972 because they can see themselves in power. But I have seen them in power here with 208 members out of 264. Mr. Speaker, that was no picnic! Yet they did no lack strength. There were one million unemployed in 1961 under a government with 208 members.

An hon. Member: With a runaway inflation!

Mr. Caouette (Témiscamingue): Mr. Speaker, there was unemployment, of course. There were one million unemployed and the cost of living was starting to climb. Did that government so powerful at that time curb increasing prices? Not at all. Now, Progressive Conservatives want to freeze prices and salaries. Everyone knows that the leader of the New Democratic Party is right about that. The freeze would be mostly on salaries.

With respect to prices, the black market would be rampant here in Canada as it was in the United States under similar circumstances. But they do not say so because they are not concerned with the well-being of the people of this

country; they only want an election at all costs because they already see themselves in power.

Mr. Speaker, what we of the Social Credit Party of Canada are interested in is not to have someone coming into power, but to get from those who are already in power the results the people are expecting, and this for the whole of the population. Here is what we are interested in too. We agree that the pensions must be increased, and that the eligible age must be lowered to 60.

Mr. Speaker, as for the selective price controls, what is the selection put forward by the New Democratic Party? Nobody knows, nobody cares to explain anything. In my opinion, there are four major areas where we can fight efficiently against inflation.

First of all, we advocate the establishment of a guaranteed annual income for each and all Canadian citizens, irrespective of their social status or their present income; second, a 25 per cent compensated discount on the retail prices; third, a $200 monthly old age security pension at 60, and we claim—

● (1710)

[*English*]

Mr. Peters: We will vote for that.

[*Translation*]

Mr. Caouette (Témiscamingue): My hon. friend from Timiskaming (Mr. Peters) says:

[*English*]

"We will vote for that." But they voted against that when we presented it just a few months ago.

Mr. Peters: Yes, because you were trying to bring down the government.

Mr. Caouette (Témiscamingue): Now, with nothing at all to gain they are willing to bring down the government. You see how intelligent they are? That is the way it is.

[*Translation*]

Mr. Speaker, we ask for interest-free loans to provinces. The government may say this is nonsense. But look at what the budget provides for underdeveloped countries around the world. I would stress to the House that we approve of this measure, far from opposing it. But further, in its budgetary statement, the government seeks from the House authority for the advance commitment of Canada's contribution to the Fourth Replenishment of the International Bank for Reconstruction and Development, a subsidiary of the World Bank, specializing in the provision of low-interest and interest-free loans to the most needy countries. Mr. Speaker, we believe provinces, as much as any country in the world, have a need for those interest-free loans provided to foreign countries. We demand this and shall keep on fighting for it.

The budget has interesting features, and less interesting ones. My sole purpose was to place the House before its responsibilities. Let not the NDP believe it will preserve its identity by voting with the Progressive Conservatives, and vice versa.

So, Mr. Speaker, what we hope for is a positive approach from members, in order that they may give the Canadian people what it strives for, namely security with personal freedom.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I rise at a time when it can truly be said that a threat of a general election is hanging over this House. If I was not afraid to arouse the suspicions of the right hon. member for Prince Albert (Mr. Diefenbaker) about my readings, I would say that a ghost haunts Parliament, the ghost of an election.

Mr. Speaker, I should like to present some arguments to the House to show not only the hon. members opposite but also the whole Canadian people that the time they have chosen to provoke the dissolution of this 29th Parliament is particularly inappropriate and truly shows their complete irresponsibility.

What has brought this about, Mr. Speaker? What has brought about this threat of a general election which has been hanging over the House, not only for a few weeks but practically since the beginning of this Parliament? What has brought about this situation of a Parliament of which it might be said that it was born to be short-lived, if we remember the speeches that the hon. member for Saint-Hyacinthe (Mr. Wagner) was making repeatedly at the beginning of 1973. Time and time again, he stated that the government was going to fall, that it would be for the following week. When the following week came, he made other speeches to say that it would be for the week after. And the week after, it was supposed to be for the week after that. He was always busy preparing our epitaph. I think that if he had poetic talents in addition to his other talents, he would have prepared our epitaph 18 months ago: "They are here today and gone tomorrow."

In January 1973, it was said that the government would fall on the occasion of the Speech from the Throne. And I am not speaking only of the hon. member for Saint-Hyacinthe. I must say that this was the general attitude, not only among the hon. members opposite, but also among many of the people who watch us from above your head, Mr. Chairman. The Speech from the Throne was supposed to be the crucial moment.

After the Speech from the Throne, it was supposed to be on supply days. There were some at the end of January, there were others in March. Something was really going to happen, Mr. Speaker, Parliament was through.

Unfortunately those gloomy predictions did not materialize and then the budget became the final and cut-throat moment. The budget which the government was to introduce would be the end of this 29th Parliament.

Mr. Speaker, Parliament survived that budget and afterwards, we were to be defeated on corporate taxes. It was really useless then to try to obtain the support of the New Democratic Party. The Progressive Conservatives and the New Democrats were going to defeat the government on corporate taxes.

I do not know what happened at the Conservative caucus, but they decided that it was not yet the time to defeat the government. The threat was hanging over us, but it was not the proper time. Then there were all the days for the consideration of the estimates. In June last year, on the resolution on Viet Nam introduced by the Secretary of State for External Affairs (Mr. Sharp) we

were to be defeated and finally, summer came, still no elections.

Then summer came and with the end of summer, the rail strike, the return of Parliament, inflation. There, it was finished, Mr. Speaker. Things had come to an end, Parliament was going to fall on the inflation issue.

One may recall that that crisis was also overcome, and that the government survived. But there was the oil situation, war in the Middle East and prices skyrocketing at a bewildering rate. Oil was to be the question on which the government would not be able to stand any more. The oil problem was to mark the end of the government.

In December, Mr. Speaker, the government introduced an energy policy which was endorsed not only by members in this House but by the country as a whole.

Mr. Speaker, I could go on with a detailed account of the days when the life of my government was threatened. Then we had a new session, a new Speech from the Throne, and budget estimates. In March, we voted on the Veterans' Land Act, and last week, we had an act on profiteering practices.

At last, we have come to it, Mr. Speaker, again, we are told that the government will fall, that a general election is a settled matter once and for all.

May I be allowed, Mr. Speaker, after so many false alarms, to show some skepticism. May I be allowed to wait until tomorrow evening to see whether members opposite are not going to hedge once more in order to extend the life of this government. May I be allowed to wait until then to summon the troops to victory.

With your permission, Mr. Speaker, I want to insist in case they would finally have a reason to cry wolf 5, 10, 15 times, should their threats so often repeated prove at last jusitified for once and should we indeed have a general election. I would like to tell the House and the whole country that it will be them, hon. members opposite, not the Liberals or the Social Crediters who will have called for a general election after all these threats and all these subterfuges.

● (1720)

[*English*]

Why am I reciting this series of threats and events which were always going to weigh in on us to provoke a general election? Why? Because I want to remind this House that the attitude of this government after the election of October 1972 was one of accepting the verdict of the electorate. It was one of saying to the people of Canada "Sure, you did not give us as many members as we hoped to have. Sure, we would have liked to have a majority government, but we know we did some things wrong. We know you were telling us by voting against many of our members that you wanted to change some things." That has been the attitude of the government.

We have taken the attitude that we did not have a majority. We had a plurality. We had an obligation to try to make parliament work, to try to make the voice of the people a significant event in Canadian electoral history. We knew we could not do it alone. We knew that, in some cases, we would have to depend on the Creditistes; in other cases, the NDP; and, in other cases the Conservative party, to support our proposals and policies. We knew that because of that we would have to accept amendments to certain of our policies and legislation. We said there would be many cases where certain government proposals would not be deemed to go to the roots of our policy and we would accept defeats on them. We said that the opposition always had opportunities, if they wanted, through supply days and non-confidence motions to provoke a general election. However, in the meantime we were dedicated to make this parliament work for the good of the people.

I accept the attitude of the hon. member for Témiscamingue (Mr. Caouette) who said he saw it as the duty of his party, not to destroy the government day by day, but to make sure the government brought in amendments, changes or concessions to its policy which in its view would be for the good of the people.

Some hon. Members: Hear, hear!

Mr. Lewis: They voted against the government every time. They knew the government would not fall.

Mr. Trudeau: The leader of the New Democratic Party says they voted against the government every time. Quite a few times the New Democratic Party voted for the government.

Mr. Lewis: That's right.

Mr. Trudeau: I think somewhere around 1962-63, the NDP decided that in a minority parliament it might be able to play a role. I remember the speeches made by the hon. member for York South (Mr. Lewis) and the hon. member for Winnipeg North (Mr. Orlikow). I was sometimes in the audience when they were speaking.

An hon. Member: And once on the platform.

Mr. Trudeau: I was wise enough in those days never to take a membership in that party because I saw very soon how doctrinaire they were.

Some hon. Members: Hear, hear!

Mr. Trudeau: I saw in those days that the so-called consciences of the Canadian people were prepared in Quebec to flirt with anyone, with separatism, with nationalism—

Some hon. Members: Hear, hear!

Mr. Trudeau: Had I had a membership in the NDP, which I never had—I don't know what light was shining on me then—I would have done like Eugene Forsey, now Senator Forsey. I would have torn up my membership card when they adopted a two-nation policy.

[*Editor's Note: At this point there was a disturbance in the gallery.*]

Mr. Trudeau: Mr. Speaker, if I am going to have trouble with the people in the gallery, I think I had better go back to reading my notes.

Some hon. Members: Hear, hear!

● (1730)

Mr. Trudeau: Those were the days when the NDP was arguing, in the early and middle-sixties, that minority governments were the best government for Canada, that minority parliaments could work and that minority parties had a role to play. Let me just read something, Mr. Speaker, that indicates that in fact, in the view of one impartial observer, this parliament has accomplished something. I am not going to read from the prorogation debate and other material that I have to give the record of this government; I am going to read something which was published in the *Globe and Mail* on April 23, 1974.

An hon. Member: The *Globe and Mail*?

Mr. Trudeau: Yes, the *Globe and Mail*, which is not always this government's greatest friend, which is why I read from it. This is what this impartial observer had to say about this parliament:

It may be useful to remind Canadians of what the first session of this parliament was able to accomplish—

Then it goes on to enumerate.

—a substantial increase in basic old age security pensions and the assurance of automatic future increases every three months in line with the rising cost of living; the expansion of benefits under the Canada Pension Plan; major improvements in veterans allowances and pensions, including the recent extension of the Veterans Land Act; substantial increases in family allowance payments; a 5 per cent cut in personal income taxes with a minimum reduction of $100 and a maximum reduction of $500 to ensure that low and middle-income Canadians received most of the benefits; subsidies to offset increases in the cost of milk and bread; changes in the National Housing Act to provide funds for land banking and home purchase assistance for low-income families; a Foreign Investment Review Act that could help stop the takeover of our industry and keep Canadian jobs in Canada—an export tax on oil to ensure better returns for Canadians and to make possible substantial subsidies for eastern consumers while a pipeline is built to Montreal; and finally, the Election Expenses Act, which marked an important beginning in controlling election spending by parties and candidates, in forcing disclosure of political contributions and in checking the influence of powerful vested interests.

The author of this article, Mr. Speaker, is none other than the hon. member for York South.

Some hon. Members: Oh, oh!

Mr. Trudeau: Just a fortnight ago the leader of the NDP was making great speeches and giving great enumerations indicating the achievements of this minority government. Let me quote the following paragraph:

Taken together as a package of legislative achievements, I have no hesitation in saying that they are greater accomplishments achieved in 18 months than any obtained by recent majority governments over four years.

If they want an election on that, then we will have an election on that, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Trudeau: The NDP leader probably had limited time and space, because there are many other items he could have listed, many of them of interest to him and his party. For example, the policy of this government to produce self-reliance in oil before the end of the decade; the agreement reached with all ten provinces in order to ensure the best possible protection for Canadians in areas of pricing and supply; the total reorganization of social security programs that was put forward last session by the Minister of National Health and Welfare (Mr. Lalonde); improving housing for native people; elimination of capital gains taxes on family farms passing from generation to generation; increased feed freight assistance in eastern Canada and British Columbia; the five year period of restriction on capital punishment; the privacy and wiretap legislation; the green paper on conflicts of interest for which that party in particular had been asking for so long and about which they are completely silent as to what parliament should be doing now we have put the policy before them.

I could add the items that have been brought in in this short session of parliament thus far, Mr. Speaker: the act to amend the Fisheries Development Act; an act, to which royal assent will be given in a few minutes, to amend the Export and Import Permits Act, legislation that is so important in controlling the price of food in this country and in keeping away the effects of inflation; the act to amend the National Parks Act; the act to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act; and the Railway Relocation and Crossing Act.

There is something that has to be explained here, Mr. Speaker. According to the NDP today, and perhaps for the past few days, this is the session that has been paralysed, that has not been doing anything. We have sat only 48 days this session. Sixteen of those days were controlled by the opposition and 32 were government days. These are the bills that have been brought forward. I shall be referring later to the bills that are still on the order paper and which will disappear if this House provokes a general election.

Why the change, Mr. Speaker? What has happened? This parliament, which 15 days ago was so productive, has suddenly become paralysed. In spite of the items on the order paper and the legislation promised in the Speech from the Throne, legislation that would be introduced very soon, suddenly we discover that the NDP is withdrawing its support. The NDP has discovered that this is a paralysed government. The NDP leader is now the fastest gun on TV: he is claiming a shoot-out with every channel that wishes to focus its cameras upon him. From a former self-righteous teacher of a religion to be called "making parliament work," suddenly—overnight—what has happened? For 18 months the NDP has prospered by loudly demanding things that the Liberal government was doing anyway.

● (1740)

Some hon. Members: Hear, hear!

Mr. Trudeau: The NDP was loudly proclaiming that these things were happening, thanks to the NDP, and that the outstanding productions of this parliament were due to the actions of the NDP.

An hon. Member: Right on.

Mr. Trudeau: Now, Mr. Speaker, the leader of that party is popping up on television, tilting toward a forest of

microphones, launching the secret weapon of his House leader which is going to destroy this government at some unknown time.

Some hon. Members: Oh, oh!

Mr. Trudeau: Maybe we will not have the chance of ever knowing what this knock-out power was, and for that reason alone I am sure you, Mr. Speaker, and experts in parliamentary procedure will be wondering till their dying days what the secret knock-out power was.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): We will save it for the Tories.

Mr. Trudeau: So we have, if I can change my metaphor, David the daisy, plucking his petals one by one: Will we have an election, will we not have an election; will we, will we not—a game which he has played on television.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Oh, come on; you are in the House of Commons.

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I know you were not in the chair a moment ago, but I think if you had been you would smile at the hon. member for Edmonton West (Mr. Lambert) coming to the defence of the leader of the NDP who, I think from the smiles in this House, was referring to the Minister of Finance (Mr. Turner) by his first name just a few minutes ago. The hon. member for Edmonton West was here and I did not see him express shock. He has suddenly found friends to his left and he thinks he had better be nice to them in case they might change their minds.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I believe there is a tone of "just under the surface desperation" about the attitude of the NDP in these circumstances. I think with this game they have been playing, of giving power and withdrawing power, with the differences with the government being reconcilable one day, another day the differences with the government being irreconcilable and the next day the differences with the government being almost irreconcilable, it must be tiring to try to be reconciling and ureconciling all the time.

Some hon. Members: Oh, oh!

Mr. Trudeau: Why now, at this irresponsible time, on a budget which even though it is not perfect and might not go far enough still does reduce taxes, still does give benefits to the veterans and still does take $800 million away from the giant corporations they do not like?

Some hon. Members: Hear, hear!

Mr. Trudeau: I believe the explanation is that in this exercise of being able, as they think, to extend power or to withdraw power they have suddenly begun to feel the strain. They have suddenly realized—I am not sure if the axiom should be that power corrupts, or the lack of power corrupts; but whichever way you take it, I am not referring to any moral vicissitudes—

Some hon. Members: Oh, oh!

Mr. Lewis: You are bad enough as the Prime Minister; don't try to be a psychiatrist.

Some hon. Members: Oh, oh!

An hon. Member: You are thin-skinned.

Mr. Trudeau: I must admit that I am not attacking the moral principles of the hon. member for York South.

Mr. Lewis: Just don't try to be a psychiatrist.

Mr. Trudeau: I assure you, Mr. Speaker, that when I used the word "corrupt" it had nothing to do with moral virtue or lack of it. Mr. Speaker, I can assure you that in my eyes he is still as white as a seagull.

Some hon. Members: Hear, hear!

Mr. Trudeau: What is being corrupted, Mr. Speaker, is his equanimity, his sense of balance and his ability to remain cool, as we just saw a few moments ago.

An hon. Member: Some marriages just don't last.

Mr. Trudeau: Mr. Speaker, power weighs heavily on someone who is doctrinaire. Power is difficult to exercise for one who thinks one can only have absolute truths, absolute virtues and absolute actions.

Some hon. Members: Hear, hear!

Mr. Trudeau: In the period of time when the NDP was sitting in this parliament and did not quite hold the balance of power, or when the government could survive with other minority parties, this was an enjoyable time for them. Of course, the period from 1968 to 1972 was a perfect time for them because then they could state truths to their hearts content; they could go to the end of every one of their principles and demand and have rejected the most outlandish requests they had made at any time upon the budget of this nation, because they knew they would not have to face the electorate as a result. What the NDP has demonstrated today is that the best parliament for them is a parliament in which we are the majority and they are a small minority, unable to influence the power and the life of that parliament.

Some hon. Members: Hear, hear!

• (1750)

ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable Senate.

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

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give in Her Majesty's name the Royal Assent to the following bills:

Bill C-4, an act to amend the Export and Import Permits Act—Chapter 9

Bill C-6, an act to amend the National Parks Act—Chapter 11

Bill C-14, an act to amend the Farm Improvement Loans Act, the Small Businesses Loans Act and the Fisheries Improvement Loans Act—Chapter 10

Bill C-27, Railway Relocation and Crossing Act—Chapter 12

Bill C-277, an act respecting the Electoral Boundaries Readjustment Act—Chapter 7

Bill C-281, an act respecting the Electoral Boundaries Readjustment Act—Chapter 8

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government; the amendment of Mr. Lambert (Edmonton West) and the amendment to the amendment of Mr. Lewis.

Mr. Trudeau: Mr. Speaker, when Black Rod entered the chamber I was just about finishing off the NDP. The only thing I wanted to add was that they were suffering from the acute discomfort of responsibility; I think that is a milder and perhaps more gentle way of putting it.

[*Translation*]

And I would like to add that this is nothing to disgrace the Leader of the New Democratic Party. He is not a government man, he is an opposition man, a theorizer.

I wish only to express my sympathy for the embarrassment he must feel when his party comes into power in some provinces and I can give only two examples, so as not to delay our proceedings, to show what happens when the New Democratic Party comes into power.

You remember that in this House the New Democratic Party was scandalized during the last Parliament because

we had raised the salaries of members. One of the first things done by NDP government in British Columbia when coming into power was to raise the salaries of members, more especially that of the Prime Minister.

Here is the second example, Mr. Speaker; it is very revealing about theoreticians who have become practitioners; when the minority NDP party was protesting here in this House against higher oil and gas prices, their brothers in Saskatchewan and British Columbia lost no time in increasing gas and oil prices.

Mr. Speaker, I wish now to turn to the other opposition party. While the NDP's position changed considerably in the last two weeks, as I said before, I must be fair to the Leader of the Opposition and admit that he never changed. Ever since we have know him in this House he has had only one goal and this is his job, that is to defeat the government. It is his task to do so and as fast as possible.

You will recall that following the last elections, when he came back to Ottawa with his somewhat too enthusiastic troops, the poor man had his picture taken—and I know he was rather the victim than the instigator of this in view of the situation—his picture was taken while he was receiving the keys of 24 Sussex Drive.

Mr. Speaker, I should tell you that I did not hasten to change the locks. As the hon. member for Saint-Hyacinthe (Mr. Wagner) would say if he was here: It was not true about the keys, Mr. Speaker.

Mr. Speaker, there is a very simple reason for this change of attitude; at the beginning, power was taken without any elections. It was at that time—

An hon. Member: —the only way—

Mr. Trudeau: —yes, the only way. Today, the constitution does not seem to allow it. Therefore they ask for elections and immediately. This is the reason, it is very simple. I will quote only two members of his party, as reported in the Toronto *Star* of April 30, 1974. Here is what the hon. member for Palliser (Mr. Schumacher) said:

● (2010)

[*English*]

If there's no election this summer, you might see something develop along the lines of a new party.

Another Conservative, who was described as a Conservative from southern Alberta, is quoted as saying he is unhappy with his party. He says:

But I can't say anything about that now . . . I wouldn't want to be a part of any movement to be caught in the middle of an election. By the middle of May I should know better.

Mr. Speaker, he has seven days to go. By tomorrow night he may know better—we will all know better—why the Leader of the Opposition (Mr. Stanfield) is in so much of a hurry to call an election.

Mr. Stanfield: It will save the country.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, for once we are in agreement, the Leader of the Opposition and I. We think an election will indeed save the country; it will save it from

those people opposite. What we do not know, Mr. Speaker, is if it is going to save the Leader of the Opposition from the hon. member for Joliette (Mr. La Salle) who sits two seats behind him and who two years ago left the Tory Party saying there was no place for Quebeckers in it. I do not know whether it is going to save him from the hon. member for Crowfoot (Mr. Horner) who says there is no place for a westerner in that party. The hon. member for Hamilton-Wentworth (Mr. O'Sullivan) did not go so far. He just said that he thought the party should resist control by the experts in Ottawa and in Toronto.

Mr. Speaker, this mention of control is a rather interesting one because this is one of the central promises of the Tory Party. They would freeze prices and wages. They would put controls on our country. They would bring in a system of controls so complex that they have always told us they would take 90 days to think about what they would be. They have been telling us this for a year. They would control this country, Mr. Speaker, yet they cannot control their own party.

Some hon. Members: Hear, hear!

Mr. Trudeau: They would control wages. This solution, we know, was hotly debated at the Tory convention a few months ago and rejected by an eminent Tory member of parliament as, to use his words, "leading straight to chaos". They would control prices and wages across the country, but they could not control their own convention too well. They cannot control government expenses, because if we look at that convention, while they were talking about controlling expenditures the same Tory convention was proposing the creation of four new departments and a host of new agencies. They would control expenses, but the first thing they would do is create a lot of new jobs for a lot of new civil servants.

They would control prices and wages across the country. But when it came to the concrete problem of how they would control oil prices in this country, at what level would they impose their controls—a subject which was very hotly debated in the country for several months; and we know, of course, the Tories of Ontario wanted it controlled around $5 or $6 and the Tories of Alberta wanted it controlled at around $8 or $9—from the Tories in this chamber who were going to control the country with a prices and wages freeze for 90 days, Mr. Speaker, we heard not a peep. You are aware, Mr. Speaker, during those fateful days which preceded what I think is an historic agreement between ten provinces and the federal government, they were busy controlling the Minister of Supply and Services (Mr. Goyer) about the tar sands. They cannot control their own party, so they try and control members over here.

There are minor subjects. I can recall last year when they could not even decide, this united Tory Party—united in the desire to have an election and get it over with—whether they were going to vote together on the first reading of some bill proposed by a member of parliament. When we were discussing football, the line was that this was not important and the country should be dealing with other things; so they put up a dozen speakers or more to tell us that.

Some hon. Members: Hear, hear!

[Mr. Trudeau.]

Mr. Trudeau: What kind of control is this, Mr. Speaker, when the Leader of the Opposition cannot even control his own members and they put up 18 speakers on a subject of no importance?

Some hon. Members: Hear, hear!

Mr. Trudeau: There is another subject on which the lack of control was evident, and it is one I hardly dare speak of in polite company. I will just mention it and go on to other things. It is the Official Languages Act, Mr. Speaker.

[*Translation*]

I mention it, Mr. Speaker, merely to point out that it is a topic of crucial importance to many Canadians, and if some wonder why the Tory convention held in Trois-Rivières a few weeks ago was such an abject failure, it is probably that the Quebecers are fed up with being had. They want to know what the Tories think about the matter. They were told about organization, attempts were made to lure them with all sorts of promises, but the main topic was not broached because the Tories do not agree amongst themselves on that topic. But let us see—

Mr. La Salle: Mention was made of it.

Mr. Trudeau: The member for Joliette (Mr. La Salle) is back with us. I greet him on his return to the House. He will be happy—the member for Joliette cut a sorry figure according to the press clippings I read on the convention. As I can see, he has almost disappeared—

Mr. La Salle: You did not read the right papers.

Mr. Trudeau: No, I don't read *Le Jour*, Mr. Speaker.

Mr. Speaker, I should like to read more excerpts from a Toronto newspaper, the *Globe and Mail*, because the reporter, William Johnson, is probably quite detached from Quebec problems. Rather than quote journalists from the newspaper I have just mentioned, who probably are prejudiced, biased, I shall read excerpts from Mr. Johnson's article. He is speaking of facts and not expressing opinions. I quote the *Globe and Mail* of April 30.

He speaks of the organizer of the Progressive Conservative party in Quebec, Mr. Daviault, and this is what he has to say:

● (2020)

[*English*]

Mr. Daviault is not a Conservative. He was a campaign manager in the 1970 Quebec election for Jacques-Yvan Morin, now Parti Quebecois House leader. Mr. Morin was narrowly defeated in 1970 but won last October. In the recent election, according to Mr. Daviault—

The chief Conservative organizer.

—he was a special counsellor to Mr. Morin.

Mr. Daviault gives his opinions on organizations, and I quote again from the *Globe and Mail*:

If I find a good man who is called Joe Blow, I don't care if he is Pequiste, Liberal or Creditiste, as long as he tells me: Rene, I'm going to build you an organization.

[*Translation*]

Mr. Speaker, the article goes on and on. Reference is made to a certain Mr. Toutant, one of the six men appoint-

ed by the Leader of the Opposition to manage the organization. It is explained that the organization is different from the association. Well, the six men appointed by the Leader of the Opposition make up what is known as a strategy committee, and they meet every Friday to coordinate their efforts in trying to win Quebec to the Progressive Conservative party. The said Mr. Toutant emphasizes the importance of bringing people of all political creeds into the Progressive Conservative party, in order to create an anti-Liberal coalition, and once again I quote:

[*English*]

The Progressive Conservative Party is open to people of different parties and we welcome people of all political hues because to win we have to increase our vote, and it isn't by frowning on those of other political persuasion that we'll succeed.

That is nice: that is visionary spirit, Mr. Speaker.

[*Translation*]

Among the names of those who make up this committee of six, except Mr. Toutant, there are Messrs. André Robert and Richard LeHir. In fact, as it is explained in the article, Messrs. Robert and LeHir are not even Progressive Conservatives. When questioned on his political opinions, Mr. Robert stated, and I quote again:

[*English*]

I rather define myself as a sovereignist.

[*Translation*]

I am rather a sovereignist. I expect Quebecers know what a sovereignist is, Mr. Speaker, that is the label put on by those too shy to call themselves separatists. And Mr. LeHir is only nationalist, but the depth of his convictions may be seen, and I quote again:

[*English*]

—I consider that, as long as Quebec remains within confederation, we must be concerned about federal politics—

[*Translation*]

Brave ones, Mr. Speaker, brave ones indeed! One would use the old cliché about an army of mercenaries, although "army" is too large indeed, one might call it a platoon of mercenaries, Mr. Speaker. Mercenaries without much in the nature of decent affiliations, and worse still not seeking any. They wish to work for the Progressive Conservatives in Quebec; it would seem the reason for the failure in Trois-Rivières is that the party on the other side has taken the attitude that anything is good for Quebecers, anything at all, lay it on thick, pick anybody. One visualizes the leader of the opposition coming down main street in Trois-Rivières. He looked like a cowboy, coming down the main street as in the movies. Completely alone in the street. It is probably one of the only instances where it may be said that one is a crowd, Mr. Speaker.

[*English*]

An hon. Member: What's wrong with cowboys?

[*Translation*]

Mr. Trudeau: Mr. Speaker, in the *Globe and Mail* of April 29 last there is a priceless quotation from the Leader of the Opposition, and here again this is between quotation marks:

[*English*]

—a Stanfield Government—

In the words of the Leader of the Opposition.

—would show "imagination, daring, promptness, effectiveness, open-mindedness, frankness and humanity."

Some hon. Members: Hear, hear!

Mr. Trudeau: Well, Mr. Speaker, in a sense we know what the Leader of the Opposition (Mr. Stanfield) means when he talks of open-mindedness. The kind of open-mindedness he means is open-arms for any who want to help to build the Tory Party. But the interesting adjectives are the ones which follow. How does that party show daring and imagination? I read again from the *Globe and Mail*. There had been a question and answer session, Mr. Speaker.

—the questioners had been picked beforehand by Richard LeHir—

About whom we talked a moment ago.

The questions and answers had been prepared by several people, notably Andre Robert, a sociologist who is an adviser to Mr. Stanfield.

The leader spent much of Saturday afternoon before the session being coached on answers by his special assistant, Richard Lelay. While Mr. Stanfield worked on the answers in a third-floor suite, Mr. LeHir was coaching the questioners in a fourth-floor room.

So much for the daring and imagination. I say there is more imagination than daring in that procedure.

[*Translation*]

Mr. Speaker, they were feeling so lonely in Trois-Rivières that some jokers suggested that the name of the city be changed to that of "Une-Rivière". That would make one river, two leaders or two nations—I am not too sure—three financial critics, four Horsemen of the Apocalypse and several raccoons.

We know the whole Quebec Tory caucus would easily fit in a Volkswagen. After the next election they will have to go and look for a chauffeur somewhere.

[*English*]

Mr. Lawrence: Tell us about the Liberal caucus of Alberta.

Mr. Trudeau: Mr. Speaker, even when I was in Alberta I was never as lonely as the Leader of the Opposition was in Three Rivers; I can tell you that. I never tried to fool the people of Alberta, Mr. Speaker. They might not always like our policies, but they know what they are and we do not fool around trying to kid them.

● (2030)

I spent some time, perhaps too much, describing the origin and the development of this feeling of an impending election. I would like to spend the remainder of my time trying to describe where it is leading us.

An hon. Member: What about the budget?

Mr. Trudeau: Yes, I will be talking about the budget, Mr. Speaker. I think it is extremely important that we understand the effects of the vote which will be taken tomorrow night. If we are to believe the opposition, the effect will be to put an end to this parliament and have a general election.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is extremely important, I repeat, for the people of this country to understand now, before the vote is put, what the effects of dissolution will be. I talked earlier about the small number of days the government has had in this session of parliament to present its legislation. I indicated the number of bills which have already received royal assent. I would now like to talk about the things that are still on the order paper. There is the budget, for one, and several other important measures which are on the order paper, all of which will disappear if this House is dissolved.

An hon. Member: Good riddance to bad rubbish!

Mr. Trudeau: I think the gentleman over there has just coined a phrase. He looked around and coined a phrase.

Some hon. Members: Hear, hear!

Mr. Trudeau: In his budget speech last night, the Minister of Finance went into great detail on many of the subjects covered by him. Other speakers on this side will talk at some length, as much as the rules allow, on certain aspects of that budget. Tonight I want to pinpoint a small number of measures, those which will disappear if, in fact, the government and parliament are rejected tomorrow, so that the people of Canada keep in mind what they are losing by this election in terms of budgetary measures and other measures on the order paper.

As the Minister of Finance explained last night, the reduction in personal income tax will leave more money in the hands of people so they can better defend themselves against the higher cost of living. The reduction in personal income tax will take 300,000 Canadians off the tax rolls.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: This may be unimportant to the opposition, but we consider it of some importance to those 300,000 Canadians.

Some hon. Members: Hear, hear!

Mr. Trudeau: The budget will remove the 12 per cent federal sales tax on clothing, footwear and other articles, to act directly against high prices.

Mr. Basford: They are opposed to that.

Mr. Trudeau: Of course they are opposed to that. It was interesting to hear why the leader of the New Democratic Party was opposed to that. He was in favour of some kind of reduction of sales tax provided it did not apply to those lucky men whose wives were able to buy, I think he said, three party dresses, or something like that. I wonder what the leader of the NDP has in mind as a reduction in sales tax that he would apply only to those whose wives have less than three party dresses. How would he administer that? However, I will not go into that, Mr. Speaker. I just want to remind this House that in the last parliament the NDP were against the family allowances that we were proposing.

Some hon. Members: Hear, hear!

Mr. Trudeau: There are a lot of new men over there. Perhaps some of them do not remember that. They said it would be administratively complicated, "Let's give it to everybody." With regard to the sales tax, however, they say, "Let's make sure we only cut sales tax on the articles sold to those people in the store who can presumably pass an incomes test in front of the storekeeper."

This budget would make it easier to save for the purchase of a home through tax-free savings up to $10,000. This budget would protect Canadian savings against inflation, just as personal income taxes were protected by this government against rising because of inflation. This budget would raise the war veterans allowance.

Some hon. Members: Oh, oh!

Mr. Trudeau: I have trouble reading my own writing. I must confess it is even more difficult reading someone else's. More important to some people in this chamber, Mr. Speaker, this budget would have shifted the burden of taxation, for example, through the 10 per cent surtax to those corporate sectors most able to carry the burden while pushing ahead with expansion for increased supplies. I was rather intrigued by the expression used by the leader of the New Democratic Party to describe these corporate tax increases. The Minister of Finance indicated yesterday that, according to his estimate, this would bring in just short of $800 million for the year. That is one quarter of the $3.2 billion which was brought in through corporate taxes in the year 1973-74. In other words, this is a 25 per cent increase over last year's corporate taxes.

Some hon. Members: Hear, hear!

Mr. Trudeau: I understand that the NDP does not think that is enough, but I am at this point in my speech trying to indicate what will happen if the government goes down with the budget: even this modest 25 per cent increase over last year's corporate taxes does not get back. Who is giving the companies of rip-off as a result of that?

Some hon. Members: Hear, hear!

Mr. Trudeau: This budget does not take the easy way. It was not designed to do that. If any proof is needed to show that we do not want an election, Mr. Speaker, I think the judgment has been that this is not an election budget because we do not want an election. We want responsible economic policies. We want, not the easy way that the doctrinaire NDP or the controllers of wages on the Tory side want, but one which will keep the economy operating as the number one economy in the world, Mr. Speaker.

● (2040)

Some hon. Members: Hear, hear!

Mr. Trudeau: I must now ask the House to follow me into the order paper of today's date and to look at some of the measures at various stages of legislation in the House which will be disappearing if this parliament is indeed brought to an end tomorrow or this week. Let me take a few examples in various areas, beginning with food and agriculture. First is a bill of which we are proud and

which we want to talk about a great deal during an election, Bill C-29, an act to amend the Combines Investigation Act. We are looking forward to joining issue with those who make an easy debate on gouging and profiteering and who have easy solutions. We have a bill here that we are prepared to stand on and to put before the country at any time.

Some hon. Members: Hear, hear!

Mr. Trudeau: The results of the non-passage of this bill will be that the power to roll back prices is lost. If the bill is lost, Mr. Speaker, the government will be denied at this time the ability to deal effectively with foodstuffs such as meat, canned fruit, vegetables, bread, and so on. I am just talking about food, but this also applies to other sectors where gouging exists. It would deny the government the means to apply strong pressure on those who profit unreasonably in the marketplace when competition is lacking.

Then we have Bill C-7, amendments to the Combines Investigation Act. This bill is based on the belief that a vigorous competition policy is fundamental to any anti-inflation program. Countries all over the world have been tightening up their laws on competition in recent years to ensure the lowest possible prices to the consumer. The government, as the House knows, has been pressing for amendments to this law since 1970. The amendments to the Combines Investigation Act now before parliament go a long way toward remedying defects and are an important part of the government's anti-inflation program. The results of non-passage of this bill would be that a powerful antidote to inflation would be lost. Failure to pass the bill would be irresponsible on the part of parliament. Failure to act on these amendments can only favour unacceptable business acts that daily harm the consumer.

Then what about the act to amend the Agricultural Products Co-operative Marketing Act? The present act provides, essentially, to producers of other crops and producers of wheat grain outside the designated areas under the Canadian Wheat Board Act what the Canadian Wheat Board Act provides for western wheat producers. Results of non-passage would be that it might hinder production because of the greater need for cash flow by producers at the present time. It would also prevent the Ontario wheat producers from having some of the advantages now received by western producers.

Then there is Bill C-25, an act to amend the Prairie Grain Advance Payments Act. The results of non-passage would mean less stable marketing of grain and would create a jam in transportation, since the farmers would not be inclined to hold grain on their farms until acceptance and delivery, thus affecting 50,000 producers.

Some hon. Members: Oh, oh!

Mr. Trudeau: Then in the area of social policy I should just mention Bill C-35 which was given first reading, I believe, only yesterday. This is the omnibus bill on equal rights for women. We on this side are proud of that bill and we will tell the country that the women of this country are equal.

Mr. Nowlan: You have had 11 years to do that.

Mr. Baker: Even the girls don't like it.

Mr. Trudeau: Then there is Bill C-19, an act to amend the Canada Pension Plan. What are the results of non-passage of this measure? First, there would be the loss of increased benefits for survivors of women contributors who have died. That embraces about 30,000 people. Second, there will be the loss, through failure to remove the earnings test, of increased benefits for about 500,000 persons now retired.

Some hon. Members: Shame.

Mr. Trudeau: Then Bill C-34, the National Housing Act amendments to continue and to broaden existing federal assistance for municipal sewage treatment facilities and to make trunk sewer systems eligible for assistance. The results of non-approval of this measure would mean that a major new initiative would be delayed. It is conceivable that the legislation could have had considerable impact on the availability of serviced land for home construction.

I have several more bills I wish to mention, Mr. Speaker, and I apologize for taking the time of the House. I know most hon. members are aware of the subject matter of the bills, but I just repeat that it is important to put these matters on the record so the people of Canada will know that this House has been warned, and warned very clearly, about the effects of dissolution now.

Some hon. Members: Hear, hear!

Mr. Trudeau: In the area of industrial and regional policy we have Bill C-13, an act to amend the Bank Act. I think the attitude of the opposition is that if this bill is not passed it will only frustrate the wishes of the western provinces which want this amendment to the Bank Act so they can set up banking institutions in their provinces.

Then there is Bill C-20, the Federal Business Development Bank Act. Results of non-passage of this bill, which can be viewed as complementary to the budget statements, relating to small businesses, would mean that an extremely important service to small business would be delayed, to the detriment of an important economic sector. This is of importance to us, Mr. Speaker.

Then there is Bill C-10, to amend the Export Development Act. I am sure many members read the statements in Monday's papers about the effect of the non-passage of this bill, statements made by the Canadian Export Association of Montreal, headed by the president, Mr. J. M. McAvity. At the present time there are a number of major projects totalling $300 million being negotiated. It will not be possible to sustain these negotiations for lack of authority to make financial commitments. These projects involve manufacturers, a number of suppliers and service industries, and should these projects not proceed there is a possibility of loss of customers and of jobs for Canadians. Once again I repeat, Mr. Speaker, and I quote from Monday's papers wherein the president of the Canadian Exporters Association states—

● (2050)

If the amendment to the act does not go through in the next few months, or if it is postponed by an election, then Canadian exporters would lose business.

Some hon. Members: Shame.

Mr. Trudeau: The order paper contains many more things, and I should like to talk about two additional bills in the area of energy.

An hon. Member: Talk about football.

Mr. Trudeau: The hon. member asks me to talk about football. I think for the first time since I have been in the House of Commons I am using the privilege of speaking without any limit on time, which is a privilege accorded the Prime Minister and the Leader of the Opposition.

An hon. Member: It is your maiden speech.

Some hon. Members: Oh, oh!

Mr. Trudeau: Let us look at Bill C-32, an act to establish a national petroleum company. If this bill to establish Petro-Can is not passed, it means the government's program will be delayed several months and this will create needless uncertainty in the industry and leave the government without an instrument to deal with the constantly changing international situation. There is Bill C-18, the Petroleum Administration Act. The results of non-passage of this legislation are that the oil export charge would cease and no authority would exist to pay subsidies to eastern refiners. The federal-provincial agreement of March could be destroyed, and critical policy decisions to cover the interim period from dissolution to the recall of parliament would be required.

I see the hon. member for Peace River (Mr. Baldwin) shaking his head.

An hon. Member: He's trying to find his marbles.

Some hon. Members: Oh, oh!

Mr. Trudeau: Perhaps he will be good enough to indicate what will happen to oil export charges. He recalls the story of this charge which was brought in by the government at the end of last year in order to make sure that the great windfall would not accrue to the petroleum companies but would accrue to the benefit of Canadians. In the month of January we tried to bring in legislation which would have permitted the government to collect this export charge.

The House will remember that the opposition consented to permitting the government to collect this export charge only for two months, the months of February and March. For every month following March, this will be lost, that is, for April, May, June and July. And if there is an election, I suppose it is fair to presume it will be held early in July, and by the time the writs are returned, even at great haste parliament could not meet before the middle of August. So it means that for April, May, June, July and much of August this oil export charge will not be authorized for collection by parliament.

Mr. Hellyer: Nonsense. You can collect it under the Export and Import Permits Act.

Some hon. Members: Hear, hear!

An hon. Member: Go back to Action Canada.

[Mr. Trudeau.]

Mr. Trudeau: Yes, the hon. member had better go back to Action Canada. Let me just put the figures in respect of this matter before the House. The tax is now $4 a barrel, and it probably should and probably will go up to cover appreciation and oil prices. Never mind what that increase will be, as we do not know what it will be—the tax is now $4 per barrel. Just calculating the amount on that basis, the volume of oil involved is about one million barrels a day, which would work out to between 27 million and 30 million per month. At $4 a barrel, the tax which would be forgone to the federal government if the Petroleum Administration Act is not passed would amount to about $115 million per month, for five months. That would amount to something more than half a billion dollars.

Some hon. Members: Shame.

An hon. Member: Let it rip off for the oil companies, David.

Mr. Bell: Be careful what you say about David.

Mr. Trudeau: It is true that we have heard a lot about robber barons from the NDP, but the consequence of this more than half a billion dollars which it would not be in the power of the government to collect under the law, if it is not passed, would go to the oil companies. Some 47 per cent of the oil in Canada is produced by five major companies, and we assume that the exports would be in that same area. This production is divided up in the following manner: Imperial Oil, 18 per cent; Texaco, 11 per cent; Mobil, 8 per cent; Gulf, 7 per cent; Shell, 6 per cent. That is just a rough calculation, but these are the percentages and these are the figures in respect of which the NDP and the Tories would see the government put in a situation in which it was impossible to collect as a result of the non-passage of this bill.

Some hon. Members: Hear, hear!

An hon. Member: You fellows ought to be in the funny papers.

Mr. Trudeau: Those are only matters which are on the order paper, but there are many other measures mentioned in the Speech from the Throne which are ready for imminent introduction. I will mention just three which have to deal with the increase in food supply and stabilization of food production. One would be the amendments to the Farm Credit Act, to provide greater assistance to young farmers; another would be amendments to the Agricultural Stabilization Act, to broaden its scope; and the third would be grain marketing stabilization legislation based on cash advance payments on crops.

Mr. Hales: Tell us about the Unemployment Insurance Act.

Mr. Trudeau: Yes, Mr. Speaker, amendments to that act would be brought in very soon, as the hon. member suggests.

Some hon. Members: Promises, promises.

Mr. Trudeau: That was an attempt, perhaps a lengthy one, to put on the record one very simple fact. That is, that

parliament is doing its job and this government would like to see this parliament continue doing its job.

Some hon. Members: Hear, hear!

● (2100)

Mr. Trudeau: Mr. Speaker, this record of achievement which the government has put before you tonight is an effective record. It is an effective record by a minority government that has been successful in making this minority parliament produce. It is simply not good enough for the leader of either party who wishes to destroy this parliament to say that the first session was productive but that this session was not. I have already cited legislation of vital importance to farmers, fishermen, small businessmen and consumers, legislation important to increasing Canadian activity and control in key sectors of our society, vital legislation that would die on the order paper and legislation that would have to wait, if an election were held, until a new Liberal government returns to provide it.

Some hon. Members: Hear, hear!

Mr. Trudeau: Consistently since this parliament began, this government has attacked inflation by a several-pronged approach. The Minister of Finance was true yesterday to that approach. In legislation, in administrative action and in two budgets the government has shown its attack on inflation. It has consistently sought to increase supply, to get the farmers, the fishermen and the factories producing more. We sought to go after extremes of profit. On the one hand we have consistently sought to stop gouging. For all Canadians we sought to bring down prices, on the other hand, by subsidies and by other measures. We cut taxes, and finally, for the Canadians who are hurt most by inflation, we brought in an array of measures which increased and indexed their pensions and other sources of income.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, that was an attack on inflation. It is an attack increasingly understood by farmers, by fishermen, by consumers and by producers. Very recently, even small businessmen across Canada who for a time had embraced price and wage controls reversed their opinion and stated that they were against price and wage controls. They dislike wage and price controls because they have seen the shortages that develop as a result of controls and because they know they will have to pay an inflated price for the materials in short supply. They have observed the experience of Great Britain and the United States and have said to the Leader of the Opposition, "No thanks. Not for us".

It is true that our attack on inflation is not a simple one. It is a complex one. It is a complex solution to a complex problem. We certainly reject the simple, and perhaps simple-minded, approach that has been brought to bear by the opposition on this question. These Tory controls would control the wages of the workingman. Prices have already risen very high, and controls will not bring them down. If you freeze high prices, there are still high prices; but if you freeze wages, there are still low wages.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am sure many of us on this side of the House will want to explain this at some length to the country if we become involved in an election campaign. We have explained before, and will explain again, that these simplistic solutions in reality are Conservative solutions, ones which a Liberal Party would not want to place on the workingman and the fisherman. I think perhaps the slogan I would suggest to the Tory Party for its measure would be: The price is right; let us freeze the wages.

Mr. Speaker, I was attempting to show that this parliament has been doing a relatively good job—an admission of some of the opposition parties until now. I want to conclude by asking all members of this House, including myself, to try to put aside for a moment any partisan spirit. I would ask the members of this House, as we will ask the citizens of this country if we are forced to ask them for a renewed mandate, to reflect upon the troubled world in which Canadians are living. I do not think that anyone who looks at other parts of the world would be unaware of the economic and political instability which exists in many countries. I would appeal to Canadians to consider, not that everything is fine and dandy but that Canada is doing, shall we say, relatively well in this troubled world.

Some hon. Members: Hear, hear!

An hon. Member: The land is relatively strong.

Mr. Trudeau: Yes, Mr. Speaker, I suppose that would be a better slogan. One might look at the economic performance of Canada viewed by people outside the country. I shall not bore the House by quoting again the opinions of the OECD, the IMF, the Wall Street *Journal* or the *Financial Times* in respect of Canada's economy. I shall not even invoke the Canada Year Book, which is something of an authority, for the hon. member for Peace River. But, Mr. Speaker, I think if anyone looks impartially at the various reports they will have to admit that in a troubled economic world, Canada is doing relatively well.

● (2110)

In a troubled political world, particularly if we call to mind the comparisons that were made after October, 1972, respecting a stable Canada and its minority government, and the great majority of the President of the United States and the successful elections of the President of France and the Chancellor of Germany, it is interesting to look back 18 months later and to see how Canada fared in political terms and that Canadians are also doing relatively well and there has been pretty sensible political stability in the past 18 months.

Some hon. Members: Hear, hear!

Mr. Trudeau: As I was saying at the beginning of my speech, essentially I should like to show the consequences of dissolving parliament now and try to impress on the opposition and the country the effects of interrupting the business of the nation to have this expensive election of which the leader of the Créditistes spoke—interrupting the economic momentum which is making Canada a more successful economic country than other countries. And

interrupting all this for what reason? For the manoeuvrings of the opposition.

This creating of uncertainty for political reasons, the deprivation of the relief that the budget would provide to the needy, this renunciation of the tax on huge corporations is all brought forward for political motives. As I indicated in the earlier part of my speech, this has been motivated by the well defined reasons of the NDP and of the Tories. My final word on this—

Some hon. Members: Hear, hear!

Mr. Trudeau: —is that the least we can say about this timing is that it is irresponsible. There will be other occasions later in the spring when the government can be defeated. We know that there are more opposition days coming with no-confidence votes.

Mr. Bell: You had your chance.

Mr. Trudeau: It is very unusual to defeat a government on its budget. I can understand why, because even though the budget may not go as far as the expectations of the various parties, yet it does bring relief to people, it does redistribute in one way wealth from the rich to the poor; and that is why we believe this particular timing, with these pieces of legislation on the order paper, is particularly irresponsible.

There is one final effect which I neglected to mention, and that is that the election expenses legislation, which has been demanded for so long by the leader of the NDP (Mr. Lewis), has not yet been passed. Finally, when they have a chance to have an election under this new legislation, they prefer to pull the plug before we are caught up in that legislation.

[*Translation*]

Mr. Speaker, may I say in concluding in a very clear and final way that the Liberal government—and I think I said it often enough—does not want a general election at this time. We want to serve the mandate we were elected for by the people of this country and we share the opinion of the Social Credit Party in that respect.

Having said that, Mr. Speaker, I would like to add that we will look forward to the vote on the proposed amendments. We are ready for the vote on the budget. If the Tories and the NDPs want to put an end to this 29th Parliament we will make it a point to see that they answer for it before the people of this country. Not only do we undertake to show the Canadian people that the Liberal party was ready to have all measures on the order adopted, but we promise them that they will see a Liberal party ready and able to fight in an election and to lead to victory all its candidates across the country whose heart is beating, whose brains are thinking and whose hands are working for freedom and justice.

● (2120)

[*English*]

Mr. James Gillies (Don Valley): Mr. Speaker, I did not realize, when I first got to my feet, that I had so many friends on the other side of the House, nor did I realize that I would be making the second speech in a political campaign. At any rate, I am delighted that the Prime Minister (Mr. Trudeau) joined in the debate this afternoon, although he did not have much to say about the budget. His participation explains a great deal about what has been going on and what has not been going on in the government. For the first half hour this afternoon the Prime Minister asked, why an election now? He said, "We have done this, we have done that. Why now?" The answer, of course, is quite clear. It is now, because the Canadian people really want something done about inflation.

Some hon. Members: Hear, hear!

Mr. Gillies: Having seen the budget that was brought down on Monday night, they realize that the government has neither the heart, will, courage nor the ideas to tackle the inflation problem in this country. Like hundreds of thousands of other Canadians on Monday, I waited to see what the government would do about the inflation problem. Through my mind went a variety of scenarios of things the government might try to do or suggest. Differential pricing was a possibility. Some sort of selective price controls, backed by high subsidies, such as the government has been trying in past months, might work for a time. But the one scenario that did not occur to me was that the government would come forth for another year with the same old policies and ideas and suggest that these were a modern, contemporary approach to dealing with inflation in Canada.

Some hon. Members: Hear, hear!

Mr. Gillies: It never occurred to me that we would again be in a budget debate in the House of Commons, after a year in which we had one of the most rapid increases in prices in the history of Canada, still trying to get the government to recognize that not all inflation comes from abroad, that we do have domestic inflation and that it is indeed a pervasive, significant, almost destructive force in Canada at the present time. The report of the Department of Finance which was tabled before the budget shows that with respect to the OECD figures which the government likes to quote, using a price deflator which the report indicates is the best measure of inflation, only one other industrialized country in the world, Japan, had more inflation last year than Canada. I certainly hope that the Prime Minister and the Minister of Finance (Mr. Turner) will not be wandering around the country saying we have had a great record in this respect. We have had a terrible record. The statistics in the government's own report, at page 31, show without doubt that the rate of increase in inflation in Canada in 1973 was higher than in England, higher than in the United States, higher than in France, and that the only country which had a higher rate was Japan, which had its problem with oil.

I used to try to figure out why the cost of living increase was about the same in the United States and Canada. I would call my friends in the United States and ask how much of their inflation came from oil price changes. They would tell me it was 22 per cent to 24 per cent. Mr. Speaker, we did not have to cope with that problem in this country. It is clear that we have inflation throughout the entire economy. It is a mistake to suggest to the Canadian people that we cannot do anything about inflation. For

some time the Economic Council of Canada has said that our goal should be to have an inflation rate not more than that of our trading partners. I have never accepted that. It is an absolute surrender to accept that sort of proposition. But the fact now is that our inflation rate is much higher than that of our trading partners.

However, the real issue is not what our inflation rate is compared with Japan, the United States or Great Britain: the real issue is what inflation is doing to hundreds of thousands of Canadians right now. They are seeing their savings destroyed because of the amount of inflation, 10 per cent this year, 10 per cent last year, and no one yet knows how much it will be this year. Hundreds of thousands of people are finding it hard to live on fixed incomes when faced with the rapid rises in the cost of living. The escalation in social security payments does not begin to compensate for increased price levels. Since last July the average hourly increase in wages has been less than the rate of increase in prices. For the first time in recent Canadian history, the average Canadian workman is falling behind because of inflation.

The Minister of Finance likes to talk about disposable income. Of course he knows it includes profits, dividends and other things. Real income is what concerns the man who is working and it is being wiped out by what is happening in our economy at the present time. The Prime Minister likes to say he is worried about what might happen to the low-income group because of some type of incomes policy. Yet he is presiding over a government that has allowed a massive redistribution of income against low-income groups because of inflation. This is a situation that is really intolerable.

Not only are individuals being badly hurt, but we are reaching a stage in this country where many of our institutions, many of the things that are fundamental for the well-being of the country are beginning to break down and be destroyed. Has there ever been a time before when industries such as the steel industry have had to open up their collective bargaining agreements in the middle of a contract to pay their employees more because inflation was so great? What will become of general collective bargaining agreements if this continues? Have we ever been in a situation in this country where the government has had to pay a bonus to people to get them to buy Canada Savings Bonds? At traditional interest rates the government has not been able to sell these bonds.

We are in a situation in which one of the most important institutions in the country, the whole institution for the channelling of savings into the investment market, is gone. Today in the stock market, price earnings ratios are as attractive, if you can imagine it, in terms of investment as at any time since the thirties, yet nobody is buying common stocks. Why? It is because no one has any faith that the government can get inflation controlled.

● (2130)

Clearly, we cannot ask people to pay 11½ per cent for housing loans and 14 or 15 per cent for consumer loans. Yet last night the Minister of Finance brought down a budget which, in its basic policy prescriptions, in its basic approach to inflation is precisely the same as the budget brought down a year ago; and that budget is one of the massive failures in economic policy implementation in Canadian history. It was a budget that failed in any way to halt the increase in inflation in the last year.

The minister is correct when he says that the solution to inflation has to be an increase in supply. Everyone realizes that is the critical problem, although we sometimes forget that prices are set by supply and demand and excessive demand in an economy can create problems as well as can shortage of supply. But even here the logic is somewhat mixed. The minister says that our inflation all comes from abroad and we will solve it by increasing domestic supply in Canada. I do not believe we can increase our domestic supply sufficiently, Mr. Speaker, to solve the inflation problems of the world, and I am sure the minister would agree.

The critical problem, the reason that we are in difficulty in regard to inflation in this country today and the reason the policies put forth by this government will not work, is simply that the policy for increasing supply involves placing demand into the system. What we have now is an increase in aggregate demand, but the supply it is expected to generate will not be for some time. The problem is, how do you bridge the gap? Everyone knows that if supply improves, the inflationary situation will improve. But what happens in the meantime? That is why you need a policy for the short run.

It is foolish to deny that is the situation. Examine housing. In the city of Toronto prices are increasing 20 per cent to 30 per cent and the amount of new housing being constructed is equivalent to new family formations. There is no way you need increases of 20 per cent or 30 per cent to stimulate housing supply. Prices are escalating because of the decline of investment opportunities in other areas, and particularly with the rise in inflationary expectations people are investing in the real estate market. You cannot advance any reason why housing is rising as it is, except for inflationary speculation. Such price increases do little to generate more supply in the economy, and unless you are willing to deal with the problem of inflationary expectations now, no policy will work. This country is full of inflationary expectations today, creating one of the major problems of the economy. Why else is the price of gold at $200, if it is not for inflationary expectations?

The second thing that is equally true is that once you have inflationary expectations, all kinds of imperfections develop in the market. The basic premise under which the budget was brought down a year ago and under which the budget was brought down last night is that we have normal expectations and we have perfect competition in our markets. Neither is true, Mr. Speaker. As long as neither is true we will not be able to solve the inflationary problem in the economy unless we deal with the two things directly and completely. If we had perfect competition in the marketplace, one could easily see that rates of increases in profits would be equivalent to rates of increases in sales, times past profit margins, plus increasing costs and productivity changes. The present rate of increase in profits is an indication of the imperfections in the marketplace and of groups being able to capitalize on the basis of the situation as it exists now.

What is the government going to do about the situation? Ignore it? Something must be done to prevent non-com-

petitive situations from creating abnormal increases in prices which are not justified by any sort of competitive situation in the market. That is why we suggest an incomes policy—an incomes policy designed first to work against inflationary expectations and second to protect people from prices that result from the market because of lack of competition. You may say that there is a better way of dealing with this problem. I doubt it. I do not know what it is. But you cannot ignore the problem. If you are serious about solving the inflationary problem in this country, not by moderating demand but by increasing supply, you simply have to have policies to deal with the transitional phase, otherwise there will be as much inflation as we have already—10 per cent last year and 10 per cent this year. The tragedy in this budget is that it does not recognize this fundamental proposition.

I am sure no one in this House is more dedicated than my party to the proposition that the way in which we get maximum use of our resources is through a free competitive market operating under normal expectations. But we do not have that, Mr. Speaker. The real question is, how can we get to such a situation? I am desperately frightened that as long as we continue to have inflation at the rate we have we will be involved with 12 per cent interest rates and 15 per cent interest rates, the equity market not working and the decline of all confidence in the economy. It seems to me that we are going to be in for some difficult times that cannot and will not be solved by the temporary kind of band-aid or cosmetic—although I do not like those words—that the minister is advancing. We cannot solve the problems of poverty in Canada, the problems of housing, the problems of income redistribution and the problems of regional disparity until we do something about inflation. And, Mr. Speaker, we cannot do something about the inflation problem under the present policies being followed by this government. We must have a totally new approach if this problem is to be brought under control.

In this party we have never suggested—and I say this for the leader of the New Democratic Party (Mr. Lewis)—that there is any simple, easy solution to inflation. Of course there is not. It is a most difficult problem and it is not going to go away. But it is not going to be solved by the sort of policies that we have used in the past, because traditional policies do not work. For example it has been suggested that one of the ways to slow down the rate of inflation is to raise interest rates. But that does not now slow down inflation, at least not with the level of expectations that we have at the present time. Who would have thought that mortgages in Canada would command 12 per cent? Who would have thought that we would have a plethora of consumer lending at over 15 per cent, 18 per cent and up? Who would have thought that with interest rates at current levels for prime loans we would have as much capital investment as we have?

High interest rates today are not anti-inflationary; they are inflationary because they are looked on as a cost and are passed on in the price people pay for the products. The fact is, the traditional policy tools are not working. I would hate to try to speculate on what level you would have to put interest rates in this country to start an anti-inflationary movement. The government is caught in a trap. It is suggested that the rate of inflation can be slowed down by slowing down the rate of increase in the money supply. But how can you slow down the rate of increase in the money supply when inventories, for example, have to be financed at very high prices and with money borrowed at very high rates of interest? We are caught in a very difficult situation, one which can only be solved, I suggest, by adopting substantially new approaches.

[Mr. Gillies.]

● (2140)

Mr. Turner (Ottawa-Carleton): The hon. member is saying that there has to be a better way. That is the sort of speech one hears all the time.

Mr. Gillies: I do not subcribe to the theory that inflation has been caused because, suddenly, all over the world there is a shortage of supply and suddenly the world is not producing as many goods and services as it produced in the past. If one examines the historical perspectives of inflation—the Minister of Finance mentioned this in the early part of his speech last night—one will see that inflation has come about from the great increase in world liquidity. The fact of the matter is that ever since the 1930s, and certainly since the 1940s, all governments have been willing to spend much more than they are taking in from tax revenues and other sources. They have been financing programs by printing paper money. It is as simple as that. We have seen this rate of increase in inflation and the decline in the value of currency all over the world as a result of such policies. The only way, generally speaking, to curb inflation all over the world is to bring some discipline back to government spending.

I find it incredible that in Canada, in the year in which we have inflation rates at 10 per cent, the government has increased spending by the dimensions we have witnessed. According to the budget this year, the government is to increase the tax take by 25 per cent. Yet, while taking that amount out of the economy, we are to operate with a modest deficit. One would think that if there were ever a time when expenditures might be kept down and revenues might be in surplus, that time might be the present.

The Liberal government has been operating its economic policy in the last 25 years under the modern Keynesian theory under which there is a budget deficit with slower economic activity and a surplus with higher economic activity. The fact is that the government has made no attempt at all to slow down the rate of government expenditure. Actually, never before in peacetime has Canadian government spending been growing so fast. It seems incredible to me that the government has not made a major effort to attempt to control government spending. How long can you continue to take as much out of the economy as is being taken by this government and applied to the sorts of activities which are being carried on at present, without diminishing the true productive capacity of the economy?

Surely, if there was ever a time to practice discipline in government spending, considering the rate of inflation that time is now. Governments do not exist for the purpose of collecting taxes and spending money. Governments exist to provide services for the people in an efficient and effective way. The fact is we face a very critical economic situation. There has never been as much peace-

time inflation as we are seeing at present. The government is still trying to attack it with budgetary policies which are singularly unimaginative, and is afraid to tackle the problem in any direct way. It has done nothing in terms of income policy, nothing in terms of a two-price system and nothing about controlling expenditure. Unless we do this, we will see much more inflation during the coming year than we saw during the past.

Mr. Sharp: Mr. Speaker, may I ask the hon. gentleman a question?

An hon. Member: Sit down.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Gillies: You cannot expect the Canadian people to believe or accept—nor should they—that in this country, considering our resources and energy, we must experience a rate of inflation comparable to that of other countries. The moment any government in Canada says that our rate of inflation is comparable to that of other countries, it is admitting failure. Considering the resources we have, the industrial base we have and one of the most productive agricultural communities in the world, not being able to keep our inflation rate down is totally unacceptable.

We have not seen, and I say this with great care, any imaginative approach to the problem of inflation. The government seems to believe that the economy today is operating in the same way as economies were operating in the early 1950s. Economies today are totally different. There is a change in terms of inflationary expectations in the economy. There is a change in market structures. But we are still tinkering around, thinking we can solve our problems by raising interest rates, which in themselves are inflationary, and by changing the tax structure, which can add to inflation and then wondering why inflation should be increasing and suggesting that it comes from somewhere else in the world.

If this problem is to be solved, there must be policies which recognize that if you are to use the supply increase approach and are not prepared to moderate consumer demand, you must introduce some kind of incomes policy or some policy to move the economy over the gap between the time when demand is stimulated and supply rises. If you do not bring in such programs, inflation booms, as we witnessed last year and this year. Because we lack such policies we are building all-pervasive inflation into this economy which will make ours one of the highest cost economies in the world. We are selling our products today because there is demand for our natural resources. But unless our rate of inflation is slowed down we will end up with a substantially higher cost economy than almost any of our trading partners. Will this not be tragic?

I know that government members do not believe the problem is as serious as some of us think. At least, they do not appear to believe the problem is that serious. You see, when some of our institutions are disappearing, such as the equity market, when government bonds cannot be sold because the rate of inflation is higher than the interest rate, when hundreds of thousands of people are fearful about what will happen, when people are concerned about their insurance policies and about their pension programs, the country is facing a situation which needs action to bring it under control. The Canadian people have shown today, through their representatives in parliament, that they are no longer confident that the government has the imagination or the will to deal with inflation.

I listened to the budget speech last night more in sorrow than in anger because it is inconceivable that after following a policy for one year which led to our highest peacetime inflation rate, the government has come back with exactly the same sort of policy. It is absolutely incredible. The issue in this country today is inflation. It is an issue that affects everybody and is the one on which the campaign will be fought. This country needs confidence that it has a government that cares, which has imagination and which is willing to deal with inflation in a bold fashion. This government has lost the confidence of the people. It is using higher interest rates, changes in the money supply in the short run, putting a band-aid here or there to deal with inflation. The Canadian people are absolutely right in thinking such an approach will not work. What we need is a strong, new government to tackle the problem.

● (2150)

Some hon. Members: Hear, hear!

Mr. Gillies: The one thing that can give every Canadian encouragement tonight is that very soon they are going to have it.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: There is approximately a minute left of the time of the hon. member for Don Valley (Mr. Gillies). The Secretary of State for External Affairs (Mr. Sharp) wishes to ask a question.

Mr. Sharp: Mr. Speaker, I am seeking the floor.

Mr. Deputy Speaker: For what purpose?

Mr. Sharp: For continuing the debate.

Mr. Speaker—

Mr. Deputy Speaker: Order, please. The hon. member for Yorkton-Melville (Mr. Nystrom) rises on a point of order.

Mr. Nystrom: On a point of order, Mr. Speaker, I was under the impression that in rotation I was supposed to have been recognized next. Of course, I bow to Your Honour's discretion.

Mr. Deputy Speaker: May I have about ten seconds to deal with this problem: I would like to do this properly. On reflection, the Chair will recognize the Secretary of State for External Affairs.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I listened very carefully this evening to the speech of the hon. member for Don Valley (Mr. Gillies), as did my colleagues the Minister of Finance (Mr. Turner) and the President of the Treasury Board (Mr. Drury). I was reminded of the movie "The Candi-

date". The candidate got himself elected to office simply by saying there must be a better way.

An hon. Member: There's got to be a better way.

Mr. Sharp: Yes, there's got to be a better way. I listened very carefully to the hon. member talking about the serious inflationary problems that exist in this country and around the world. I agree entirely with all those statements. In his budgetary address, the Minister of Finance looked upon inflation as the most serious problem facing this country and the world. So let us agree upon this issue. The issue is how best to deal with the problem of inflation.

We take this problem as seriously as the opposition. We have the responsibility of office. We have the necessity of bringing in workable solutions to this problem. We are not talking theoretically about the effect.

Some hon. Members: Oh, oh!

Mr. Sharp: The hon. member for Don Valley said there has to be a better way. This problem is very serious. It requires some answers. I listened carefully to the hon. member for Don Valley putting forward the revised version of the Tory platform.

Mr. Turner (Ottawa-Carleton): The current one.

Mr. Sharp: The current one; today's version. I have been reviewing the position taken by the hon. member for Don Valley, the Leader of the Opposition (Mr. Stanfield), the hon. member for Edmonton West (Mr. Lambert) and sundry speakers for the Conservative Party. They are characterized by one thing, their inconsistency. I looked particularly at the question of controls. It started about a year ago, with the Leader of the Opposition, persuaded by the hon. member for Don Valley, adopting the idea of over-all wage and price controls, starting with a freeze for 90 days, then maybe 120 days—

Some hon. Members: Hear, hear!

Some hon. Members: Ten o'clock.

Mr. Sharp: Mr. Speaker, I am very happy to end this part of my speech because I would like to take it up where the hon. member for Don Valley began to change the mind of the Leader of the Opposition and come back to the position put before us tonight, that of complete vagueness, inconsistency and incoherence.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

[Mr. Sharp.]

ENERGY—ELECTRICITY—SUGGESTED NEED FOR FORMULA TO EQUALIZE COST IN PRINCE EDWARD ISLAND AND NOVA SCOTIA

Mr. Deputy Speaker: I will give the hon. member about 30 seconds, because of the prevailing excitement, while the House clears.

Mr. David MacDonald (Egmont): Thank you, Mr. Speaker, for your kindness in allowing the dust to settle before we move into what can be called the last show of the late show or the late, late show. I am not quite sure who will be answering this question, but I want again to come back to the need for assistance with regard to the increasing difficulties and burden of electrical costs for the province of Prince Edward Island. I am glad I have this final opportunity, before this twenty-ninth parliament disappears into the mists of time, to raise what is a very important issue having to do with the same subject matter that, hopefully, has been the subject of discussion during this day namely, the cost of living.

Since the latter part of 1973, Prince Edward Islanders have experienced a very rapid rise in electricity prices based almost totally on the alarming rise in the cost of oil, in particular that of bunker C which is used totally for the generation of electricity on Prince Edward Island. The reason I have raised this matter on a number of occasions in this House and elsewhere relates both to the fact that there have been increases of well over 40 per cent in a six-month period, and the fact that Prince Edward Island is the only province in the Dominion of Canada that is totally dependent upon thermal-generated electricity. Indeed, if you look at the statistics for the various provinces and territories, hon. members will realize how unusual and difficult a situation the province of Prince Edward Island now finds itself in. As a matter of fact, in the whole of Canada on a percentage basis only about 2 or 3 per cent of the total amount of electricity consumed is generated by the use of fuel oil, whereas in Prince Edward Island the figure comes to 100 per cent.

● (2200)

Hon. members may recall that on March 28 I asked the Prime Minister (Mr. Trudeau) whether or not, following the recent meeting at Sussex Street and the agreement arrived at on a one-price system for oil, there had been any formula reached so that some equalization could occur for high-cost areas in provinces that are dependent on thermal-generated electricity. I also raised with the Prime Minister at that time the need for a long-term solution through the construction of a submarine power cable to Prince Edward Island.

I waited for some time, and again raised the matter almost a month later, on April 25, when I asked whether in fact any agreement has been reached with the provinces by way of assistance to meet rapidly rising electricity costs, or whether any decision had been arrived at regarding the proposed construction of the submarine power cable. I did receive some hint at that time from the Prime Minister that there would be an announcement with respect to some aspects of studying the question. Sure enough, Mr. Speaker, on the following day, April 26, the Minister of Energy, Mines and Resources (Mr. Macdonald) issued a press release announcing that the province of

Prince Edward Island is to receive a federal grant of $260,000 for a study which has been made on the feasibility of an electrical interconnection between P.E.I. and the Canadian mainland. He went on to say:

> The Prince Edward Island study has established the technical feasibility and economic viability of a proposed submarine cable electrical interconnection from P.E.I. to either New Brunswick or Nova Scotia.

What is not stated, however, in light of the conclusion of that study, is when we might expect to have some decision as to action. If the Prime Minister wonders, as he did in his long soliloquy of despair today, why it is that this government deserves to be defeated, here is just one other example of the kind of inaction that has existed for far too many years—because the proposal for a submarine power cable did not suddenly spring fully formed out of the first ministers' conference in January; it was a long-term consideration dating back to the sixties. When in 1969 the proposed P.E.I. crossing project was scuttled, so also was scuttled the proposed submarine power cable.

If the decision is to be taken in the near future, such cable could in fact be in operation by the end of next year at a cost, I think, of not too much more than $10 million. The importance of this power cable, tying in, hopefully, to the maritime power grid, is hard to overestimate, because not only are we thinking here in terms of consumer costs, which of course are basic in this day and age of rapidly mounting inflation, but there is the hoped for expansion of secondary industry related to our primary industries of farming and fishing.

It is unfortunate that some of the electricity that may be generated either from the new nuclear power station in New Brunswick or from developing hydro possibilities either in New Brunswick or Labrador is talked of in terms of commitment elsewhere, particularly to the United States. It would seem to me to make much greater sense if the power that is generated could be available, by use of a submarine power cable, both to the residents and to the industry of Prince Edward Island.

I want in particular to point to the effect that has already occurred as a result of power costs. First of all, in comparison terms, residential electrical costs in Nova Scotia were around $13 a month. Up till December of last year they were around $15.80, or close to $16 a month, but have since jumped to $19, $19.50 and show signs of approaching well over $20, up to $25 a month, on an average basis. This gives some idea of the double hardship that exists for people on Prince Edward Island.

When the Minister of Finance (Mr. Turner) talks about alleviating the impact of inflation, he has certainly not given much consideration, nor unfortunately has the Minister of Regional Economic Expansion (Mr. Jamieson), to the continued impact of high electrical costs for the province of P.E.I. I hope that we have some answer this evening from the parliamentary secretary, both with regard to an interim formula of adjustment to equalize power costs in Prince Edward Island and, more particularly, regarding a long-term solution through the building of a submarine power cable that will satisfy the long-term electrical needs of that province.

Mr. Herb Breau (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member's question relates to the possibility of subsidizing oil used for generation of power, equalizing the cost of electrical energy in Prince Edward Island, presumably with mainland New Brunswick and Nova Scotia costs, and the proposed interconnection of P.E.I. with the mainland via a submarine power cable installation.

In regard to the subsidization of oil, it is fair to say that the government has carefully considered representations by Premier Campbell submitted at the first ministers' conference in January, 1974, but is not inclined to adopt such a proposal in view of the financial burden it would impose. If such a program were to be adopted, it would be manifestly impossible to confine it to P.E.I., notwithstanding the fact that P.E.I. is 100 per cent dependent upon imported oil for power generation.

While the cost in respect of P.E.I. might be considered to be relatively modest, lying in the range of $3 million to $7 million per annum to maintain oil at $3 a barrel, versus a national or pegged price in the range of $6.50 to $8 a barrel, hence a subsidy of $3.50 to $5, the total national cost would range between $50 million and $200 million per annum. The provinces of New Brunswick and Nova Scotia would each become eligible for subsidy, New Brunswick about twice that of P.E.I. and Nova Scotia about eight to ten times that of P.E.I., and by 1976 Ontario will have an oil-fired plant in service that would command a subsidy of some $80 million on the basis of $5 a barrel.

Concerning the proposed submarine power cable, this project has been under active study over the past year and there seems little doubt that there will be a decision at an early date to proceed with the project for commissioning in 1975. This project is eligible for federal financial support to the extent of a federal loan for 50 per cent of the capital cost of the project, plus a grant of 50 per cent of the investigation study costs, a portion of which—$188,852—has already been paid to P.E.I. The possibility of additional federal financial assistance through the Department of Regional Economic Expansion is under consideration.

There is no program designed to equalize the cost of electricity in P.E.I. with the cost in New Brunswick or Nova Scotia. However, interconnection with the mainland via the proposed cable will give P.E.I. access to a source of electrical energy, including nuclear generation, that has a degree of economy, stability and security considerably greater than is likely to prevail if the island were to remain dependent upon isolated on-island generation and imported oil.

PUBLIC SERVICE—REQUEST THAT $500 SALARY INCREASE GRANTED EMPLOYEES BE GIVEN TO THOSE NOW RETIRED

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I am pleased to be speaking tonight on what probably will amount to the coda of this parliament. I have a great nose for news, as I always come along to make my speeches when the old pundits have left the gallery, those loyal representatives of the Canadian press. If it were not for the Canadian press I do not think many speeches in this House would be recorded. I just had a small conversation with the Minister of Finance (Mr. Turner) who said he could not be here but tomorrow he would read every word

of my deathly prose. He had to excuse himself because he was up rather late last night.

An hon. Member: Praying.

Mr. Rose: No, not praying. I should never want to accuse the Minister of Finance of prayer. I think probably he was receiving the accolades of the very grateful members of his party for this budget of last night. I am sure a great number of defeated Liberals in Canada were equally grateful for his budget just before the 1972 election. If he has to be at home tonight early, I understand that completely and I wish him pleasant dreams.

If we are on the eve of an election, I think in many ways it is an unnecessary one because all the government had to do was indicate it was interested in even a minor way in relieving the kind of distress that has plagued so many of the senior citizens, one might even say pioneers, of my riding. Had the government last evening indicated it was prepared to increase the old age pension and begin a scheme of lowering the retirement age from 65, this would have placed my party at least in a very difficult situation in terms of our decision vis-à-vis the budget. This, of course, has not been the case because we cannot see anything in this budget to assist the people we purport to represent. Therefore, our problem is relatively minor this evening.

● (2210)

Aside from this preamble, the reason I am appearing here this evening concerns a question I asked the President of the Treasury Board (Mr. Drury) yesterday. Mr. Speaker, perhaps you will permit me to quote myself. My question, which appears at page 2056 of *Hansard,* was directed to the President of the Treasury Board. It concerns the public servants and the government's capitulation in the anti-inflation fight which was confirmed later in the evening.

I asked whether the minister had reconsidered his position with a view to awarding this $500, which incidentally he gave to the employed public servants, equally to the retired public servants and all armed forces personnel who are also faced with the problem of inflation. If I might paraphrase the minister's remarks, he said he was sure the hon. member would recognize that the salaries and wages of public servants are not indexed, whereas the pensions of those who are retired are indexed under the Supplementary Retirement Benefits Act. I went on to say:

> In spite of the swarm of gnats in the minister's words, I wonder whether the minister's answer is a flat 'no'.

I do not think the minister's answer was a deliberate attempt to mislead the House, but he said:

> The answer is not a flat 'no'. It is that this is already being done.

I am grateful to the muscular member for Winnipeg North Centre (Mr. Knowles) who supplied statistics on the situation which prevails in respect of pensions applying to the people with whom I am particularly concerned, the retired members of the RCMP, the armed forces and public service. On April 1, as recorded at page 1020 of *Hansard*, there is a response to a question which appeared on the order paper. It is a response from the Solicitor General (Mr. Allmand) dealing with the number of Canadian armed forces personnel in receipt of pensions.

Then on April 15, as recorded at page 1406 of *Hansard*, there is an answer which indicates that public servants have magnificent and generous pensions awarded to them by this government. This is dealt with in a fair amount of detail. What I would say about the public service and RCMP I think also applies to members of the armed forces. On page 1016 of *Hansard* it is indicated that there are nearly 42,000 retired members of the Department of National Defence. There are 42 in receipt of less than $20. I think the crucial point is that of the 42,000, 16,000 have an income by way of pension of $300 per month, which means that 26,000 retired members of the armed forces receive less than $300 a month.

I think this applies equally to the public service and to the RCMP. What I am suggesting is that when the minister says he is taking care of this through indexing, he ignores the fact that the members of the public service who are working now have, in a large measure, bargaining rights. But in addition he has given them $500 to help in the anti-inflation battle.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt, but the time of the hon. member has expired.

Mr. Herb Breau (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am glad the hon. member spoke about the subject raised in his question. As the President of the Treasury Board (Mr. Drury) stated yesterday when this question was raised in the House, provision has already been made for the full escalation of pensions of retired public servants as well as retired armed forces and RCMP personnel through the amendments to the Supplementary Retirement Benefits Act which were passed by parliament last September. Previously, as hon. members will recall, the rate at which pensions were increased under that act were subject to the same ceiling of 2 per cent each year as had applied until then under the Canada Pension Plan.

The amendments introduced by this government and approved by parliament in September of 1973 provide that any increase in the consumer price index would be fully reflected in the escalation of benefits under that act in the future. In addition, the increases authorized by these amendments reflected the full change in the consumer price index since the Supplementary Retirement Benefits Act was passed in 1970, or the year in which the pensioner concerned ceased to be employed, whichever is the later. As a result of this, the new pension increases which became payable in January of 1974 ranged from 6.7 per cent for those who retired at any time in 1973 to 11.9 per cent for those who retired in 1970 or earlier.

This action by the government was the forerunner of a number of similar increases in pension made by various federal agencies with separate pension plans. At about the same time, the regulations under the Income Tax Act which have effectively limited the escalation on most private pension plans to the old 2 per cent ceiling were also amended to permit similar action by private employers. While I am not aware of many private employers who have seen their way clear to make corresponding increases

in the pensions of their former employees, it is quite clear that the government is the one that took the lead in providing for the regular annual escalation of pensions under employee pension plans in Canada in line with the cost of living.

These pensions which were increased in January will be subject to a further increase in January of next year in accordance with the change in the cost of living up to September 30, 1974. The same percentage increase will apply to those who retire this year and qualify for the pension escalation for the first time on January 1 next, while those who may have retired in previous years and who qualify for the first time next January will receive pension increases at a rate commensurate with the change in the consumer price index since the year in which they retired. The same applies, of course, to the increases provided for pensions payable to surviving widows and children of former employees and of members of the other groups as well as to former members of parliament and the judiciary, their widows and children.

GRAIN—SUGGESTED RELIEF OF PRODUCERS FROM ADDITIONAL CHARGES BECAUSE OF TRANSPORTATION AND CONTRACT DIFFICULTIES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, on April 22 I raised with the minister in charge of the Wheat Board some questions in connection with the serious charges which were levelled against Canada's transportation system by the chairman of the Canadian Wheat Board, Mr. Vogel, at the national transportation conference which was held in Ottawa on April 10. I refer specifically to the section of the chairman's statement which suggests that the farmers of western Canada, through the board, will face some exorbitant charges in costs caused by contractual default in the Wheat Board failing to meet its sales commitments caused by an insufficient supply of grain at export positions.

I want to know if this was an accurate assessment of the situation and if the minister thinks that farmers should be asked to foot the additional costs which have been incurred as a result of the failure of Canada's transportation system to meet its responsibilities. Moreover, it is fair to assume that in view of the statements which have been made by the Minister of Transport (Mr. Marchand), who admitted that the government has failed to implement an effective transportation policy, and in view of the government's failure to compel the railways to discharge their responsibility in the field of grain movement, the additional costs, and indeed the reputation of Canada as a supplier of grain on the world markets, is seriously jeopardized.

● (2220)

I do not believe that the farmers should be asked to meet these additional costs. Therefore, my question was put to the minister with a view to recommending or suggesting that the government seriously consider the advisability and feasibility of offsetting these additional charges in some way, shape or form.

The second point of my question was the fact that Mr. Vogel had stated that farmers are facing additional costs, running into hundreds of thousands if not millions of dollars, in vessel demurrage. At the time of this statement on April 10, 1974, it was indicated that 15 vessels were waiting at the port of Vancouver, with another 11 due. Today I find there are 11 ships waiting, 12 are loading and six more are due within the next week. It would be interesting to know what the story is on the additional cargo costs and whether any consideration is being given by the government to meeting these additional costs, or at least to offsetting them in some manner, particularly since the failure of Canada's transportation system, here again, has the result of insufficient supplies of grain to meet our export commitments.

To the present time, according to the latest James Richardson letter, something in the order of 120 million bushels less wheat have been exported this year compared with last year. The statement Mr. Vogel made indicates that during the railway strike last fall, 45,000 boxcars, representing 90,000 bushels, were lost. As of April 10, he indicated there were an additional 26,515 boxcars, representing approximately 56 million bushels, behind the railways' own minimum targets since January. The new targets of 10,300 cars per week will not be met until some time in May, if at all. He went on to indicate that even if the targets set by the railways are met, starting immediately, the west coast backlog will not be cleared away until the end of July.

The chairman of the board also indicates that this is costing producers untold millions of dollars in lost sales and, above all, the board has had to withdraw from future sales commitments. In addition, as I indicated earlier, Canada is rapidly losing its reputation as a dependable grain supplier. This is surely because of failure on the part of the government and Canada's transportation system to meet their obligations.

In surveying freight movements during the past year it is interesting to note that grain car loadings for 1973 were 20 per cent below the previous year. Looking at this year, we note that all rail car loadings are running at something in the order of 3 per cent less than during the corresponding period last year. This is a situation that simply has to be resolved, and until such time as it is resolved it seems to me fair to call on the government to take some measures to alleviate it, to offset the additional costs that have been incurred as a result of the transportation system's failure but certainly not through any fault of the farmers themselves. I do not believe it is fair to ask the farmers to pay for mistakes that have been made by the government and by the transportation system. Above all, they should not be asked to pay for government inaction and government irresponsibility.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the suggestion of inaction or any lack in the field of transportation is a strange one and falls to the ground completely. The Canadian government has taken very vigorous action to analyse and develop programs for the transportation system in the grain handling field and has been taking the time to implement them, but only because of our view that producers and the industry must be fully consulted. We have purchased 2,000 hopper cars and have arranged to acquire another 4,000 because we know that is

consistent with any kind of transportation system that we require.

To put the matter in perspective, it should be recognized that the railway system for four years in a row has managed to move more grain out of the country than has been produced and I am confident that it will do so this year as well. In the past three years, 200 million bushels more than the amount produced in those years has been disposed of, with the transportation system carrying the grain. In this year I am confident that we will move and transport more grain than producers have available, and the crop last year was the largest on prairie record.

It is quite clear that there were difficulties and we did not move as much grain in the middle of the winter as we had hoped. The difficulties were basically in three parts, as I have indicated. First of all, there was the strike which caused harm to a lot of innocent people—and I do not think the government could get into the position of picking up loose ends—and the problems that resulted from that. Secondly, I believe there was some neglect on the part of the railways in not putting cars into the grain industry. It was only when the government requested them to put in the proper number of cars that we obtained action. Following that, winter conditions came upon us and snow and weather were the third cause of some delay and difficulty.

I am happy to say that at the present time, as a result of the action we took to set up an emergency committee to examine the situation, the railways are in fact putting a lot of equipment into the movement of grain and are trying to turn trains around as fast as possible, and they are catching up. We will probably again see farmers having tremendous opportunities to deliver grain between now and the end of the crop year. If there is a lot of space and delivery opportunity for farmers, then the system is working to their advantage. And now, of course, it is working to their advantage with prices at record levels. Mr. Speaker, there is a very impressive record of action, not of neglect.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, May 8, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. BREWIN—FAILURE OF PRESIDENT OF CANADIAN INTERNATIONAL DEVELOPMENT AGENCY TO PRODUCE TO COMMITTEE REPORT ON ADMINISTRATION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I rise on a question of privilege which affects all members of the House. The Standing Committee on External Affairs and National Defence had before it a witness, Mr. Paul Gérin-Lajoie, who is the president of CIDA. During the hearings of the committee he was requested, by a motion moved by the hon. member for Saint-Hyacinthe (Mr. Wagner), to produce a report of Price Waterhouse, an accounting firm, dealing with the administration of CIDA which is a government agency supported by parliament. It was unanimously resolved by the committee on an amended motion that he should produce to the steering committee of that standing committee a copy of this report so that the steering committee could examine it to see whether it was relevant and important to the committee in advising the House about the affairs of CIDA. The president said he would comply with the wishes of the committee.

Subsequently, a letter was received by the chairman, the hon. member for Lafontaine (Mr. Lachance), from which I should like to quote just one paragraph:

> I thought it advisable to bring this matter to the attention of the Honourable Mitchell Sharp, Secretary of State for External Affairs, through whom CIDA reports to Parliament. The minister informed me it would be preferable if the request for this document was made directly in the House of Commons.

Later the committee met and by a vote determined to ask that the report be produced by one o'clock today. The chairman, the hon. member for Lafontaine, has informed me that the report has not been produced.

I think this raises a very grave question of the privileges of the House.

Some hon. Members: Hear, hear!

Mr. Brewin: Mr. Speaker, you will be entirely familiar with the provisions of section 8 of Standing Order 65 which provides as follows:

> Standing committees shall be severally empowered to examine and enquire into all such matters as may be referred to them by the House, and, to report from time to time and—

I ask the House to note these words:

> —except when the House otherwise orders, to send for persons, papers and records—

● (1410)

This clearly gives committees of the House the right to have documents before them. The particular document does not touch on security. No question of privilege was raised. There has simply been an edict by the Secretary of State for External Affairs that the committee is not to see this document pertaining to this important public agency.

Some hon. Members: Shame!

Mr. Brewin: The basic principle involved in my question of privilege is whether or not committees of the House are to function without a veto from a minister of the government. That is the basic principle. It is highly important to the functioning of the committees of the House that we should not have this sort of ministerial intervention.

Some hon. Members: Hear, hear!

Mr. Brewin: This intervention by the Secretary of State for External Affairs is a challenge to the privileges of the House. I ask you to rule, Mr. Speaker, that there is a prima facie case of privilege. If you do so rule, I shall move that this matter be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The hon. member for Greenwood has raised a question of privilege in relation to the non-production of a certain document in the Standing Committee on External Affairs and National Defence. He has indicated that if the Chair were to find that there is a prima facie case of privilege he would move a motion suggesting that this matter be referred to the Standing Committee on Privileges and Elections.

The Chair has in the past, on many occasions and based on many precedents, suggested that it might be very unwise for the House to decide that proceedings in one committee be investigated by another committee. I am sure that the hon. member would want to bear that in mind. The hon. member also suggested that there is a motion which should be put. I wonder whether it would be the wish of hon. members that we spend the afternoon debating this motion which, as a debate on a motion of privilege, might go on for some days.

I have had a few moments to look into the situation, and in a preliminary way there would appear to be at least three questions involved in the matter raised by the hon. member for Greenwood. The first is whether it is procedurally acceptable to raise in the House under the heading of privilege a proceeding in a standing committee. I suggest that this can be done only when such proceeding is presented to the House by means of a report accompanied, if necessary, by the relevant evidence. In my view, it is not possible to initiate a debate in the House on the evidence alone of a committee unless there is before the House a formal report. I mean by this that the report must state the specific question and be brought to the House by means of a specific motion to concur.

Second, there is at least implied in the question of privilege the matter of the conduct of a witness before a

committee. Again it seems to me, and I believe that precedent will support my view, that the conduct of a witness can be considered by the House only on receiving a report thereon from a committee and the consideration, as I said a moment ago, of a motion to concur in the report with the required 48 hours notice.

Finally, there is the question of the extent of the power of a committee to send for papers. Hon. members are aware, of course, of the Standing Order to which the hon. member has referred and of the practice of the House. Hon. members know that a committee has the power to send for persons, papers and records. The fundamental question is whether a committee, without reference and submission to the House, has the authority to exercise that power in every case.

[*Translation*]

The hon. member for Greenwood (Mr. Brewin), in his question of privilege, suggests that the House should study immediately the problem posed by the refusal of CIDA's president to produce a certain document to the committee.

Can the committee, on its own, without reporting officially to the House, take any coercive steps against the witness? Can the committee, on its own authority, conclude in judgment: Down with Gérin-Lajoie? The Chair will have to think about it seriously.

[*English*]

For the moment, I think it would be the sense of the House that, rather than embark on an extended debate on the question of privilege raised by the hon. member for Greenwood, the Chair should be given an opportunity to reflect on the matter, taking into account the representations of the hon. member and the precedents, and then give a ruling later, perhaps tomorrow.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

First report, in both official languages, of Standing Committee on External Affairs and National Defence.—Mr. Lachance.

Mr. Béchard: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order. The hon. member for Bonaventure-Îles-de-la-Madeleine on a point of order.

Mr. Béchard: Mr. Speaker, we did not hear the chairman of the committee as our electronic device was not working.

Mr. Speaker: The hon. member for Lafontaine may want to repeat the motion he made a moment ago when no one heard him.

Mr. Lachance: Yes, Mr. Speaker, provided the green light of the microphone lights up.

[Mr. Speaker.]

First report, in both official languages, of Standing Committee on External Affairs and National Defence—Mr. Lachance.

HEALTH, WELFARE AND SOCIAL AFFAIRS

Fourth report, in both official languages, of Standing Committee on Health, Welfare and Social Affairs—Mr. Isabelle.

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

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[*English*]

UNEMPLOYMENT INSURANCE

FAILURE OF BENEFICIARIES TO PICK UP CHEQUES AT EMERGENCY CENTRES DURING POSTAL STRIKE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to move a motion of urgent and pressing necessity. It is based on the fact that some 29,000 people, about 60 per cent of the claimants in the Metro Toronto area, as well as some 1,500 claimants in the Ottawa area and 472 in Hamilton, did not pick up their cheques which were available at emergency offices set up during the postal strike, all of which seriously questions the effectiveness and intent of the Unemployment Insurance Act as presently drafted to deal with possible abuse and misuse.

I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House instruct the Minister of Manpower and Immigration forthwith to give reasons in detail why he has not instituted a full inquiry under the Inquiries Act calling for an attendance at all the said emergency offices in order to investigate all circumstances surrounding the non-acquisition of benefit cheques by claimants, with specific instructions to report back outlining conclusions and recommendations, and further to give reason why no inquiry under the said act has been instituted in order to determine:

(a) whether fears about abuse and misuse under the Unemployment Insurance Act are justified;

(b) whether there are disincentives to work built into the present Unemployment Insurance Act and, if so, what can be done to remove or reduce them;

(c) whether the Unemployment Insurance Act is an insurance plan in reality, a welfare plan, or a combination of both to which contributions are simply a new kind of tax;

(d) the relationship between high unemployment insurance benefits, high job vacancy rates and high unemployment.

Mr. Speaker: The Chair takes the liberty, for the future guidance of hon. members, to suggest that it takes exception to the form of the hon. member's motion. That having been said, the House is invited to determine whether there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I gather there is disagreement.

● (1420)

VETERANS AFFAIRS

WAR VETERANS ALLOWANCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, under the terms of Standing Order 43, on a matter of urgent and pressing necessity I move, seconded by the hon. member for Algoma East (Mr. Foster):

That this House expresses its desire that the proposed increases to war veterans allowances be approved at the earliest opportunity.

Mr. Speaker: The motion moved by the hon. member under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Speaker: With the noise I am not sure whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: Hear, hear!

Mr. Speaker: I will ascertain again whether there is unanimous consent.

Some hon. Members: Agreed.

Mr. Speaker: I believe there is unanimous consent, so the motion will be put. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Speaker: Carried.

Motion agreed to.

* * *

NATIONAL CONFERENCE CENTRE

USE FOR RECENT INTERNATIONAL CONFERENCE OF LIBERALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek permission of the House under Standing Order 43 to move a motion arising out of a recent international conference held in the city of Ottawa.

Some hon. Members: Oh, oh!

Mr. Cossitt: If hon. members opposite will be patient I will read the proposed motion.

Some hon. Members: No, no!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. May we have order, please. There is noise coming from both sides of the House. In fairness, I think we should give an opportunity to the hon. member for Leeds to put his motion.

National Conference Centre

Mr. Cossitt: Mr. Speaker, I ask permission of the House to move, seconded by the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack):

That the Prime Minister advise the House who gave permission for use of the national conference centre for the recent international gathering of Liberals, whether or not the public treasury will be reimbursed for such use by the Liberal Party of Canada and whether or not it is now government policy to allow use of the national conference centre to international political movements at the expense of the taxpayers of Canada.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please. The right hon. Prime Minister rises on a point of order.

Mr. Trudeau: It is a question of privilege, Mr. Speaker. The House might be interested in knowing the answer to this, if it wants me to give the answer.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The right hon. Prime Minister has risen on a point of order. I am not sure whether the House would wish to hear him but, if so, he has the floor.

Mr. Trudeau: Mr. Speaker, I rise to assuage the worries of the hon. member and to indicate that the Liberal Party of Canada is paying the expenses involved in the use of the centre. If the Tories ever want to do the same, I am sure they will be very welcome.

Mr. Bell: How about the second part of the question?

Mr. Cossitt: On the same point of order, Mr. Speaker, while I appreciate the Prime Minister clarifying the situation, would it not be in order for the Prime Minister to clarify whether the taxpayers of Canada have been reimbursed for his political flights all over the world on holidays and all over Canada to Liberal Party gatherings?

Some hon. Members: Oh, oh!

Some hon. Members: Sick!

Mr. Speaker: Order, please. May we have order, please.

Mr. Cossitt: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. Will the hon. member please resume his seat. I ask hon. members for their co-operation. If hon. members want to spend the whole afternoon on alleged points of order and questions of privilege, I think that will not be conducive to any kind of constructive business. I appeal to hon. members to allow the Chair to call the next item of business. The hon. member rises on a question of privilege.

Mr. Cossitt: Mr. Speaker, I rise on a question of privilege. I will take about five seconds to say this.

An hon. Member: Sick, sick!

Mr. Cossitt: I think I have a legitimate question of privilege when members like the Solicitor General and the

Minister of Supply and Services yell across the floor, "sick, sick", and point their fingers to their heads, like this. It is they who will be sick after this election is over, good and sick.

Mr. Trudeau: Mr. Speaker, I think I might have a question of privilege, too. I do not want to go into the longstanding practice of the Prime Minister of the country being conveyed by transportation belonging to the government, whether it be by rail, by aircraft or by boat. I will stand by the accepted practice.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: As I say, I will stand by the accepted practice, but I think I must add that I sometimes use commercial airlines when I find it is not inconvenient to the public, in the same way as I use my own private car. This being said, I want to point out once again that all members of the House, including Tories, use public transportation, use Department of National Defence aircraft and use Department of Transport aircraft, and not only to get to their ridings. I have seen several Tory frontbenchers on DND planes going overseas on several occasions, and I can name them if you want.

Mr. Bell: On a point of order, Mr. Speaker, it is electioneering by army helicopter that we object to.

Mr. Speaker: Order, please. Again I appeal to hon. members. It seems to me that this exchange cannot be constructive, and I wonder whether there is any point in pursuing the matter.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member rises on a point of order and of course I have to recognize him, but I appeal to hon. members to try to get on with the business of the House. It is my impression that there is important business to be transacted this afternoon.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, my point of order is not a controversial one and has nothing to do with the motion that was turned down on which the Prime Minister spoke. I wish to lend my support to the previous motion moved under Standing Order 43 by a backbencher on the other side. In addition to increases in war veterans allowances, will he also press that the war veterans of this country be permitted to wear their decorations on formal occasions where the Queen or the Governor General of this country is involved?

● (1430)

Mr. MacEachen: Mr. Speaker, on the point of order and with regard to the desire of the House to deal with the amendments improving the War Veterans Allowance Act, I would advise hon. members that the government is quite ready to put this legislation before the House tomorrow and in succeeding days.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

[Mr. Cossitt.]

Mr. Speaker: Order, please. Now that the House has disposed of the item, points of order, we will return to the item, motions.

* * *

GRAIN

PROSPECTIVE REMOVAL OF FEED GRAINS FROM CANADIAN WHEAT BOARD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 to request the consent of the House to move a motion of urgent and pressing necessity in connection with the apparent decision of the government to undermine, if not emasculate, the Canadian Wheat Board in its equivocally worded and announced prospective policy regarding domestic feed grains. The motion I would move, seconded by the hon. member for Mackenzie (Mr. Korchinski), is:

That this House views with alarm the prospective removal of feed grains from the Canadian Wheat Board, and directs the government not to permit this to be done.

Some hon. Members: Hear, hear!

Mr. Speaker: The right hon. member's motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Member: Agreed.

Some hon. Members: No.

Mr. Speaker: I gather there is not unanimous consent. The motion therefore cannot be put. Is the right hon. gentleman rising on a point of order?

Mr. Diefenbaker: Mr. Speaker, I could not hear what you said, having regard to the trumpet call of defeat that is apparent on the government side of the House today.

Mr. Speaker: The hon. member for Assiniboia rises on the same point of order.

Mr. Knight: Mr. Speaker, in view of the fact we have had no legislation on this matter and in view of the fact the right hon. member for Prince Albert (Mr. Diefenbaker) represents a grain area, as do many other members, particularly members from Saskatchewan, I wonder whether the government would reconsider its decision on the motion as the right hon. member for Prince Albert has stated a position contrary to the position taken by the official Conservative party? He is in agreement with the position of the NDP in the province of Saskatchewan.

Mr. Speaker: I suggest to the hon. member that is debate and not a point of order.

[*Translation*]

HOUSE OF COMMONS

SUGGESTED HOLDING OF ELECTIONS ON FIXED DATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to consider an urgent and important parliamentary matter.

Since the Canadian people wish to see the legislative action of an elected Parliament and since a majority of members have been elected to govern, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the government introduce legislation which would enable Parliament to be elected on a set date for a determined period to ensure a satisfactory democratic operation of an elected Parliament.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

AGRICULTURE

RESULTS OF NEW DAIRY POLICY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. André Fortin (Lotbinière): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House in order that in this spirit of unanimity and co-operation of the members, this House can hold a special debate on the impact of the new dairy policy, especially in Quebec, which is very much lacking and unsatisfactory for our Quebec producers.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I understand that there is no unanimity in support of the motion of the hon. member for Lotbinière.

Mr. Fortin: I raise a point of order, Mr. Speaker.

Mr. Speaker: The hon. member on a point of order.

Mr. Fortin: Under the terms of Standing Order 43, the Chair asks if there is unanimous consent. I have the feeling on this side of the House that it would be important to know where the opposition is coming from. I have heard that it comes from the Progressive Conservatives, but I would like to be sure, Mr. Speaker.

Mr. Speaker: The hon. member may have heard so, but I have heard "no".

* * *

[*English*]

FISHERIES

GOVERNMENT POSITION IN NEGOTIATIONS FOR PURCHASE OF CASSIAR CANNERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I seek the consent of the House to move a motion pursuant to Standing Order 43. The case of urgent and pressing necessity is the concern that secret negotiations may now be going on between the government and the owners of the Cassiar Cannery on the coast of British Columbia in an attempt to bring the cannery further under the control of Japanese interests. I therefore move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That the government disclose forthwith the relationship it has with respect to the Cassiar Cannery near Prince Rupert, B.C., especially with reference to any current negotiations to purchase the said cannery.

Mr. Speaker: Is there unanimous consent to the motion proposed by the hon. member for Skeena?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

GRAIN

MARKETING OF FEED GRAINS BY CANADIAN WHEAT BOARD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, in view of the fact the well worded motion of the right hon. member for Prince Albert (Mr. Diefenbaker) and the principle contained therein were turned down, I would like to move a similar motion. In view of the fact the official position of the Conservative party is to have feed grains on the open market, I move, seconded by the hon. member for Meadow Lake (Mr. Nesdoly):

That this House support orderly marketing of feed grains under the jurisdiction of the Canadian Wheat Board.

Mr. Speaker: Order, please. I am not sure whether the hon. member has the motion in writing. I see him writing now. Perhaps the hon. member will have the motion for tomorrow. The right hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege arising out of the twice-repeated statement on the part of the hon. member for Assiniboia (Mr. Knight) concerning Conservative policy. I simply want to say this: While the spirit of unity moves, we have not yet come to a point where the NDP will make any announcements as to what is Conservative policy. They have been doing that for the Liberal party for some time.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

IDENTIFICATION OF CRIMINALS ACT

AMENDMENT RESPECTING RESULTS OF PROCESS

Mr. Derek Blackburn (Brant) moved for leave to introduce Bill C-285, to amend the Identification of Criminals Act.

Some hon. Members: Explain.

Mr. Blackburn: Mr. Speaker, the purpose of this bill is to amend the Identification of Criminals Act to provide that the results of the identification process, that is, mugshots, fingerprints, may not be published unless and until the person in question has been convicted of the offence for which he was charged and subjected to the identification process. Similarly, provision is made for prohibiting the publication and for destroying the results of the identification process when the person has been acquitted.

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

* * *

● (1440)

ANIMAL CONTAGIOUS DISEASES ACT

AMENDMENTS RESPECTING PURPOSE, DEFINITIONS, CONTROL AND COMPENSATION

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill S-2 (from the Senate), to amend the Animal Contagious Diseases Act.

Motion agreed to and bill read the first time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

NOTARIES RETAINED BY CMHC IN COUNTIES OF ARTHABASKA, LOTBINIÈRE AND NICOLET

Question No. 15—**Mr. Fortin:**

What notaries in the constituency of Lotbinière were authorized to draw up documents for signature when a contract is concluded between a purchaser and Central Mortgage and Housing Corporation or a builder, pursuant to the National Housing Act of 1954 (a) to January 1, 1961 (b) from January 1, 1968 to date?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: (a) Information on notaries retained by CMHC to process mortgage documentation for loans approved in the Municipal Counties of Arthabaska, Lotbinière and Nicolet prior to January 1, 1961, is not available. (b) Notaries retained by CMHC to process mortgage documentation for loans approved in the Municipal Counties of Arthabaska, Lotbinière and Nicolet since January 1, 1968, have been: Horace Bergeron, Victoriaville; Jacques Blondin, St-Grégoire; Gilles Boucher, Victoriaville; Michel Boulanger, Victoriaville; Jacques Côté, Arthabaska; Nicolas Larochelle, Victoriaville; Pierre Martel, Nicolet; Laval Simard, St-Léonard d'Aston; Michel Simard, St-Wenceslas; André Villeneuve, Gentilly; Charles-Edouard Villeneuve, Bécancour; Jean Villeneuve, Gentilly.

ADVERTISING AGENCIES RETAINED BY DEPARTMENT OF NATIONAL REVENUE

Question No. 99—**Mr. Cossitt:**

1. What are the names and addresses of all advertising agencies used by the Department of National Revenue since the present Minister assumed his portfolio?

2. (a) What are the amounts of all advertising contracts given such agencies during this period of time, what are the dates such contracts were awarded and in each case, were tenders or competitive presentations of any kind requested and, if not, who authorized in each case the expenditure of public funds without such tenders or competitive presentations (b) in each case, what was the general subject matter of the advertising contract?

3. What are the names and addresses of all advertising agencies used by the Department of National Revenue during the term of the Minister's immediate predecessor and if any of these agencies has not been used since then, for what reason and on whose decision were changes made?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Customs and Excise, is concerned: 1 and 2. (a):

Name and Address	Amount $	Date
Inter-Canada Quebec Advertising Agency Limited, 1350 Sherbrooke Street West, Montreal, Quebec, H3H 1E4	4,843.50	March 5, 1973
John Doherty & Co., Ltd., 46 Elgin Street, Ottawa, Ontario, K1P 5K6	4,433.21	April 15, 1973

Because the individual expenditures were less than $10,000, there were no formal contracts between the agencies and Customs and Excise and, therefore, these payments were made on the basis of ordinary departmental purchase orders. This is in accordance with Treasury Board regulations. (b) The subject matter of these contracts relates to the publicizing of information folders with respect to Customs regulations which concern the travelling public and the provision of information to the public generally concerning personnel changes in the department at the senior management level.

3. Inter-Canada Quebec Advertising Agency Limited, 1350 Sherbrooke Street West, Montreal, Quebec, H3H 1E4.

In so far as the Department of National Revenue, Taxation, is concerned:

1 and 2. (a) Name and address	Amount $	Date
Inter-Canada Quebec Advertising Agency Limited 1350 Sherbrooke Street West Montreal, Quebec H3H 1E4	1,200,000	June 29, 1972 (T.B. Minute No. 712598)
Vickers and Benson Limited 2055 Peel Street Montreal, Quebec H3A 1V4	1,060,629	July 13, 1973 (T.B. Minute No. 719880)

Formal tenders were not requested. Expenditure of funds was authorized by Treasury Board.

(b) In each case, the general subject matter centered on providing information and advising taxpayers of assistance available from the department during the tax filing season.

3. Inter-Canada Quebec Advertising Agency Limited, 1350 Sherbrooke Street West, Montreal, Quebec, H3H 1E4; Ronalds-Reynolds & Company Limited, 154 University Avenue, Toronto, Ontario, M5H 3B1. Changes in advertising agencies are recommended by the department from time to time on the basis of changing conditions and requirements. The recommendations are annually approved by the Treasury Board.

DIVERSIFIED CROPS LIMITED, RYCROFT, ALBERTA

Question No. 445—**Mr. Gleave:**

1. Has the Minister of Agriculture received representations from the Creditors Committee of Creditors of Diversified Crops Limited, Rycroft, Alberta?

2. Has the government given a guarantee to these farmers that they will receive payments in full for the grain they delivered to Diversified Crops Limited?

3. What responsibilities, in respect of assuming liability, do (a) the Canadian Grain Commission (b) the Bonding Company assume?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes.

2. No.

3. (a) None. (b) According to the terms of the bond. i.e., in default of the company to fulfill the specific conditions of its licence under the Canada Grain Act, the Surety assumes liability not exceeding the face value of the bond.

MANPOWER RETRAINING GRANTS TO FALCONBRIDGE MINE LIMITED AND INCO LTD.

Question No. 465—**Mr. Rodriguez:**

1. How much did Falconbridge Mines Ltd. receive in Manpower retraining grants from the government in each year 1972 and 1973?

2. In each such year how many persons (a) started (b) completed the job retraining program at Falconbridge Mines Ltd.?

3. From among those individuals who started the job retraining program in 1972 and 1973 at Falconbridge Mines Ltd., how many are still (a) with the Company (b) in the mining industry?

4. How much did International Nickel Company Ltd. receive in Manpower retraining grants from the government in each year 1972 and 1973?

5. In each such year how many persons (a) started (b) completed the job retraining program at INCO?

6. From among those individuals who started the job retraining program in 1972 and 1973 at INCO, how many are still (a) with the Company (b) in the mining industry?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Falconbridge Mines Ltd., received assistance under the Training-in-Industry and Training on-the-job elements of the Canada Manpower Industrial Training Program as follows: (i) under the Training-in-Industry element, the department paid $1,429.86 for contracts signed in the fiscal year 1972-73; (ii) under the Training-on-the-job element, the company received $49,165.16 for training contracts approved in the fiscal year 1972-73 and $27,964.69 for those approved between April 1, 1973 and February 28, 1974.

2. Number of persons who started and completed training: (i) under the Training-in-Industry element: (a) 10 persons started, (b) 10 persons completed; (ii) under the Training on-the-job element: (a) 39 persons started training under the 1972-73 contracts and 30 under the 1973-74 contracts, (b) 27 persons completed training under the 1972-73 contracts and 10 under the 1973-74 contracts (the remainder are still in training)

3. Number of persons still employed: (i) under the Training-in-Industry element: (a) two persons are still with the company (b) three persons are working in the mining industry, two trainees returned to school and the status is unknown for the remaining three trainees; (ii) under the Training on-the-Job element: (a) 16 persons hired for the 1972-73 contracts are still with Falconbridge and 10 for the 1973-74 contracts, (b) in the mining industry, the number and status of the remaining trainees is not known.

4. The International Nickel Co. Ltd., received assistance only under the Training-in-Industry element of the Canada Manpower Industrial Training Program. Under this element the Department reimbursed the employer $68,920.28 for training contracts signed in the fiscal year 1972-73.

5. Number of persons who started and completed training are as follows: (a) 155 persons started training under the above-noted contracts, (b) to date, 138 persons have completed training under these contracts.

6. The number of persons still employed: (a) 131 persons are still with this company, (b) six persons are with other employers in the mining industry.

INSPECTION OF WEIGH SCALES

Question No. 477—**Mr. Dick:**

1. How many weigh scales have federal inspectors inspected in each of the past three years?

Order Paper Questions

2. How many federal inspectors does the government have for the purpose of inspecting weigh scales?

3. How much money was spent by the government for the inspecting of weigh scales in each of the past three years?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. The number of weights and measures devices inspected by Consumer and Corporate Affairs inspectors during the past three years is as follows: 1971, 324,726; 1972, 301,503; 1973, 291,606*.

2. The Department of Consumer and Corporate Affairs has 168 weights and measures inspectors.

3. Expenditures for the weights and measures subactivity over the last three fiscal years has been as follows: 1970-1971, $2,155,303; 1971-1972, $2,359,578; 1972-1973, $2,758,786.

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*The yearly reductions in the number of weights and measures inspections reflects a thrust of the department in providing a more concentrated inspection coverage to those devices most commonly used or having high commercial importance in trade, with a view to reducing the potential economic inequity to the greatest degree possible. The design of commonly used devices is subject to frequent technological changes. These technological changes have brought into use electronic load cells, printout facility, etc. which greatly increases the average time required for inspection with a consequent reduction in the number of devices inspected by the same work force.

NATIONAL DEFENCE—LAND FORCE POLICY REVIEW STUDY

Question No. 484—**Mr. Howie:**

On what date will the Land Force Policy Review Study be completed by the Department of National Defence (a) who is involved in the study (b) what are its terms of reference (c) has any person outside of the Department of National Defence had any input into the study and, if so, what is his name?

Hon. James Richardson (Minister of National Defence): The Land Force Policy Review Study, currently being conducted within the Department of National Defence, will be completed in the near future. (a) This study is being conducted by both military and civilian officers of the Department of National Defence. Advice and assistance have been sought as required from officials of the Department of External Affairs and the Treasury Board, during the course of the study. (b) Although the terms of reference of this study are classified, its general purpose is to identify, within the context of the broad defence objectives contained in the White Paper "Defence in the 70s", the specific objectives for the future development of the land and associated tactical air forces, and to examine choices as to the means by which these objectives might be attained. (c) There has been no participation from outside of the government Service.

AVAILABILITY OF SUPPLIES OF FERTILIZER

Question No. 572—**Mr. O'Sullivan:**

1. Has the Department of Agriculture conducted a study into the availability of supplies of fertilizers using nitrogen during the current year?

[Mr. Dick.]

2. Are such fertilizers in short supply for farmers in Ontario, and in particular for those in Southern Ontario?

3. Is the Department aware as to whether such fertilizers are still being exported from Canada?

4. Has the Department of Agriculture conducted any studies into the numbers of fertilizers using nitrogen and, if so, what are the results of said studies?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes.

2. Demand for fertilizers, including those containing nitrogen, is greater than in previous years. Production and transport are being pressed to meet the demand, a reversal of the situation during the preceding many years. The adequacy of supply to fill actual need will not be known until after planting time.

3. Fertilizer is being exported at a reduced rate to traditional markets while imports are also being made.

4. The supply and distribution of fertilizers is being monitored on a continuing basis, as to source and type of formulation, for example. In recent years there has been a trend to high nitrogen fertilizers such as anhydrous ammonia and nitrogen solutions.

MONTHLY ALLOWANCE AT POST-SECONDARY LEVEL FOR INDIAN STUDENTS

Question No. 614—**Miss MacDonald (Kingston and the Islands):**

1. What is the monthly allowance at the post-secondary level for Indian students who receive funding from the (a) Department of Indian Affairs and Northern Development (b) Department of Manpower and Immigration?

2. How much is allotted by each Department for dependents of these students?

3. Are these allowances equal to those given to Métis and non-status Indians by provincial governments?

4. On what date will the federal allowances to treaty and status Indians be increased to equal that provided by provincial governments?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Indian Affairs and Northern Development is concerned the answer is: 1. (a) Without dependents—all of Canada, $238.00 per month; With 1 dependent (except Maritime Region), $294.61 per month; Maritime Region, $277.33 per month; With 2 dependents (except Maritime Region), $342.33 per month; Maritime Region, $312.00 per month; With 3 dependents (except Maritime Region), $381.33 per month; Maritime Region, $342.33 per month; With 4 or more dependents (except Maritime Region), $411.66 per month; Maritime Region, $381.33 per month.

2. See reply to 1 (a).

3. There is a great variation in allowances paid by provinces and, generally speaking, provincial allowances are lower. In one province a wage replacement for new careerists is paid and this is higher than the rates paid by the department.

4. Occupational Training for Adults rates are revised each July.

In so far as the Department of Manpower and Immigration is concerned, the reply is as follows:

1. (b) Nil.

2. Not applicable.

3. Not applicable.

4. Not applicable.

*GRADING OF CATTLE

Question No. 622—**Mr. Rynard:**

1. How many cattle were graded for slaughter in the Toronto stockyards in the weeks of March 11, 1974 and March 18, 1974?

2. How many of these cattle were graded A1, A2, A3 and A4?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the answer for this question is: 1. Slaughter cattle are not graded at public stockyards in Canada. Sorting of cattle as done at public stockyards, is referred to as "live grading", and is only an estimate of what cattle will grade when they are later slaughtered and graded at packing plants. March 11-16—5133 cattle sold; March 18-23—6587 cattle sold.

2. Sorting to estimated grades A1, A2, A3 and A4:

	March 11-16	March 18-23
A1, A2	2,724	3,930
A3	426	631
A4	27	41
Others	1,956	1,985

CBC—INCREASE IN AMOUNT OF GRANT TO MEET BUDGETARY NEEDS

Question No. 735—**Mr. Reid:**

Is the government giving consideration to increasing the amount of the CBC grant to meet its budgetary needs as a result of the restrictions on advertising imposed on CBC television and radio licences by CRTC and, if so, for what reason?

Hon. James Hugh Faulkner (Secretary of State): The report of the CRTC includes proposed conditions of licence only for the CBC. It is not yet certain that the proposed conditions will pertain. Should reduced involvement in advertising be attached as a condition of licence and should the CBC agree that this would not impede unreasonably the provision of national broadcasting service, it would appear that increased appropriations would be required to maintain the amount of and high quality of current CBC programming.

DEPARTMENT OF SUPPLY AND SERVICES EXPENDITURES FOR OFFICE FURNITURE, 1969-72

Question No. 755—**Mr. Baker:**

1. What were the expenditures of the Department of Supply and Services in each of the years 1969, 1970, 1971 and 1972 on the following types of office furniture and equipment (a) government modular desks (b) metal storage and filing cabinets (c) chairs?

2. In the year 1972, what was the total value of contracts awarded to each of the following companies (a) Office Specialties Ltd. (b) Steel Case (c) Interroyal (d) Standard Desk (e) E.K. Johl?

Hon. Jean-Pierre Goyer (Minister of Supply and Services):

Order Paper Questions

	1969 $	1970 $	1971 $	1972 $
(a) government modular furniture*	281,852	1,283,135	2,224,019	3,256,090
(b) metal storage and filing cabinets	202,707	423,095	1,283,985	1,214,700
(c) chairs	566,761	914,513	1,979,481	2,098,159

*Includes desks, credenzas, run-offs etc., that form part of the government modular line.

2. (a) Office Specialties Ltd., $574.000; (b) Steel Case, $343.000; (c) Interroyal, $1,921.000; (d) Standard Desk, $1,922.000; (e) E.K. Johl, $180.000.

NATIONAL ARTS CENTRE—SALE OF FOOD AND BEVERAGES AND PARKING GARAGE

Question No. 758—**Mr. Saltsman:**

1. (a) Is the sale of food and beverages in the National Arts Centre leased to a private company and (i) if not, is it intended that this concession should be leased to a private company and will tenders be called (ii) if so, were tenders called for the concession and how many companies submitted tenders (b) which company, if any, now holds this concession and until what date (c) who are the president and directors of the company holding the concession?

2. (a) Is the parking garage in the National Arts Centre leased to a private company and (i) if not, is it intended that a parking concession should be leased to a private company and will tenders be called (ii) if so, were tenders called for the concession and how many companies submitted tenders (b) which company, if any, now holds this concession and until what date (c) who are the president and directors of this company?

3. What was the total amount of money spent by (a) the Director General (b) other officers and members of the staff of the National Arts Centre on entertainment, including food and beverages, during the fiscal year 1973-74?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Arts Centre as follows: 1. The sale of food and beverages in the National Arts Centre is undertaken directly by National Arts Centre management.

2. The parking garage in the National Arts Centre is operated by the National Arts Centre.

3. Subject to fiscal year-end closing entries and subsequent audit, our records presently indicate that the following amounts have been expended during 1973/74 for entertainment, including food and beverage: (a) Director General, $4,450.80; (b) Other officers and staff, $12,888.97; $17,339.77.

EFFECT OF SEISMIC OPERATIONS ON WILDLIFE—BATHURST ISLAND

Question No. 800—**Mr. Firth:**

Has the government concluded that the seismic operations planned by Panarctic Oils Ltd. on the southern part of Bathurst Island will not

affect wildlife migration patterns and, if so, on the basis of what studies?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes. The conclusion was based on information provided by the representative on the Land Use Advisory Committee from the Canadian Wildlife Service and his information was founded on the research and cumulative expertise of several researchers in the Canadian Wildlife Service who have many years of field experience studying caribou and muskoxen.

REVENUE RECEIVED FROM SALE OF ALCOHOLIC PRODUCTS

Question No. 848—**Mr. Howie:**

How much revenue has the government received from the sale of alcoholic products for the fiscal year ending March 31, 1973 and to date?

Hon. Robert Stanbury (Minister of National Revenue): According to our records, the gross revenue derived from excise duties and excise taxes on the sale of alcoholic beverages for the fiscal years 1972-73 and 1973-74 was as follows: 1972-73: $426,152,652.30; 1973-74: $452,477,328.41. The above amounts do not include revenue from the consumption or sales tax imposed by the Excise Tax Act, as such revenue is recorded in one account without any distinction as to source.

COMMEMORATIVE CEREMONY AT SAINT-GEORGES-DES-GROSEILLERS, FRANCE

Question No. 850—**Mr. Howie:**

1. Will Canada accept an invitation extended by the Mayor and Council and be represented at Saint-Georges-des-Groseillers, France for the recognition of the wartime tragedy that was suffered by Canadian troops there on June 11, 1944 and the commemoration of Canada's wartime contribution by the renaming of one of that Town's streets "Rue des Canadiens"?

2. Will Canada send a delegation to the ceremonies and, if so, will consideration be given to including survivors of the wartime incident in the delegation?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1 and 2. As announced in the House on March 29, a Canadian delegation will participate, with other allied countries, in the ceremonies marking the thirtieth Anniversary of the landings in Normandy on June 6, 1944. These events will conclude on June 7 and the delegation will return to Canada the next day. The Department of Veterans Affairs has communicated with the Mayor of Saint-Georges-des-Groseillers, and has offered to assist the survivors of the Canadian units concerned to visit his community while they are in Normandy.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

TAXI EXPENDITURES BY DEPARTMENT, JULY TO DECEMBER, 1973 AND JANUARY, 1974

Question No. 18—**Mr. Mazankowski:**

By department, what were the expenditures for taxis by messengers and other staff, in the Ottawa-Hull area, for the months of July, August, September, October, November and December 1973 and January, 1974?

Return tabled.

DEPARTMENT OF AGRICULTURE RESEARCH EXPENDITURES

Question No. 267—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of Agriculture on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY RESEARCH EXPENDITURES

Question No. 269—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Canadian International Development Agency on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

DEPARTMENT OF NATIONAL REVENUE RESEARCH EXPENDITURES

Question No. 285—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of National Revenue on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

DEPARTMENT OF SOLICITOR GENERAL RESEARCH EXPENDITURES

Question No. 292—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by the Department of the Solicitor General on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

STATISTICS CANADA RESEARCH EXPENDITURES

Question No. 293—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 to date by Statistics Canada on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

PROSECUTIONS FOR MISLEADING ADVERTISING

Question No. 754—**Mr. Fleming:**

What are the latest statistics available on prosecutions for misleading advertising (a) the names of these companies (b) the number of times these companies have been charged and the number of convictions placed upon them?

Return tabled.

Mr. McGrath: Mr. Speaker, I rise on a point of order with reference to question No. 107. This question has been on the order paper since February 27. It is a very simple one. It seeks statistical information regarding the strength of federal government departments and agencies in Newfoundland, and I fail to see why I cannot get an answer.

Mr. Foster: I will be pleased to look into the matter and report to the hon. member soon.

Mr. Paproski: On a point of order, Mr. Speaker, on three different occasions, April 16, April 17 and May 6, I have called attention to the statement the parliamentary secretary made with respect to question No. 319. On April 15 the hon. member stated that it cost the taxpayers of this country $1.5 million to reply to this question which shows the inquiries of this government toward the women of Canada. I rose on a question of privilege on April 16 and 17 to protest the statement made by the parliamentary secretary on the ground that it interferes with the right of members to seek information from the government.

I deny that the statement he made is true. On April 17, the government House leader promised that the parliamentary secretary would furnish the House with an explanation of his extraordinary statement. I have now learned, in relation to my repeated requests for an answer to question No. 319, that answers had been prepared by departments and forwarded to the minister in March. It has since been discovered that personnel officers in the departments have been asked to inform parliamentary return officers how long it actually took to prepare the answers, the dates when they were completed, and when the answers went to the minister's office. It was also learned that there is an unwritten procedure by which, if an officer feels a question on the order paper would cost more than $200 to answer, he must inform the parliamentary returns officer who would then determine whether the preparation of an answer should be undertaken.

In the case of question No. 319 relating to salaries paid to women, no indication was in fact given that the cost of preparing the answer would exceed $200, and the answer

was prepared without further consideration as a matter of routine procedure. The fact that questions were later asked with a view to finding out the date on which the answers were, in fact, ready, together with the fact that those responsible for preparing the answers did not inform the minister's assistant that the cost would exceed $200, makes it clear that the statement by the hon. member for Kenora-Rainy River is false and misleading. If he does not withdraw, I ask the minister to apologize to the House for him, and if the minister does not have enough guts to withdraw that false statement, the Prime Minister might lower himself and withdraw on behalf of the chicken-hearted minister and his parliamentary secretary.

Mr. Cossitt: Mr. Speaker, I rise on a point of order in regard to question No. 50. I have asked on several occasions in the House recently why this question has not been answered, what reason there was for the delay. The question has been on the order paper since away back in the last session. I had not intend to bring the matter up again today, but since the question concerns trips made by the Prime Minister to Liberal gatherings at public expense, and in light of the Prime Minister's obvious change of heart a few minutes ago in becoming price conscious on the eve of an election, I thought he might be prepared to let us know, this afternoon, when this question might be answered.

Mr. Trudeau: Yes, Mr. Speaker. The hon. member has asked many questions about the expense of maintaining the Sussex Drive and Harrington Lake properties and all those questions have been answered except one, I believe, which concerns work that has only been completed recently. I can give the member a guarantee that, as the other questions have been answered, this one will be answered later this session.

Mr. Forrestall: Also on a point of order, Mr. Speaker, may I remind the parliamentary secretary that on a previous occasion I expressed concern that a series of questions on the order paper dated February 28 have not been answered, in particular, question No. 220 which asks why there is no audit of the Unemployment Insurance Commission in the report of the Auditor General. Perhaps the parliamentary secretary could take note of this question, which is not starred but perhaps should be, and respond if we are here tomorrow.

Mr. Foster: I will be pleased to look into the matter the hon. member has raised. I would note that 54 per cent of all the questions placed on the order paper have been answered to date this session.

An hon. Member: Is that all?

MOTIONS FOR PAPERS

[*English*]

Mr. Maurice Foster (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

● (1450)

ORAL QUESTION PERIOD

[*English*]

FINANCE

REQUEST FOR INDICATION OF PROJECTED GROWTH IN GROSS NATIONAL PRODUCT IN CURRENT DOLLARS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Prime Minister. In view of the fact the Minister of Finance refused five times yesterday to indicate the projected growth in the gross national product in current dollars, and in view of the vital importance of this information to labour, industry and consumers in formulating their plans, will the Prime Minister, as head of the government, provide the House with this information to which it is entitled?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I agree with the answers given yesterday by the Minister of Finance.

Mr. Hellyer: Can the Prime Minister advise the House if there has been any other Minister of Finance in recent Canadian history who has denied the House of Commons this information, which is usually provided in the budget address and is automatically included in budget papers in other countries, including the United States?

Mr. Trudeau: Mr. Speaker, if the hon. member will permit me to take notice of that question, I will get some historians to track down the answer.

Mr. Hellyer: Is it a fact that the Department of Finance has prepared a secret report on which the budget figures are based, indicating an inflation figure so outrageously high that its publication would affect public expectations, labour settlements and the political prospects of the government?

Mr. Trudeau: No, Mr. Speaker. The only thing that is outrageously high is the smell of the questions.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Trinity will be recognized on a further supplementary, but if hon. members want to ask further supplementaries they will have to wait until we have completed the first round of questioning. The hon. member for Trinity is recognized for a supplementary.

Mr. Hellyer: Mr. Speaker, it is not a supplementary; it is a question of privilege. It does occur to me that the Prime Minister might practice being a little more gracious and reasonable if he intends to appeal to the more moderate members of the electorate.

[Mr. Foster.]

Mr. Trudeau: Mr. Speaker, I was trying to practice that advice for one more day, but I should like to indicate that many, many allegations are made in the form of questions such as the hon. member just raised—

Mr. Nielsen: They are made in answers, too.

Mr. Trudeau: —and I would suggest that these allegations, almost all unfounded, are a way of spreading rumours that is deleterious to the democratic process.

* * *

ENERGY

OIL—ACTION TO COLLECT EXPORT CHARGE IF PETROLEUM ADMINISTRATION BILL NOT PASSED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and arises from his answer yesterday to the effect that if the petroleum administration bill is not passed there will be no authority for the collection of the export charge. In view of the fact there are a great many precedents for taxes having been collected after dissolution because of a notice of ways and means motion having been filed, or even simply by announcing that legislation is to be passed and the tax collected in the meantime, I want to ask the minister what action he proposes to take to ensure that the export charge can be collected by the government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the opinion I have is to the opposite effect, namely, that if there is a ways and means motion it will die, along with all other measures before parliament, if the government is defeated, and there will not even be a constitutional basis for collecting such taxes.

Mr. Douglas: Mr. Speaker, I hope the minister will get an opinion from the Department of Justice because this opinion flies in the face of all the precedents. As a matter of fact, the bill has not been defeated; it is before a committee of the House. I now ask the minister directly whether he is prepared to file notice of a ways and means motion today to extend the present notice of ways and means from June 1 to September 1 or October 1?

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the hon. gentleman that we are talking about a notice of ways and means which, like all other proceedings in this parliament, will die if parliament is dissolved.

Mr. Douglas: Mr. Speaker, may I ask the minister whether any one of the oil companies operating in Canada has told the minister that it is not prepared to pay the export charge?

Mr. Macdonald (Rosedale): Mr. Speaker, I think they are waiting to see whether or not hon. gentlemen are going to carry out their threat of plunging the country into an election.

Some hon. Members: Oh, oh!

[*Translation*]

FINANCE

APPLICATION OF ANTI-PROFITEERING BILL TO FINANCIAL INSTITUTIONS

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Prime Minister.

Could he tell the House whether the legislative proposals will forbid the financial institutions from making higher profits, as we are experiencing now due to the practice that consists in causing prices to rise and therefore, increasing the cost of living and inflation; in the affirmative, will new conditions be included to this effect in the bill in respect of combines investigation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member would refer to the bill on profiteering practices now before the House, he would find that, indeed it contains provisions to prevent excess profits when, in certain conditions, they are being derived from the broadening of the margin between costs and prices.

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

Would the right hon. Prime Minister tell us also whether current financial business practices are questionable, or whether they are considered acceptable and harmless as regards the causes of inflation and rise in the cost of living?

Mr. Trudeau: Mr. Speaker, certain practices are no doubt unacceptable and this is why we have before the House two bills, one on profiteering and the other on competition, which would give the government authority to act and prevent such practices, and this is still another reason—and I am grateful to the hon. member for the opportunity—why we feel this legislation should be enacted before dissolution.

[*English*]

INCREASES IN GOVERNMENT EXPENDITURES AND REVENUES—THE BUDGET AND INFLATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Finance that is supplementary to the question asked by my hon. friend from Trinity. It is in response to the urging of the Prime Minister that members of the opposition provide correct information. Since 1968 the increase in government spending has been 136.9 per cent, and the minister's latest budget indicates that expenditures are up by 22 per cent and revenues on a national accounts basis are up by 26 per cent. I ask the minister whether he will have one of his colleagues who is to speak this afternoon in the limited time left to the government give some reasons, other than the flimsy ones advanced by the minister, why his budget is not in fact a very inflationary budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, my colleague, the Secretary of State for External Affairs, will be addressing himself to that subject, and in analysing the forecast of expenditures for 1974-75 will indicate on a factual basis that the increase for goods and services projected by the federal government is 12 per cent. When he goes through the accounting for the benefit of the House and the country, I think the hon. member will have some homework done for him that he might have done before putting his question.

● (1500)

AVAILABILITY OF LOANS TO FARMERS—RESULT OF MINISTER'S DISCUSSIONS WITH BANKS

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Finance. Some time ago the minister stated he would hold discussions with officials of the banks of Canada to ensure that under the Farm Improvement Loans Act money would be available for farmers, in view of the fact that some banks seem to be unwilling to lend money by way of farm improvement loans. Has the minister had these discussions and, if so, what was the outcome?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I shall be giving that information to the hon. member's colleague, the hon. member for Lisgar, and I will send him a copy of the letter.

* * *

AGRICULTURE

ALLEGATION BY FOOD PRICES REVIEW BOARD THAT POULTRY PRODUCERS MAKING EXORBITANT PROFITS—EXPORTS OF FERTILIZER

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to address my question to the Minister of Agriculture. Because the government has based so much of its struggle against inflated food prices on encouraging in every way increased Canadian food production, does the minister meekly accept, or is he prepared to publicly challenge, allegations by the government's Food Prices Review Board that through marketing boards and other means Canadian producers are receiving exorbitant profits, especially on eggs and other poultry products?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in answer to the hon. member's question, it would take too long in the House to correct the erroneous and inflammatory suggestions that the *Globe and Mail* had in its paper today. But I will be issuing a news release later today.

Mr. Danforth: Mr. Speaker, I have a supplementary question which has to do with food production. As food production is also greatly affected by the price and availability of fertilizer, can the minister indicate what percentage of fertilizer supplies is being exported by Canada to help developing nations, as indicated by the Minister of Finance in his budget address?

Mr. Whelan: Mr. Speaker, this has been a long-standing practice by the government of Canada and a lot of plants were purposely developed to produce fertilizer for the developing countries. This is one way we can aid them in a better form than we ever did before. Exports have continued to these countries which are in need. I am sure no hon. member would want to see those countries placed in a

worse situation than they are at present with starvation a reality, something we do not have in this country. The production of some of our plants this year has increased by a quarter of a million tons. Plants, to my knowledge, have been operating seven days a week, 24 hours a day to produce the products needed here and in other parts of the world. I will be making a complete statement on this matter shortly.

Mr. Speaker: Order, please. I think I should bring to the attention of hon. members that a large number of members are rising on both sides of the House to ask questions and supplementaries. There will be a limited time for questions and there will be other important business later this afternoon, so some hon. members will have to be disappointed. I do not think we should have too many supplementaries. For the moment, the Chair will recognize the hon. member for Lisgar.

EGGS—IMPOSITION OF IMPORT CONTROLS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Now that Bill C-4, the Export and Import Permits Act amendment, has been passed, I should like to ask whether the bill is to be used, in what manner it will be used, whether there will be controls, and what kind of controls will be imposed for the situation immediately at hand, which is the egg problem.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, there should be a release in every member's mailbox at this time indicating that permits will be required for imports of turkeys and eggs as of midnight tonight, May 8, 1974.

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FINANCE

REVENUE LOSS BECAUSE OF CORPORATE TAX CUT AND FASTER WRITE-OFFS LAST YEAR

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact the Deputy Minister of Finance said on Monday that he would try to inform us by the next day, yesterday, of the estimated loss of revenue because of the corporate tax cut for manufacturers and processors and the fast write-offs, has the minister now checked with his deputy minister and, if so, is he in a position to supply us with that information today?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I gave that answer rather fully yesterday to the Leader of the Opposition and to the hon. gentleman.

Mr. Nystrom: Can the Minister of Finance assure the House that he will be giving us that figure within the next few days and, preferably, before the end of this month?

Mr. Turner (Ottawa-Carleton): If there is a House then, I can give that assurance.

[Mr. Whelan.]

[*Translation*]

SPORTS

INQUIRY WHETHER BILL C-22 WILL BE AMENDED

Miss Monique Bégin (Saint-Michel): Mr. Speaker, I would like to put a question to the Minister of National Health and Welfare to clarify the strategy with respect to Canadian football or opposition football. Would the minister explain to the House the circumstances of his statement when he suggested he was prepared to amend Bill C-22 and say what those circumstances were?

Mr. Speaker: The minister may answer briefly the question put by the hon. member for Saint-Michel. Normally, if the minister has substantive information to give to the House that should be done on motions but the minister will be recognized briefly.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the policy of this government on that was quite clear throughout the debate. The committee of the House passed the bill yesterday and I want to state categorically that I do not consider the possibility of any amendments to the bill as approved by the committee yesterday.

* * *

[*English*]

FINANCE

EFFECT OF PERSONAL INCOME TAX CUT ON STANDARD OF LIVING

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Finance. The night before last the minister stated that an opportunity is at hand to improve the standard of living of every Canadian. Is the minister satisfied that the personal tax cut, which is equivalent to a reduction of 98 cents a week for the ordinary Canadian, will fight inflation and improve his standard of living when his real wages are down by nearly $3 a week?

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond.

* * *

SPORTS

INCLUSION OF RUGBY FOOTBALL IN LEGISLATION BANNING OPERATION IN CANADA OF WORLD FOOTBALL LEAGUE

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question which is supplementary to a previous question asked on football. I direct my supplementary to the Prime Minister in respect of the fumbled football bill. I ask the Prime Minister, as a patron of rugby football in this country, why the government allowed a bill to be introduced into this House denying rugby football its rightful place, while he himself acts as a patron of that sport?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no intention to prevent the many sports in which I participate in Canada from being played in Canada. The purpose of this bill, if the hon. member wants to read the 18 speeches made by the opposition, is completely different from the one he suggests.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, apparently the Prime Minister completely misunderstood my question. In that the Prime Minister is a patron of rugby football in Canada, will he look at the definition provided in the bill which excludes that particular sport; and why is he acting as a patron of rugby football while he allows one of his ministers to deny it what is its rightful place? I point out that the Grey Cup is inscribed "for amateur rugby football" in Canada.

Mr. Trudeau: Mr. Speaker, I may have misunderstood the question, but I suggest that the hon. member misunderstands the bill. It is not intended to prevent any sport flourishing in Canada. On the contrary, it is to help the flourishing of sport in Canada.

Mr. Speaker: Order, please. Is the hon. member rising on a question of privilege?

Mr. MacInnis (Cape Breton-East Richmond): Yes, Mr. Speaker.

Mr. Speaker: May we have order, please. I remind hon. members that we will be running short of time very soon. The hon. member has the floor.

Mr. MacInnis (Cape Breton-East Richmond): When I get order, I will speak, Mr. Speaker. The Prime Minister has indicated that probably I do not understand the bill. If he would refer to the definitions in the bill he would find out that rugby and soccer have been excluded, thereby denying to amateur sports in this country what is rightfully theirs. I am not the one who misunderstands the bill; it is the Prime Minister who does not know what it is all about.

● (1510)

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Again, I doubt whether this kind of debate or discussion is helpful in relation to the work of the House.

* * *

VETERANS AFFAIRS

DISPOSITION OF GEORGE DERBY HOSPITAL LANDS—REQUEST FOR TRANSFER TO MUNICIPALITY OF BURNABY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Veterans Affairs and is supplementary to the question asked yesterday by the hon. member for Burnaby-Seymour concerning the George Derby Hospital lands. The minister indicated yesterday he could not give an assurance that those lands would be returned to the municipality of Burnaby. Would he assure the House today, in view of the fact that the lands were obtained for a nominal sum by the federal government, that he will enter into negotiations with the municipality of Burnaby for the balance of these Derby lands?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I have discussed this question with the Burnaby authorities and they are well aware that I have this responsibility. I spoke to them recently and they know what the process will be.

Mr. Leggatt: My supplementary question is exactly the same as my first question, because I did not get an answer to my first question. Would the minister indicate whether he will now enter into negotiations with the municipality of Burnaby? Will he give that assurance to the House?

Mr. MacDonald (Cardigan): Negotiations will be entered into at the appropriate time.

* * *

LABOUR RELATIONS

SHIPPING STRIKE AT WHITE PASS—ACTION TO SETTLE DISPUTE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development based on the many representations, including my own, which I know he has received concerning the very serious shipping strike at White Pass, constituting, as it does, the sea lifeline to the Yukon from Vancouver. Has he consulted his colleague, the Minister of Labour, with respect to bringing his good offices to bear and bringing the parties back together again so they will start speaking and, if so, what is happening in that regard and what is the likelihood of the parties getting together again?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am glad to say to the hon. member that I have contacted the Minister of Labour, who is always very diligent, and I can say that the parties will be meeting on Friday, at which time I hope the difficulty will be resolved. I thank the Minister of Labour for his good work.

* * *

VETERANS AFFAIRS

RETROACTIVITY OF INCREASE IN ALLOWANCES

Mr. S. Victor Railton (Welland): Mr. Speaker, my question is for the Minister of Veterans Affairs. I was pleased to learn of the increase in war veterans allowances, but I am anxious to know what is the retroactive increase for both single and married veterans.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the increase which will become effective retroactively will be $56 for single veterans and $96 for married veterans.

Some hon. Members: Hear, hear!

Oral Questions

FINANCE

COST TO TAXPAYERS OF MAINTAINING PRIME MINISTER'S OFFICIAL RESIDENCES IN LIGHT OF RENOVATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is related to the question which was asked earlier by the hon. member for Parry Sound-Muskoka and it relates to improving the standard of living of Canadians. I should like to direct it to the Minister of Finance. In light of the fact that almost $300,000 of the taxpayers' money has been spent since 1968, at the rate of $50,000 a year, on renovating and, presumably, modernizing the Prime Minister's official residence, why is it still costing the taxpayer more than $10,000 a year to maintain that residence, not counting the one at Harrington Lake?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take that question as notice.

Mr. Munro (Esquimalt-Saanich): Can the minister indicate whether the 26 per cent increase in government expenditures forecast in the budget was to have been relfected in government expenditures on renovating and maintaining the residence at 24 Sussex Drive, in the estimates that they might have been planning?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I hope the hon. gentleman adopts that tack in the election campaign.

[*Translation*]

CEILING ON INTEREST RATES ON STUDENT LOANS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to put a question to the Minister of Finance.

Since chartered banks are reluctant to make loans to students because of the rate ceiling of 7¼ p. 100 under the current legislation applying in their case instead of the generally recognized rate of 13½ p. 100 in business in general is the minister considering taking the necessary steps to remedy that situation?

Hon. John N. Turner (Minister of Finance): I will give that matter very serious consideration, Mr. Speaker.

* * *

[*English*]

FISHERIES

ADHERENCE BY RUSSIA AND JAPAN TO WHALING QUOTAS—REPRESENTATIONS BY CANADA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, on Friday, May 3, I asked the Secretary of State for External Affairs whether he could indicate if the 14-nation International Whaling Commission's ruling that quotas must be cut by 25 per cent has been adhered to by Russia and Japan, or whether these two nations are still indiscriminately overfishing endangered species such as Atlantic sperm whales and mink whales. Can he tell the House if these two nations have been overfishing, and what objections have been raised by Canada with the two countries concerned regarding this practice? He stated he would give me an answer on Monday. Today is Wednesday. Is the minister now in a position to reply to that question?

[Mr. MacDonald (Cardigan).]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government of Canada has requested that the Soviet Union and Japan reconsider their refusals to accept the International Whaling Commission's quotas, pointing out the inconsistency of these refusals with the general objectives pursued by Canada and the majority of the members of the International Whaling Commission.

* * *

SPORTS

SUGGESTED INCONSISTENCY IN GOVERNMENT POSITION RESPECTING FOOTBALL LEGISLATION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Minister of National Health and Welfare this question. In light of his statement in committee yesterday and his reply today, would he undertake to let us know if he changes his mind again on the football bill—although two trips to Damascus are rather rare!

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will be pleased to refer the hon. member to the record of the committee yesterday, where I said I did not believe that the proposal of the opposition was workable. I still do not believe it today. It is not workable, and it will remain unworkable; so far as I am concerned, the bill will remain as it is.

Some hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

POSSIBILITY OF EARLY DISSOLUTION—CERTAIN WORDS OF PRIME MINISTER DURING LAST ELECTION—PRESENT POSITION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact there has been some speculation in the papers that there might be an election in the next little while, I should like to ask the Prime Minister if those memorable words of his uttered on October 30 at the time of the last election will be repeated by him at seven minutes after six tonight, or whenever the vote is taken, to support the philosophical bent for which he has become so well known to Canadians as expressed in his words that the universe is unfolding as it should?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think that if the universe were unfolding as it should members of the opposition would be asking more questions than they are about the expenses at Stornoway as opposed to those at 24 Sussex Drive.

An hon. Member: Our leader is preparing it for you, Pierre.

Some hon. Members: Oh, oh!

MULTICULTURALISM

REQUEST FOR POLICY ANNOUNCEMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the Secretary of State. In view of the fact it is a month or so since I complied with the minister's request for a copy of our background paper on multiculturalism, could the minister indicate whether today, prior to the vote or somewhere near that time, he intends to announce a meaningful policy on multiculturalism?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I found no inspiration at all in the document that was sent to me.

* * *

● (1520)

AIRPORTS

PICKERING—TERMS OF REFERENCE OF INQUIRY COMMISSION

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Transport. In light of growing fears that the airport inquiry commission looking into the Pickering airport question is unable to make recommendations to the government respecting the need for and location of such an airport, would the minister assure the House that the terms of reference tabled in this House on June 21, 1973, by himself will not be restricted by a subsequent document, P.C. 1973-3026, and that any such restriction will be eliminated?

Some hon. Members: Order!

Mr. Cafik: There is a lot of order over here, but not much over there.

Mr. Speaker: Order, please. The hon. member rose to ask a question.

Mr. Cafik: Will the minister ensure that any such restriction will be eliminated, through appropriate amendments in the latter document, to ensure a full inquiry in keeping with the commitment made to the House?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we must remember that we had to establish the commission under the Inquiries Act because certain powers were needed by the commissioners. I think the intent was to have the location and need inquired into by this commission. I will be happy to look into the order in council to see if it really reflects the resolution which was tabled in the House.

Mr. Speaker: Order, please. I must seek the co-operation of hon. members because soon we will be running short of time. I would hope we could eliminate a number of supplementaries. However, with the co-operation of hon. members, the hon. member for Ontario will be recognized for a supplementary, after which I will see the hon. member for Dartmouth-Halifax East, then the hon. member for Timiskaming, and try to move on as quickly as we can.

Mr. Cafik: Mr. Speaker, this is a terribly important question to the people involved, and I think it is a matter of interpretation by the commissioners as to how they interpret the original document. In response to a written request for information from them, I am led to believe that they interpret it in a restrictive way—

Mr. Speaker: Order, please. Of course, this is argument; it is hardly a supplementary.

Mr. Atkey: I rise on a point of order, Mr. Speaker. I am reluctant to do so but exactly the same question as was asked by the hon. member for Ontario was put to the Minister of Transport by the opposition some months ago, and the unequivocal answer of the minister at that time was no. He should have the courage to say no on this occasion.

Mr. Marchand (Langelier): Mr. Speaker, I do not think that is a fair representation. A few months ago I was asked if I was ready to change the terms of reference, and I answered no. Now I am asked if the document filed with the House is the same as the terms reflected in the order in council. My answer is that I am going to look into it and I hope it reflects this document.

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NATIONAL DEFENCE

REQUEST FOR DEPARTMENTAL CO-OPERATION TO REDUCE LAY-OFFS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the Minister of National Defence. It relates to the lay-off of 2,700 employees in the Department of National Defence under the federal labour-intensive winter employment program. Can the minister or any of his colleagues give the House some indication of the level of co-operation between his department and other departments which engaged temporary help under FLIP during the winter months to ensure that the labour market will not have 30,000 or 40,000 people thrust upon it who sought and gained employment under that program during the past winter? What is the level of co-operation, and—

Mr. Speaker: Order, please. Perhaps the hon. member would allow the minister to reply to the question.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, as the hon. member knows, I explained to the House yesterday that the program was temporary but that we are attempting to retain as many employees as possible of those who were employed under the winter works program under our regular budget, and for National Defence that amounts to some 330 people.

Mr. Forrestall: Mr. Speaker—

Mr. Speaker: Order, please. If the hon. member is rising on a point of order, I would bring it to his attention that we have just a few minutes left before the end of the question period.

Mr. Forrestall: It is not a point of order, Mr. Speaker. I wish to ask the minister whether there is any deliberate attempt to work into this program the beginning of the summer employment programs with respect to hirings by his department and by other departments.

Mr. Richardson: Mr. Speaker, I cannot reply for the other departments, but in my own case we are developing a student employment program for the summer and it is not directly related to the winter program. It would not be fair to the students to have some of their jobs taken away by others who were employed in the winter.

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AGRICULTURE

BEEF—GOVERNMENT POSITION RESPECTING SUBSIDY—REQUEST FOR INVESTIGATION INTO PRACTICES OF PACKING PLANTS INVOLVING COMMUNITY SALES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to direct a question to the Minister of Agriculture related to the subsidy on beef. Since the DES restriction has been put on beef imports the subsidy has been reduced. When does the minister intend to remove the subsidy totally, a subsidy that has been causing a great deal of unfavourable disruption in northern Ontario? Secondly, is he undertaking an investigation to ascertain whether or not unfair advantage has been taken by the Toronto packing plants with respect to those involved in community sales?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all I want to say that the price of beef has gone up only about 4 cents a pound since we initiated the subsidy program, and even with the subsidy the beef producers are barely meeting their costs of production at the present time, no matter what anyone says. The subsidy program may be causing some problems in some parts of Canada, but the response I get from most people is that they want the subsidy left on until they get their costs of production out of their product. What was the other question?

Mr. Peters: It was about monitoring the packing plants to ascertain whether or not advantage has been taken of prices at community sales that do not reflect the subsidy.

Mr. Whelan: I apologize for not answering that question earlier. A complete audit of the books will be taking place later. Some auditing is taking place at the present time.

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PUBLIC SERVICE

ALLEGED DISCREPANCIES IN APPLICATION OF $500 SALARY INCREASE FOR GOVERNMENT EMPLOYEES

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to direct a question to the President of the Treasury Board, notice of which I have already given him. It concerns the discrepancies that exist between program administrators of the Economic Security Employees National Association and other civil servants in that these people did not receive the $500 increase that was recently awarded to other members of the Public Service. Can the minister tell the House if he is aware of these discrepancies, and what action does he intend to take to correct them?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the House will recall that the $500 compensation is to be paid to those who were signatories to long-term contracts which had not yet expired. For those that had expired and in respect of which new negotiations, in light of current conditions, were taking place, the $500 was not awarded. The group in question falls into that area. The question in my mind is whether the arbitrator took current conditions adequately into account in making his award, and perhaps we should ascertain this.

Mr. Carter: Can the minister explain the discrepancies that exist with respect to the recent settlement awarded to fire-fighters at airports in that in one province, British Columbia, the settlement was 38.5 per cent for a 26-month period and in Saskatchewan and the Atlantic provinces it was 22.22 per cent over the same period?

Mr. Drury: Mr. Speaker, I do not think a settlement has been reached; it is proceeding to arbitration.

* * *

● (1530)

HOUSING

ALLEGED IRREGULARITIES IN FINANCING STUDENT CO-OPERATIVE HOUSING—REQUEST THAT CMHC REPORT BE MADE PUBLIC

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the fact that the minister received last September the long-awaited report of CMHC respecting alleged irregularities in the financing of student co-operative housing in Toronto and other Ontario cities, which is close to seven months ago, is the minister now willing to make that report public so that appropriate action can be taken against wrongdoers, and so those persons who are innocent and have been dragged into the mess through a public whispering campaign can be exonerated?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, my answer was that it would not be made public but it would be submitted to the law officers of the Crown, which has been done.

Mr. Atkey: In view of the fact the report has been submitted to the law officers of the Crown, would the minister be willing to indicate what charges, against what persons, are going to be levelled or what other disciplinary action may be taken against any body, federal or provincial, of which he has knowledge?

Mr. Basford: Mr. Speaker, I have knowledge that the association of architects in Ontario is taking action. The rest of the question should properly be addressed to my

colleagues, the Minister of Justice and the Solicitor General.

Mr. Speaker: Order, please. I would draw to the attention of hon. members that we have come to the end of the question period. The hon. member is seeking a supplementary and will be recognized for that purpose. With the consent of the House, I will recognize rather quickly the hon. member for Verdun and the hon. member for Fraser Valley East.

Mr. Atkey: Mr. Speaker, I take it the question has been referred to the Solicitor General or the Minister of Justice. I wonder if either of those hon. gentlemen could indicate to the House and to the public the charges and the names of the individuals charged with irregularities in the financing of student co-operative housing, and perhaps the disposition of the charges that have been laid at their instance or the instance of any of the provincial Attorneys General.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I know the investigation is well under way but I am not sure now whether charges have yet been laid.

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UNEMPLOYMENT INSURANCE

ALLEGATION THAT BENEFITS CONSTITUTE DISINCENTIVE TO WORK—GOVERNMENT REACTION

Hon. Bryce Mackasey (Verdun): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. In light of the concern expressed earlier in a motion under Standing Order 43, and in light of the fact that in Ontario a person who is married, with two children, can draw considerably more income on welfare than on unemployment insurance, and the inference that unemployment insurance is a disincentive to the Canadian worker, can the minister tell me whether he has come to the conclusion that this is an insult to the integrity of the Canadian worker?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think it is a very definite exploitation by the actions of the few people who might on occasion have attempted to take advantage of the situation. The evidence certainly is that by far the vast majority of people are not taking illegitimate advantage of unemployment insurance and in fact wish to see it administered firmly and fairly. We think that the commission is doing a fine job in that way.

Mr. Mackasey: Mr. Speaker, a supplementary—

Mr. Speaker: Order, please. I have to appeal to hon. members as we have reached the end of the question period. I thought we might have a quick question from the hon. member for Verdun and the hon. member for Fraser Valley East. I know that hon. members realize we are operating on short time, but there is to be a ringing of the bells later this afternoon and if we take too much time now we are denying hon. members a chance to participate in the important debate later this afternoon. I wonder if it

might not be better if we called orders of the day now. The hon. member is asking for a supplementary, and the hon. member for Fraser Valley East has been waiting for a few days to ask a question. The hon. member for Hamilton West has a question of privilege. If all will agree to wait until tomorrow, I will call orders of the day.

Mr. Alexander: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Alexander: No, Mr. Speaker; I just want to relate to you that I have forgone my question of privilege seeing that they are playing hanky-panky on the other side.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Tuesday, May 7, consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government; the amendment of Mr. Lambert, Edmonton West (p. 2105) and the amendment of Mr. Lewis (p. 2110).

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, at ten o'clock last evening when I called the hour for the adjournment of the debate I was dealing with the speech made by the hon. member for Don Valley (Mr. Gillies). I should like to elaborate on the general point I was making at the time.

I listened with the greatest interest, along with my colleagues, waiting to find out what it was the Tory Party was putting up by way of alternatives to the policies proposed by my colleague, the Minister of Finance (Mr. Turner). I waited in vain, Mr. Speaker. May I say that on this particular occasion the burden of proof is quite different from that of an ordinary debate in this chamber. Under ordinary circumstances, when the government is in office the function of the opposition is to try to get government to defend its policies and to explain them. On this occasion, the purpose of the motions put forward by both opposition parties is to defeat the government, to go to the country and seek a mandate from the people. Under these circumstances, the opposition on both sides has an obligation to make it very clear to the public not only where the government has failed but what they would put in place by way of alternative policies.

Yesterday I listened carefully to the speech of the hon. member for Edmonton West (Mr. Lambert) and particularly to that of the hon. member for Don Valley who represents the constituency next to mine and part of which I at one time represented. The hon. member for Don Valley is a very distinguished academic, a former professor. At one time I think he was chairman of the Economic Council of Ontario. With this background, I think we

could have expected something better than we heard yesterday, which was a philosophical dissertation on the evils of inflation and how there must be a better way. I sympathized with him as I listened. It is tough to move from being an academic into the realities of public office. I hope that some day my hon. friend will make the transition, because he did not get very far yesterday. All I learned yesterday is that the hon. member is worried and concerned about inflation.

I am sure he is concerned. The Leader of the Opposition (Mr. Stanfield) is concerned. The Minister of Finance is concerned. I am concerned. The Prime Minister (Mr. Trudeau) is concerned. We are all concerned. We do not need to be told, in this House of Commons, to be concerned about the problems of inflation. What we want to know is what the answers are. The hon. gentleman, in the tradition of the opposition, said, "I am not going to expose my ideas and be torn apart, the way I am tearing the ideas of the Minister of Finance apart. Not for me. I am going to reserve my position." I say to the House through you, Mr. Speaker, that that is not good enough under these circumstances.

Let me give the hon. gentleman a word of advice. I agree with him that inflation is going to be an important issue in the forthcoming election, if one is called soon. The people of Canada will want to know what his party would do about it. They are not going to be satisfied that he is concerned and worried, and they are not going to be satisfied that the Leader of the Opposition is concerned and worried. They want to know.

These are some of the questions they would like to have answered. Would the Tory Party freeze wages or would they control wages and, if so, how? Would they freeze prices? Would they control prices and, if so, how? It is not good enough, I suggest to my hon. friend from Don Valley, to talk vaguely about an incomes policy. He and I both know an incomes policy can mean anything or nothing. Let me therefore go into the position of the Tory Party as it has been revealed in the past, to see if we can get any clue as to what that party would do given the responsibility of office.

At about the time the Leader of the Opposition took over the leadership of the Conservative Party he seemed to press for the acceptance of price and incomes guidelines for all sectors of the economy, on a voluntary basis. Then on January 31, 1971, speaking at the Agudath Israel's Men's Club, he said that there is—

● (1540)

—a lot of loose talk about wage and price controls—even cabinet ministers are mentioning it these days—as the answer to price stability for Canada.

That was the position of the Leader of the Opposition back on January 31, 1971. Then he said this about such controls:

They would cause untold resentment among groups and individuals who felt unfairly done by, and they would result in a climate of constant confrontation. In addition, of course, they would inevitably lead to a highly centralized, and therefore inefficient, form of economic planning.

That was the position taken by the Leader of the Opposition.

[Mr. Sharp.]

Mr. Paproski: Yes, but the inflation rate then was 2 per cent.

Mr. Sharp: Let us turn to the position taken by the hon. member for Don Valley at that time. He wrote an article which was printed in the Toronto *Telegram* in April, 1971, in which he said he did not believe that wage and price controls were "effective anti-inflation measures". He warned that they "would create far more problems than they might solve", were extremely difficult to administer, could only possibly be effective if they were applied over all segments of the economy and were widely accepted. Furthermore, he asserted that controls "inevitably bring rationing".

Now we go to the summer and fall of 1972. The Leader of the Opposition switched his position. I do not think the hon. member for Don Valley would deny that he, personally, sold his leader and his party on a switch in policy, on a switch involving abandoning the position advocated earlier in favour of price and wage controls. So the Leader of the Opposition asserted in the federal election campaign of 1972 that a Tory government would have the courage to impose price and income controls for a temporary period if circumstances made such a course necessary.

On February 8, 1973, 11 days before the introduction of the budget, the hon. member for Don Valley acknowledged, in replying to a question, that controls could only be adopted on the basis of a national emergency and he did not think that one existed. Two weeks after that, after asserting that a national emergency required the imposition of controls but that an emergency did not exist, the hon. member for Don Valley rose in the budget debate to say on behalf of his party that a 90-day freeze should be imposed, and under a Tory government would have been imposed, on "wages, prices, dividends and incomes". During that 90-day freeze, a Conservative government would have consulted with the provinces, labour leaders and business and consumer groups "to work out an economic stabilization program that would achieve controlling the price rises in this nation".

In the same budget debate, the Leader of the Opposition suggested that his party was proposing only a temporary program of controls. But the hon. member for Don Valley did not take that position. In debating the motion on May 10, the hon. member indicated that he was proposing more than a temporary measure. He said it had become evident within the past two or three years that there was a series of power groups in Canada who did not respond as they should in a properly competitive market. He said his party believed that "an incomes policy has to be an integral part of our monetary and fiscal policy if this country is going to operate with full employment and reasonably stable prices".

Mr. Gillies: That is true.

Mr. Sharp: So, what is the position of the Tory Party on the crucial issue of controls?

Mr. Guay (St. Boniface): It is wishy-washy.

Mr. Sharp: The conclusion I have come to is this: the establishment wing of the Tory Party—I do not know which part of the country it exists in; I know it does not

exist in western Canada and I doubt if it exists in the maritime provinces—believes in over-all price and wage controls. They intend to apply them if they come to power. However, they are faced with such unalterable opposition within their own party that they suspect what is true, that if they were to reveal the intention of the Conservative government to impose over-all price and wage controls, to freeze prices for 90 days and wages for 90 days, the country would reject them; they would not elect a single member from here, east and west.

Some hon. Members: Hear, hear!

Mr. Sharp: The public would accept the analysis the Prime Minister made yesterday, that wages would be frozen at low levels and prices at high levels. At the recent Tory convention, all of us observed the problem of price and wage controls coming up, when it was decided to sweep the subject under the carpet in order not to make it too obvious and to keep the appearance of unity even though the party is deeply divided on this issue.

Some hon. Members: Oh, oh!

Mr. Sharp: I would draw the attention of the House not only to the divisions within the federal part of the party, but let me read what the Premier of Alberta said on this issue. He said that the federal party's demands for wage and price controls to combat inflation would hurt pensioners and people on fixed incomes. The implication is that Mr. Lougheed would prefer the party to campaign on some other basis. So now they retreat to that vague generality, an incomes policy. I challenge the Leader of the Opposition in the speech he will be making, I am sure, after I sit down to define his position in terms which can be understood provided, of course, that he understands the advice he has received from the hon. member for Don Valley.

Now let me state the position of the government on this issue so there is no reason for any doubt as to where we stand. We are opposed to the application of over-all price and wage controls to combat the kind of inflation from which the world and this country are now suffering. In our view, the system would not work. It would produce serious social unrest since it could not be applied fairly, across the board. There would be shortages and it would soon be abandoned, leaving the situation worse than it was before the program was introduced.

Mr. Gillies: Where else in the world is there 11 per cent inflation?

Mr. Sharp: I come to the other aspect of the criticism of the Tory Party on the budget, its position on fiscal and monetary policy. Let me review briefly the stand of the Tory Party on this issue since this parliament was elected 18 months ago. I go back to November 20, 1972, when the hon. member for Don Valley was speaking to the Empire Club of Toronto. He maintained that both fiscal and monetary policy should be highly expansionary. During the budget debate on February 23, 1973, the Leader of the Opposition declared:

> This budget is not an expansionary budget, much less a visionary one . . . It is a fiction for the Minister of Finance to say that this is an expansionary budget that will generate the jobs needed to substantially cut into unemployment.

The hon. member for Don Valley contended that the deficit projected in the budget "has little likelihood of moving the country forward in the way in which it ought to go." He was particularly skeptical of the budgetary forecast of an employment increase of 300,000 in 1973. The actual figure, as the House knows is 430,000.

Mr. Diefenbaker: You can squirm all you like, but you are in deep trouble.

Mr. Sharp: However, he went on to say that a Conservative government would have brought down a budget providing for a deficit on a national accounts basis somewhat over 2½ times as much as the deficit which the Minister of Finance suggested.

Mr. Trudeau: No wonder he did not think much of our budgetary deficit.

● (1550)

Mr. Sharp: This is the same member who just yesterday in the course of his remarks said:

> I find it incredible that in Canada, in the year in which we have inflation rates at 10 per cent, the government has increased spending by the dimensions we have witnessed.

I come to the question that was raised earlier in the question period, to which the Minister of Finance replied and said I would discuss this increase in expenditures this year over last. The hon. member for Don Valley, like so many of his colleagues who are trying to misrepresent the situation, said this:

> According to the budget this year, the government is to increase the tax take by 25 per cent.

Let us look at the expenditure figures and the taxes he is talking about. If we look at the content of the expenditures that have been put forward by the government this year, we find that a very high proportion of them are related to measures to combat inflation by offsetting increases in prices. A great deal more is involved in expenditures which do not come from the general taxpayer, having to do with the equalization of oil prices across this country. I have had some calculations made on this question. Let us look, for example, on the basis of national accounts, at how much increased expenditure is related to the oil export tax and related expenditures in eastern Canada to equalize the price. The total amount involved there is $1,240 million. There are more expenditures that will be involved in equalization payments to the provinces arising out of the efforts of the government to equalize the cost of petroleum throughout this country and to keep down the price of oil in eastern Canada.

If you look at the other related expenditures dealing with inflation and the efforts of the government to combat inflation, and take such expenditures out of the totals—which any fair-minded critic of this government would do—the total increase in expenditures this year over last year is 10.9 per cent. It is not 26 per cent, but 10.9 per cent—just about in line with the increase in the gross national product of this country.

Some hon. Members: Hear, hear!

Mr. Sharp: May I return to the sudden switch in position of fiscal and monetary policies. The hon. member for

Edmonton West, speaking in the budget debate last year, was less conservative than the hon. member for Don Valley. He wanted to increase government expenditures up to a deficit of $2½ billion to $3 billion. The hon. member for Saint-Hyacinthe (Mr. Wagner) said his colleagues were much too conservative, and he wanted a budget deficit of $4 billion. In a press release issued by the hon. member for Don Valley, commenting on the last annual report of the Bank of Canada he said this on behalf of his party:

> There is a growing evidence that the finance department and the Bank of Canada are not seriously committed to creating full employment and are going to shift both fiscal and monetary policy to fight inflation by constraining demand and stalling maximum job creation.

He further said:

> —it is nonsense to head towards restraint in fear of excess demand later this year—

This is the hon. member who is now saying that this government is making too much money. I now come to the reversal, the startling about-face on September 10, 1973, in the debate on inflation. The hon. member cryptically asserted this:

> We apparently had the incredible situation last year of operating with a deficit in the middle of a high inflationary situation because the forecasts were apparently not correct; we did not know where we stood.

That one I can underline: they did not know where they stood. They still do not know.

Some hon. Members: Hear, hear!

Mr. Sharp: It is important that the people of this country know exactly what the party opposite has been proposing. They are going to make a serious bid for the support of the people of Canada, and this is the record they are going to put before the people and demand a vote of confidence. Surely not.

Some hon. Members: Hear, hear!

Mr. Sharp: Maybe they can go through another rationalization and say the circumstances were different; they can change their minds in a few days or a few weeks and say that there has been a fundamental change in the position. What nonsense.

Some hon. Members: Hear, hear!

Mr. Sharp: As far as I can see, Mr. Speaker, the policies proposed by the members of the party opposite have been pure expediency. They have been thought up on the spur of the moment. They sway backward and forward from a restrictive policy to an expansionary policy, backward and forward in accordance with what they think are the winds of popular opinion.

As a former minister of finance, may I say that the task before any minister of finance is very, very difficult. May I add that the task before any minister of finance of any country, Canada or any other, in these troubled times of worldwide inflation and political and economic instability is a task of overwhelming difficulty. I want to say to my colleague that he has performed this task with great skill and courage.

Some hon. Members: Hear, hear!

[Mr. Sharp.]

Mr. Sharp: If one were to listen to the colleagues of the hon. member for Don Valley who have not tried to make this transition into public life, what are the comments which the economists, who take an impartial and not a partisan view, have made? What do they say about the budget? "Sensible." "Responsible." They may have made some slight changes. There are some things which might have improved it. No economist agrees with any other economist, but a lot are agreeing with the Minister of Finance because he has produced the kind of budget that is appropriate to the circumstances facing this country at the present time.

Some hon. Members: Hear, hear!

Mr. Sharp: The opposition parties can afford to be irresponsible under most circumstances. I suggest they cannot afford to be irresponsible now, however irresponsible they have been in the past. They can talk vaguely about an incomes policy, wage and price controls, fiscal and monetary policies, restraining government expenditures, and then propose big increases in expenditures, tax cuts and balanced budgets. They can talk irresponsibly. That is part of their privilege. However, the Minister of Finance cannot do that. He has to face the country and this House, however irrational some of the discussions may be.

Some hon. Members: Hear, hear!

Mr. Sharp: What he has to do at all costs is maintain confidence both at home and abroad in the Canadian economy. He does not claim, nor does this government, that every decision has been exactly right. That would obviously be a very foolish claim to make. What he can claim is that the Canadian economy has survived the shock of world turmoil with great resilience and is today recognized by impartial and well-informed observers at home and abroad as the number one economy in the world, the best managed country in the western world.

● (1600)

We are fortunate in having a Finance minister like the present one who has steered the country through these difficult shoals, because the way ahead for the world is very uncertain. I say now, as Secretary of State for External Affairs, that seldom has there been so much turmoil in the world; seldom have there been such great strains on the fabric of society, no matter where one looks. The worst possible approach to Canadian policy in these circumstances is to take a rigid doctrinaire position such as is being put forward now—though this has not always been the case—by members of the New Democratic Party. On the other hand, it is even worse to have no policy at all—

Mr. Diefenbaker: You speak with authority on that.

Mr. Sharp: —or one which bends to every passing wind of popular notions, as in the case of the official opposition.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the minister, but his time has expired. If the House agrees, he might be given a few more minutes.

Some hon. Members: Agreed.

Mr. Sharp: Thank you very much, Mr. Speaker.

Mr. Stanfield: Mr. Speaker, I should like to know how long the minister intends to take. After all, the Prime Minister (Mr. Trudeau) spoke for three hours last night. I have lots of time, but there are others in the House who wish to speak.

Mr. Sharp: I was about to close my remarks. I will take half a minute.

If an election comes now, as seems fairly likely, the public will have an opportunity to judge for themselves. The Liberal Party will ask the Canadian people to reject simplistic solutions put forward by the other parties in the House and will ask the Canadian people to continue the policies which have been so successful in bringing Canada through a period of unexampled difficulty.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I hope the Secretary of State for External Affairs (Mr. Sharp) will not take it personally if I refer to his expectations of hearing something better from the hon. member for Don Valley (Mr. Gillies). Having participated in previous debates when the hon. gentleman was minister of finance, may I say I did not expect anything better from him.

Some hon. Members: Oh, oh!

Mr. Stanfield: I do not want to spend much time on the speech of the Secretary of State for External Affairs because if he did have any credibility left, he lost it by supporting that crazy anti-profiteering bill the other day. Anyway, he has not enjoyed any credibility since he was minister of finance. The only thing he knew how to do in fighting inflation when he was minister of finance was to raise taxes. We tried to persuade him that this only added to the problem, but he would not pay any attention.

It is true I suggested voluntary guidelines. I do not know whether it is coincidental, but shortly after the hon. gentleman ceased to be minister of finance, the Prime Minister (Mr. Trudeau) found it necessary to declare what almost amounted to an emergency war against inflation. One of the first things the government did, after they had got rid of the hon. gentleman as minister of finance, was to try guidelines—the very thing he had resisted.

Mr. Guay (St. Boniface): Tell us what you are going to do.

Mr. Stanfield: It is true I advocated voluntary guidelines. I did what I could to open up the mind of the minister of finance of that day, although without much success. It is true I was opposed then, as I am now, to permanent price controls. I have not changed one iota in that respect, because I think permanent controls would lead to a high degree of centralization in our economy—far too much power in the hands of incompetent people of the type of the Secretary of State for External Affairs, for example. It is true, also, that during the campaign of 1972 when it was apparent inflation was developing in certain aspects of the economy, I said, quite properly, that if I became prime minister and sensed that an inflationary psychology was spreading through the economy, I would not hesitate to resort to temporary controls. And I have not changed; I have not backed away from that position. I said I would resort to temporary controls to meet an emergency, and in my judgment there is an emergency facing this country when the level of inflation can be measured in two figures. I will return to this subject in a minute or so.

Today, the House and the country are witnessing a very significant event. We have a complacent and callous government.

Some hon. Members: Hear, hear!

Mr. Stanfield: Far too many Canadians have had to pay far too high a price for the delay in reaching this day of reckoning. They, and many others, will continue to pay until a responsible, Progressive Conservative government takes action to restore some sense of order, stability and purpose.

Mr. Guay (St. Boniface): We can take a joke.

Mr. Stanfield: There is one thing this government has behind it, and that is a very loud voice.

Mr. Nowlan: Empty vessels make the most sound.

● (1610)

Mr. Stanfield: This government has. The state of inflationary expectations in this country must be dealt with as I said they should be when I was campaigning in 1972. They should have been dealt with long since, yet this House is presented with a budget that just barely acknowledges that the problem exists, and offers nothing in the way of solution.

Some hon. Members: Hear, hear!

Mr. Stanfield: I was hoping the minister would wait to hear what I had to say, but I suppose he has other things to do.

Mr. Hees: He is running away.

Mr. Stanfield: This is the same government that maintains still that it has a contingency plan that will be implemented in an emergency. Evidently inflation at a two-figure rate is not enough of an emergency for this government. I just want to say to the members of the government that this House has a contingency plan, too, for getting rid of governments.

Some hon. Members: Hear, hear!

Mr. Stanfield: I believe that enough members of this House now think there is sufficient emergency to put the House's contingency plan into operation. For every minute that this two-figure inflation runs unchecked in Canada, the disparity between the have and the have-not Canadians grows greater and the dissatisfaction with our own institution grows deeper. The budget presented by the Minister of Finance (Mr. Turner) does nothing to stop that widening disparity. It does nothing to restore confidence in the competence of the institution of parliament, as it has demonstrated itself to the people of Canada during this session. And the Prime Minister does nothing to enhance the public's perception of this chamber when

he chooses it as a forum for wounded cries of desperation for almost two hours. Surely the Prime Minister could muster a little more grace in accepting that the universe is unfolding as it should in so far as his government's continuation in office is concerned.

There sits a government, Mr. Speaker, whose essential message is that inflation is an international problem which somehow domestically falls under provincial and municipal jurisdiction. The message, of course, sir, is absurd. But, worse than that, it is a message of despair. It is a message which in itself only serves to heighten inflationary expectations in our country. If the government says that really nothing very much can be done, then those Canadians who have the muscle and resources to protect and to look after themselves will look after themselves, in the expectation that if they do not look after themselves nobody else will.

I have been speaking about the danger of this mounting inflationary psychology, these rising inflationary expectations and this vigilante attitude that has developed for more than a year. As far as this government is concerned, my warnings have fallen on very, very deaf ears. This situation which I warned about is clearly with us today, and each day it continues the problem will grow worse in magnitude and it will grow stronger roots.

Consider what has happened in the field of housing. Social priorities and human needs have gone out of the window as housing has become a more attractive market to deal in than the stock market for those with capital to invest. This is a sickening thing, sir, to have happen in our country and the responsibility for this sickness, which is growing to epidemic proportions, rests clearly with members of the government opposite.

Yesterday the Prime Minister, in his typically unassuming manner, outlined a number of measures that have been passed by parliament. He tried to create the impression that these measures were originated and bestowed upon the people by the Grits. This parliament did deal with that Grit innovation, indexing of personal income. You will recall, sir, that this proposal was first mentioned in the budget debate of May 1972, and it was condemned and rejected out of hand by the Minister of Finance—Supergrit himself!

The conversion followed the 1972 election results. We dealt in this parliament with those long-standing Grit proposals to cut personal income taxes and to increase old age pensions. In the 1972 election campaign the Minister of Finance, Supergrit, and the Prime Minister, Truegrit, both said that this was the prescription for bankruptcy.

Some hon. Members: Hear, hear!

Mr. Stanfield: I am glad to see the Secretary of State for External Affairs has returned to the House. There sits the minister, Mr. Speaker, who a few minutes ago was talking about my inconsistencies. The only thing you can say about the Grit behaviour during the 1972 campaign and afterwards is that it was consistently inconsistent. These cuts in income tax and the increase in old age pensions that we were asking for, as were the members of the New Democratic Party, were described by the Prime minister and the Minister of Finance as a prescription for bankruptcy. But, of course, their demonstration of political bankruptcy followed the 1972 election. These examples of conversion and the emergence of wonderful, new Grit policies after October 31, 1972, truly impressed them, Mr. Speaker. They are almost as impressive as they are cynical and incredible.

Surely it is a cynical and incredible stance that is taken by the government on inflation, as exhibited again in the budget. The Minister of Finance says it is an international phenomenon. Then, of course, he says we have to attack it by increasing domestic production in Canada. Surely if we can ease inflation in Canada by increasing production in Canada, the assumption is that we can fight inflation by increasing domestic supply. This assumes, therefore, that the problem is not simply one of uncontrollable international origin.

● (1620)

If the minister makes any sense at all in talking about the importance of increasing domestic production—and I agree it is important—there must be a significant domestic component in inflation in Canada which we are experiencing today. But the minister will not concede that. He wants to have both sides of this contradiction. Then he stresses the urgency of increasing domestic supply. He even stresses this in his budget. However, he proposes no measures to increase supply but, rather, produces measures which in their isolated effect might well have a harmful effect on supply and also drive prices and inflationary expectations even higher.

The minister did not produce a balanced budget. I thought that might have had some effect, psychologically, on the country, indicating that the government meant business. I was surprised, particularly after all the fun the government had about the size of the deficit we requested a year ago in terms of expansion, to see how far the minister was able to go in creating a budgetary deficit particularly as recently as the first quarter of this year, the last quarter of the fiscal year, of about $1 billion. Not bad for a man who is trying to show restraint, Mr. Speaker.

Then, of course, he produced a budget which has very substantial increases in expenditures, again despite the manipulation of figures by the former minister of finance, so in effect what the Minister of Finance tells the provinces, the municipalities, the people in business and the working people in this country is simply, "Do what I say, but for God's sake don't do what I do."

Some hon. Members: Hear, hear!

Mr. Stanfield: I had hoped we might see another Grit policy in the indexing of Canada Savings Bonds, but instead the minister chose something rather different, a bonusing plan. The main purpose of that bonusing plan is to try to persuade people who now own Canada Savings Bonds to continue to hold onto them rather than turn them in. The main purpose behind this policy is to help the government, rather than the Canadian people. The minister is simply trying to make a virtue of necessity.

The program will be of some assistance, I think, although it will be limited by the fact that the bonus will be treated as a capital gain, but it really does not provide an effective means of saving for the ordinary, small saver

in Canada. It does not provide him with any means at all to protect himself against the erosion of the purchasing power of his savings as a result of the horrendous inflation we are experiencing under this government. It comes nowhere near being as effective as the indexing of bonds which I proposed and which, sir, will be implemented by a Progressive Conservative government.

Some hon. Members: Hear, hear!

Mr. Stanfield: And, of course, a Progressive Conservative government will also implement the elimination of the sales tax on all clothing, another new Grit policy which we have been advocating for quite some time. We will also proceed to take steps to remove the sales tax on building materials, in spite of the protest of the Minister of State for Urban Affairs (Mr. Basford) that this would only increase supply. Apparently there is something wrong, in his mind—

Mr. Drury: That is not what he said.

Mr. Stanfield: The Minister of State for Urban Affairs takes a very different view of things than the Minister of Finance. The Minister of Finance wants to increase production, but the Minister of State for Urban Affairs for over a year now has taken the position that an increase in production would only have inflationary results.

Mr. Drury: No, that is not what he said.

Mr. Stanfield: I heard him, Mr. Speaker.

An hon. Member: You are using subterfuge.

Mr. Stanfield: I do not need subterfuge. I read some of the remarks of the Minister of State for Urban Affairs with a lot more attention than they deserve. I want to say that a Progressive Conservative government will ensure that every outstanding penny of export charge is collected, retroactively if need be. So I am quite confident the oil companies will not be getting any of that export tax, Mr. Speaker. I do not know how the Prime Minister and the Minister of Energy, Mines and Resources (Mr. Macdonald) are telling the oil companies that if a Liberal government were to be returned, the oil companies would be able to keep all that money; but that is exactly what they are saying.

Mr. Drury: They are not.

Mr. Stanfield: I know that is exactly what they are saying, and I know that that position will get the treatment it deserves from the Canadian people. The Prime Minister and the Minister of Energy, Mines and Resources know full well that the collection, the compensation, the intentions and other features of the oil administration bill can be dealt with. They know full well that the province of Alberta is pledged to hold to the agreement established at the conference. They know full well, also, that last fall and winter the oil companies held to a freeze for months with no legislation in existence to force them to do so. They know full well that the companies held export tax money aside for collection later on the basis that the government said it was going to collect it. They said so time and time again in this House. I say this government is playing a very dangerous game in saying it will be powerless to collect the export charge and that a future Liberal government would be equally powerless to collect it retroactively.

Some hon. Members: Shame.

Some hon. Members: Hear, hear!

Mr. Stanfield: I repeat our position, that the oil export charge can be collected. I repeat our pledge, that if it is not collected by the present government it will be collected retroactively by an incoming Progressive Conservative government.

Some hon. Members: Hear, hear!

● (1630)

Mr. Stanfield: Mr. Speaker, the export oil tax will be collected, barring the remote prospect that Canadians do not want it collected and overwhelmingly support Liberal candidates who are running on the platform—

Mr. MacEachen: Foolish chatter.

Mr. Stanfield: —laid down by the Prime Minister last night that the charge cannot and will not be collected by the present or any future Liberal government.

Mr. Sharp: Why did you stop our legislation?

Mr. Stanfield: I know whereof I speak because I was the only one to stay awake throughout the Prime Minister's entire speech.

Some hon. Members: Hear, hear!

Mr. Stanfield: These petulant gentlemen opposite like to call other people bigots, rednecks, nobodies.

Mr. Trudeau: Nonentities.

Mr. Stanfield: They like to say, "If you won't play it our way, you won't play it at all." These desperate, temporary occupants of the treasury benches have demanded their last ransom and have uttered their last threat. Any shred of credibility or integrity that remains has surely been consumed in the fire of their own disgusting scorched-earth policy—

Some hon. Members: Oh, oh!

Mr. Stanfield: —as illustrated by their approach to the oil export charge.

Mr. Hees: The campaign is on.

Mr. Stanfield: Of course, we all know what the Prime Minister was up to yesterday afternoon and last evening. He was test-flying his campaign rhetoric. That is fine, although I am sure that a number of his own members wondered why he had to read through his whole campaign speech portfolio in the course of his evening's work. I was interested in the number of times that he quoted at length from newspapers which, I understand, he started to read after the last election campaign. I think perhaps he may

have been auditioning for freelance work after the next election.

An hon. Member: Or for "Laugh In."

Mr. Stanfield: No, this is serious. After the next election campaign he will contribute to "Capital Report" as somebody who does the job "peeping through the newspapers".

Then we have the old song, again sung by the Wall Street *Journal* and the *Financial Times*, about the glowing state of the Canadian economy. I will quote one item from the *Financial Times* of April 29 under the heading "Curiouser and Curiouser". It reads:

Mr. Trudeau's conduct was curious in more than one way last week.

An hon. Member: What week?

Mr. Stanfield: That is the week preceding April 29. I do not blame the hon. member asking, "What week?". The article continues:

At a Hamilton rally, he is reported to have said that Canada's main problem was inflation but "the opposition doesn't want to wait the few weeks or months that will make it evident that we have solved this problem."

Some hon. Members: Oh, oh!

Mr. Stanfield: The article goes on:

The last time Mr. Trudeau declared he had "licked" inflation was December, 1970. In the three years since then, Canada has had a 23 per cent jump in consumer prices. No wonder we get the cold shivers every time the Prime Minister declares that the fight is won.

Some hon. Members: Hear, hear!

Mr. Stanfield: Virtually every responsible commentator in the country heaps scorn upon the government's alleged anti-profiteering bill. The Prime Minister says he is proud of that bill, that he is prepared to stand on it, to put it before the country. Well, I look forward to that, sir, I really look forward to it—because surely no other piece of legislation more adequately demonstrates the arrogance, the incompetence, the hypocrisy and the sheer dishonesty of this government.

Some hon. Members: Hear, hear!

Mr. Stanfield: During the 1972 election campaign the Minister of Finance steered well away from the election slogan "The land is strong". He confessed that it broke him up. It will be interesting to see just how he can keep himself clear from association with his Prime Minister's favourite bill in the coming campaign. If the Minister of Finance was broken up by the slogan in the last campaign, he should really be demolished by the bill.

The budget brought in by the minister was what he called a responsible budget. How can anyone believe that this government has any real sense of responsibility when its economic policy and its budget are associated with one of the most irresponsible pieces of puffery that has ever insulted the intelligence of the members of this House? How can anybody believe that the Minister of Finance is behaving responsibly when he refuses to tell this House how much revenue his government is dropping in the current year as a result of the tax concessions granted to the manufacturing and processing industries? That is what he has done; he has refused to give that information. His deputy minister gave us a figure last year, not in the House but to those of us who met him. The deputy minister promised us that if we did not get an answer to that question Monday evening, we would get it Tuesday morning at the latest, without fail.

● (1640)

Mr. Turner (Ottawa-Carleton): That is not what he said.

Mr. Stanfield: I was there; I heard him. I want to ask the minister through you, sir, what he is up to with this ill-advised cover-up approach, refusing to give information of the sort that was given quite freely last year. Does he not realize the seriousness of the suspicion and distrust that will follow in the wake of his refusal to divulge this information?

We already have the hon. member for York South (Mr. Lewis) indicating a figure as high as $1 billion. The minister shakes his head. Until the minister gives us the information he is doing a very grave disservice to the manufacturing and processing industries, because suspicions will be rife. I do not know how anybody can tell the hon. member for York South he is wrong in what he is saying if the minister is not prepared to say anything. Is this an example of responsibility on the part of the Minister of Finance?

Some hon. Members: No.

Mr. Stanfield: In his oration yesterday the Prime Minister suggested—in fact he said it, I don't know how many times—that it would be irresponsible to throw this government out. I say it would be the height of irresponsibility to leave this government in.

Some hon. Members: Hear, hear!

Mr. Stanfield: But I suppose we have to make some allowances for the peculiar logic of anybody who has nothing to offer the country and so must build an election strategy on attacking the opposition and promising half a billion dollars to the oil companies.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, the Prime Minister was so anxious to tell the oil companies how much they could expect to get, and how they could expect to split it up, that he gave them some figures to indicate what they could expect from the present Grit government or a future Grit government. So the Prime Minister has revealed his election platform on these two main themes—attack the opposition, and give half a billion dollars to the oil companies.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: I would say that his attack on the official opposition has all the staying power of a wet match. And, of course, it isn't hard to know how the match got wet in the first place: it was obviously dampened by that

renowned and honourable gentleman from the other place known generally as the Rainmaker.

Some hon. Members: Oh, oh!

Mr. Stanfield: The trademark is unmistakable. You rant and you roar, and you hope in the course of saying enough, yelling enough and saying outlandish things, that something will turn up. Under the guidance of his recycled strategist, the Prime Minister launches off attacking other parties on their divisions, as he calls them, and he tries to create the impression that his own party is just one complete blissful unit.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, it is all right for the Minister of Finance to dissociate himself from the so-called anti-profiteering bill; it is all right for the Prime Minister's entire loyal band of colleagues to leave the Minister of Consumer and Corporate Affairs (Mr. Gray) more alone in this House than anybody has ever been in Trois-Rivières.

Some hon. Members: Hear, hear!

Mr. Trudeau: Not as alone as you.

Mr. Stanfield: Those are just differences of opinion. The pristine unity of the cabinet is obvious. Any fool can see that. Then there is the Minister of National Defence (Mr. Richardson). If he wants to keep up his long-standing discussions about a new political party, a party which would involve a couple of former Liberal members who have sat for hours with him talking about this scheme, that is not division, Mr. Speaker; that is just the minister exercising his prerogative to examine all the options that might be available to him. And, of course, when the same minister threatens to resign over a politically sensitive matter, that is just good, old-fashioned spunk.

Some hon. Members: Hear, hear!

Mr. Stanfield: Programmed with this rather rose-coloured strategy, the Prime Minister sees unity all around him in his own party. I would not presume to question the wisdom of the honourable senator in the other place. His record speaks for itself. But it strikes me that such an exhibition of self-delusion by the Prime Minister might just strike the electorate as ample reason in itself to extend him a merciful medical discharge.

Sir, there is one matter relating to my party that I do want to speak to, and I think this is the proper place for me to do it. I am referring to the very regrettable reference made to the right hon. member for Prince Albert (Mr. Diefenbaker) by Senator Gratton O'Leary on television last Sunday. I not only dissociate myself and my party from that kind of remark, but I take this occasion to restate our debt to the right hon. gentleman for the great service he has rendered to the country, to parliament and to our party.

Some hon. Members: Hear, hear!

● (1650)

Mr. Stanfield: Mr. Speaker, the House leader seems to be upset this afternoon, and I am sorry. I want to say that when I was in provincial politics, and again in federal politics, I always received a lot of help from the government House leader and I do not want to seem unappreciative. I do want to pay tribute to the continuing contributions of the right hon. gentleman to the country, to parliament and to our party. I want to thank him for it and say long may he be active in this parliament.

Some hon. Members: Hear, hear!

Mr. Stanfield: My reference to a medical discharge was in relation to the Prime Minister, and certainly not in relation to the right hon. gentleman. Canadians can look at the Prime Minister's remarks last night and see very clear signs of a failing memory. He moaned about all the latest legislation that would die on the order paper with dissolution.

Mr. Trudeau: Not all.

Some hon. Members: Hear, hear!

Mr. Stanfield: I think it is only an act of common decency to plug one significant gap in the right hon. gentleman's memory—the Prime Minister's—in an effort to assure him that the country really will survive. When the Prime Minister sought dissolution of the twenty-eighth parliament, an act which only he could undertake and which he did undertake, the order paper was filled to overflowing—and filled notably, though the Prime Minister and all his advisers evidently forgot about it—with government legislation required to implement a budget which had been presented over four months earlier. To say that the Prime Minister forgot that is the kindest way I can put it.

Some hon. Members: Hear, hear!

Mr. Danforth: Selective amnesia.

Mr. Trudeau: A better knowledge of the rules, that's all.

Mr. Stanfield: How much better to do what we are doing now. Rather than wait for four months, how much better to do it now and spare the country another experience of an additional four months of uncertainty in government. Now that I have checked the Prime Minister's memory a little about all the financial measures he left on the order paper at the time he dissolved parliament the last time, I hope he will feel a little less disconsolate about what parliament is going to do later this afternoon.

I want to believe that the Prime Minister really meant what he said last night. I have worked at this. I really want to believe that the Prime Minister was making last night, as he said he was, a sincere and non-partisan analysis. But he simply forgot what he did himself in 1972. With his well known respect for parliament and the democratic process it is surely unthinkable that he was chastising parliament about election expenses legislation, foreign investment legislation and competition legislation.

Some hon. Members: Hear, hear!

Mr. Trudeau: You refused to pass it.

Mr. Stanfield: Oh, poor fellow! Surely he has not forgotten all about that. They dissolved parliament. They left on the order paper the most prized objectives of the Minister of Finance in 1972. Surely the Prime Minister has not forgotten that. I can also appreciate that the Prime Minister might feel some distress at the prospect of entering the record book as the leader of the only government in the country's history to have been defeated on a budget. As much as I resist most temptations to be partisan myself, Mr. Speaker, I can only say that no administration more richly deserves that honour.

[*Translation*]

The Prime Minister gave us yesterday evening a new example of the electoralism that he does not hesitate to use to get more votes at the expense of national unity, like during the campaign of 1968 for instance. Before the beginning of the campaign, I wish to tell him immediately, Mr. Speaker, that we will see to it that people from Quebec, like all other Canadians, not be taken in by his little game that consists in passing off Progressive Conservatives as francophobes.

The Prime Minister usually makes peculiar kinds of speeches but last evening he broke with tradition and delivered a rather funny one. He has proven only one thing, but it is a certainty, he is more expert in sarcasm than in economic matters.

I shall only tell him and his colleagues that if I exert myself to speak the second language, it is because I have the honour to be the Leader of a party which, a long time ago and even before the present Liberal government, took many measures to promote equal status for both official languages in Canada. I wish only to remind the Prime Minister of the situation of the French language and the status of French-speaking civil servants in this country prior to 1957 and after 22 years of Liberal administration.

My party committed itself officially to the respect and promotion of bilingualism. The people from Quebec know that and I am sure that they appreciate what I do to understand them and be understood by them. So, I shall not let the Liberal party wave the spectre of racism for electoral purposes and thwart our common efforts towards unity.

Here is another tactic I consider petty, which the Prime Minister used last night and against which I should like to warn Canadians. The Prime Minister would have us believe that whoever is not a Liberal in Quebec is a mercenary in the pay of the other parties. That is a lie! A monumental lie, and an insult to the intelligence of Quebecers. And the government members, for a few weeks still, will be surprised to see, when the next election comes, that there are many Quebecers of good will, among whom even some Liberals, who will join force with us to put an end, once and for all to the federal Liberal hegemony in Quebec.

Let the government put an end to its partisan foolishness, let it seek to justify its administrative carelessness and economic clumsiness, rather than exploit prejudices and stir Canadians one against the other. The mountebank pronouncements of the Prime Minister cannot make the Canadian forget, and Quebecers no more than the others, the problems and hardships his government brought upon them.

● (1700)

[*English*]

The Minister of Finance referred to the budget as a responsible budget. I think I know what he was trying to say. He means that as a thing unto itself, as an illustration in a textbook, it could be viewed as an academically responsible illustration of how country "X" represents its sums. The addition and substraction are of adequate quality, and many of the ways and means motions relating to ongoing tax reform remain consistently as unintelligible as their predecessors. A country with no great inflation problem, no chronic distress among its working people, particularly its working poor, and a population that delighted in seeing personal tax revenue jump by $1.5 billion in a single year—any such country in these circumstances might want to consider it as a model for a budget.

It is interesting to note that the Minister of Finance referred to his last budget of one year ago as responsive and to his present one as responsible. There is a difference, as the minister well knows, and in the reality of conditions existing in Canada today the minister's change in terms constitutes an admission of his failure to produce anything that is truly responsive to this country's economic needs. Canada wants leadership to join in the attack on inflation. Nothing less than that would be responsive to the need. The Progressive Conservative Party has committed itself to offering that leadership, and in government we will implement a program which will do just that.

I want to make it abundantly clear that I will not accept, either in opposition or in power, if power is conferred upon me, the continuance of what has been done to the people of Canada by the rate of inflation which has taken place in this country. Of course there is no simple solution, but I defy the Minister of Finance, I defy the Prime Minister and I defy the Secretary of State for External Affairs to show any inconsistency in the position I have taken or in anything I have said.

We need a short-term period of controls for one main purpose. We are not going to solve the problem of inflation—

An hon. Member: That will not solve anything.

Mr. Stanfield: —but the program can destroy or can certainly be very effective in reducing inflationary expectations in this country. There is no ambiguity in what I say. I have not departed from the principle of a very short-term freeze and, after the freeze has ended, of flexible regulations or flexible controls for between 18 months and 2 years.

From its dungeon of bankruptcy, the government party wails, "It will not work." If it will not work, why is it in the government's contingency plan? Why do all political parties in Britain, including the British Liberal Party, support a policy of controls and an incomes policy?

Mr. Turner (Ottawa-Carleton): They have a great economic record.

Mr. Stanfield: I know it is a poor record, but it is better than the one the minister has shown in the past year.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Why does the OECD recommend to its member countries that they should do something like this in order to contain their domestic inflation?

In the coming election, sir, Grits, Supergrits, Truegrits and all the other Grits will invent every conceivable misrepresentation as to what we intend to do. The Prime Minister gave us an example of that last night. Let me repeat my assurance that nobody in this country will be mistreated by the program we intend to implement. I have stated that the freeze phase of our program would apply for a maximum of 90 days. The flexible controls which would follow for 1½ years to two years—and these would assure special consideration to low income earners, as I have said many times—would also ensure that no one would be held to anything less than the cost of living increase.

An hon. Member: What about farmers?

Mr. Stanfield: And to productivity increases as well.

An hon. Member: How about farmers?

Mr. Stanfield: I can only make things so simple; apparently I cannot make them simple enough for some people on the other side.

Some hon. Members: Hear, hear!

● (1710)

Mr. Stanfield: The price side of the program would deal properly and firmly with profiteering, not in the absurd and ineffective way put forward by the government. I say that to work, this program has to be fair and seem to be fair. I say it will work because it is a fair and equitable program. I believe that inflation is serious enough in this country today that Canadians will welcome and rally behind this meaningful program.

Some hon. Members: Hear, hear!

Mr. Stanfield: We need to get on with the task of reducing inflationary expectations and the rate of inflation as soon as possible. Part of that process involves a defeat of this government, dissolution of this parliament and an election.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister views this a regrettable interruption in some undefined, great process which he thinks is under way. I do not see any point in prolonging a process which features the Minister of Transport (Mr. Marchand) throwing up his hands and saying, "It's a mess." I do not see any point in prolonging a process featuring the Minister of Manpower and Immigration (Mr. Andras) denying the country an inquiry into unemployment insurance. I certainly do not see any benefit to Canadians in prolonging the life of a government that looks at two-figure inflation and says that nothing can really be done about it.

Some hon. Members: Hear, hear!

Mr. Stanfield: Therefore, Mr. Speaker, we hope in a few hours time to see an end to a tired and crumbling government.

An hon. Member: A few hours?

Mr. Stanfield: I say a few hours because we have to give the man time to get to Government House and all that sort of thing. It will be an end which I am confident will lead this country to a new and better beginning. Without any presumption as to what the vote will be, Mr. Speaker, I want to take this occasion to thank you and the other officers of the House for the dedicated service you have given to this parliament.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I want to thank the House for this widespread acclaim. I am not sure where the applause for the Leader of the Opposition (Mr. Stanfield) ended and mine began.

Some hon. Members: Hear, hear!

Mr. Douglas: The House is in good humour. Yesterday and today we listened to speeches by leaders of each of the four political parties in this House. I think it will make interesting reading for the future because they characterize both the men who made them and the parties for which they spoke. I was very much interested in following the speech made by the Prime Minister (Mr. Trudeau) who seemed to spend a large part of his time trying to determine who was responsible for the fact that the spectre of an imminent election haunted this House. I want to say, Mr. Speaker, that the person who is most responsible for the fact that we face a general election is the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Douglas: I noticed that the Prime Minister was trying to be a bit of an amateur psychiatrist. He does not do a very good job of being Prime Minister. He ought to stay out of the psychiatry business, although I must say he has excellent clientele with whom to work.

Some hon. Members: Hear, hear!

Mr. Douglas: When the Prime Minister says the reason we are having an election is that the leader and members of this party cannot stand the strain of holding the balance of power, I want to point out that he has a very poor memory. With the exception of the years 1968-72 we have had a minority parliament in Canada since 1962. The only time we did not have a minority parliament was the four-year period after the present Prime Minister became leader of his party. By the way, they were the four most unproductive and arrogant years the parliament of this country has ever seen.

Some hon. Members: Hear, hear!

Mr. Douglas: For the rest of the period from 1962 to the present time we have had a minority parliament, and it has worked a good bit of the time. It worked from 1963 to 1965 and from 1965 to 1968 because someone was sitting in the prime minister's seat who had a certain degree of sensitivity and flexibility. He was able to work out a consensus. He had some human compassion. During that period we produced such things as the health services act, the Canada Pension Plan, the Canada Assistance Plan and a great many other programs that will be monuments to the memory of that parliament and the prime minister at that time, the Right Hon. Lester B. Pearson.

Some hon. Members: Hear, hear!

Mr. Douglas: That same type of minority government could have worked in this twenty-ninth parliament. When the election of October, 1972 was over, the members of the New Democratic Party indicated that whichever of the two old-line parties had a plurality they were prepared to give it an opportunity to show what it could do.

● (1720)

As I pointed out last week in another debate, we had a two-pronged attack on the major problems of inflation and unemployment. One had to do with the social area and the other had to do with the economic area. In the social area we were pressing for legislative measures which would cushion the effects of rising living costs on people with fixed and low incomes and others most vulnerable to the inflationary pressures which were besetting this country and, indeed, the world. And the government did many things which needed to be done.

The Prime Minister said yesterday that the NDP was taking credit for things which they asked for but which the Liberal Party was doing. Well, Mr. Speaker, they could not do it alone—not in a minority parliament. Unless we had been prepared to support them through repeated non-confidence motions, they would not have been here to do the things which needed to be done, such as raising old age pensions, family allowances, veterans pensions, and so on. It is significant that in spite of the assertions of the Prime Minister that a Liberal government would have done these things anyway, in the preceding years from 1968 to 1972 none of these things had been accomplished.

My experience of the Liberal Party goes back nearly 40 years, and I have never seen them move unless they were prodded in the posterior or faced the prospect of defeat. Nevertheless, I want to say that the things which have been accomplished in the social area in the last 16 months were things we could support and, in my view, they made a contribution to easing the burden upon large sections of our people. At the same time, though, it should be remembered that since those measures were passed a year ago the rising cost of living has taken away most of those increases, and we had the right to expect there would be something in the budget to help these people.

Some hon. Members: Hear, hear!

Mr. Douglas: The second area in which we were pressing for action was the economic area. The Secretary of State for External Affairs (Mr. Sharp) stood up today and said the opposition parties had not put forward alternative policies. Well, we have certainly put forward alternative economic measures we wanted to see introduced to cope with inflation. But nothing has happened. The Prime Minister, in a speech at the opening of the session, said the NDP were like seagulls which, because they were squawking and making a lot of noise, thought they were running the ship. Mr. Speaker, we never claimed to be running the ship, but a smart captain will listen to the seagulls warning him that he is running the ship on the rocks.

Some hon. Members: Hear, hear!

Mr. Douglas: We have been signalling to the Prime Minister for the last several months.

An hon. Member: Seagulls aren't so smart.

Mr. Douglas: I will tell the hon. member something else about seagulls. They are not stupid enough to stay with the ship when it starts to sink. What were the alternative proposals we placed before the government? We asked for selective price controls. The government said no, and did so repeatedly. We asked the government for a two-price system which would enable us to keep the prices of Canadian products and raw materials at levels lower than world levels, thus protecting Canadians against artificially high world prices. But the Minister of Finance (Mr. Turner) repeatedly declined to follow such a proposal, and in his budget speech the other night he said it would not work. And this in spite of the fact—as was ably pointed out by the leader of this party—that he has already done this very thing in the case of oil, copper and wheat.

We asked the government for legislation to curb excess profits. What did we get? We got a bill which was an absolute farce. As a matter of fact, it was so bad that when the minister produced it in the House he was like the boy on the burning deck—he stood all alone. It is significant that the Four Horsemen of the Apocalypse—the Minister of Finance, the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the Secretary of State for External Affairs, who represent the corporate elite—were silent about this legislation.

The truth is, the government was not taken by surprise in the last few days. It has known for months there were things the NDP wanted done and must insist on having done. We wanted something done for the old age pensioners. We wanted tax adjustments in favour of people in lower and middle income groups. We wanted the government to do something about the criminal profiteering which is going on in this country.

What happened? The Minister of Finance said he was not going to indulge in any gimmickry. Mr. Speaker, one of the most extraordinary gimmicks any minister of finance has ever adopted was when on one hand he imposed a 10 per cent surcharge on certain corporations while with the other he gave them a 1 per cent reduction in taxation. The surcharge would cost $175 million, but they are to be relieved by cuts in taxation amounting to $262 million. This means they will profit from a net gain of $87 million.

Some hon. Members: Shame.

Mr. Douglas: That is how we are bringing the corporations into line. Moreover, the surcharge will not apply to the manufacturing and processing industries which in addition will enjoy the benefits of the tax cuts they were allowed last year and the fast write-offs. It is significant we cannot get the minister to tell us how much reduction in revenue will follow from the concession made to the manufacturing and processing corporations by virtue of the tax benefits they were given last year. It is also significant that in return for the support of the official opposition of that legislation last year the minister introduced the provision that the legislation could be opened up for reconsideration after April 1, 1974. Yet we cannot even get the figures, although April 1 is long since past. What is the figure, Mr. Speaker? The minister does not say.

● (1730)

Professor Hyndman, in one of the publications put out by the Tax Foundation, said that for this fiscal year, 1974-75, those tax concessions will be worth over $1,000 million. Will the minister tell the House whether or not that is correct? Will he tell us what the figure was for the past fiscal year? Of course he will not, Mr. Speaker, because he knows he dare not tell the public about the kind of hand-outs that he gave to these corporations. Who are these processors, Mr. Speaker? They are the meat processors, food processors, fish processors. Look at the profits they have made. These are the people who have gouged the public and they are the people who are getting the major tax concessions.

Having signalled the government repeatedly for months on end about the disparity and inequity in our tax system and demanding some adjustments in it, we are presented with this budget. It is a budget that will perpetuate a situation in which the real income of the wage earner and salary earner is going down $5.50 a week, according to latest figures, in which the share of the national income going to corporations in profits is going up and the share of the national income going to the working people in the form of wages and salaries is going down. I ask, did the Prime Minister think that the New Democratic Party would swallow a budget like that?

There are two possible explanations for the Prime Minister's miscalculation. The first is that he may have thought the New Democratic Party were bluffing, that they really would not vote against the government, that having been close to the government for some months, supporting them in the social area, we had come to love and to cherish them. The Prime Minister himself put forth that idea in a speech he made in Sudbury, as reported in the press on April 29. According to the *Globe and Mail* for April 29, 1974—

—Mr. Trudeau said he thought NDP members of parliament were also reluctant to see an early election "because they are not particularly keen on losing their seats".

The Prime Minister heads a government in a minority situation. Here is a man who is trying to stay in office to do what he thinks is best for this country. A few weeks before the budget comes down, he says, "If the New Democrats vote for our budget, it is not because they think it is a good budget; it is because they are afraid to go to the country and have an election". Now, that is statesmanship of a high order!

This budget represents nothing more nor less than the Minister of Finance throwing down the gauntlet to the New Democratic Party. Everything we have asked for and everything we have advocated and pressed for has been rejected in this budget; and the budget has been even more inequitable, so far as the great mass of the Canadian people is concerned, than any budget we have had for many years. The other possibility is, not that the Prime Minister thought that the New Democratic Party were bluffing but that he had decided that sooner or later they were going to have to go to the country, and therefore it might be better to bring in a conservative budget that would please the business community, that would put them in good standing on Bay Street and St. James Street. And that is the kind of budget we got.

The Prime Minister intimated yesterday that we had suddenly made up our minds on this a week or two ago because of the strain that he talked about. The position we took throughout the whole period was that we would measure each piece of legislation on its merit, and the budget on its merit. The fact that last week we announced that we would not support the so-called anti-profiteering bill did not pledge us in any way to vote against the budget. If this budget had been a good budget, we would have supported it. We would still have voted against the anti-profiteering bill because it is a hoax and a farce, and hon. members know it. If this budget had made any provision at all that was designed to rectify the social injustices being perpetrated upon the Canadian people and taxpayers by this government, then we would have supported it. But there is no such provision.

The man who made the decision to put forth this budget, in the final analysis, is the Prime Minister. He is the man who must accept the fact that we are likely to go into a general election, because it is he and he alone who gave his approval to the budget and to the so-called anti-profiteering legislation, legislation he ought to have known we in this party could not and will not support.

The Prime Minister, in a sort of desperate attempt to stave off what appears to be the inevitable, tried to frighten parliament by saying there is a lot of legislation lying around which is not going to be passed if the government is defeated in this vote. There is no time that a government can be defeated when there is not some legislation lying around or pending. If every parliament were to make up its mind it would not be dissolved until the government dissolved it because it might end before certain legislation were passed, then, of course, there would never be a defeat of a government.

The legislation that is on the order paper is mainly peripheral legislation, and we are not prepared to vote for an unacceptable budget in order to get some peripheral legislation passed. Both the Prime Minister and the Minister of Energy, Mines and Resources (Mr. Macdonald) have been trying (a) to frighten the House, and (b) to scare the country by saying that if this budget is not passed, or if the government is defeated, then, of course, the government cannot collect the surcharge on exports of oil. Anyone who seriously makes that statement is either being dishonest or stupid.

● (1740)

Some hon. Members: Hear, hear!

Mr. Douglas: Canadian political history is replete with precedents of taxes which have been collected, even after parliament has been dissolved, on the basis of a notice of ways and means, on the basis of an order in council or even on the basis of a mere announcement by the government. In 1947, Hon. Douglas Abbott, minister of finance in a Liberal government, announced over the radio a series of new taxes which went into effect that evening, and they were collected. There was no legislation, no order in council and no notice of ways and means motions.

In 1962-63, an order in council by the government of the right hon. member for Prince Albert (Mr. Diefenbaker) gave it the power to collect taxes. That was validated later by legislation passed by the Pearson government when it came into office. What this government is trying to do is draw a red herring across the trail. It is trying to confuse the public, because members of the government consistently have told us that the import compensation will cost $1,400 million and now it transpires that unless cost participation is levied by the oil producing countries it will cost $925 million, and this represents $475 million in extra revenue that they do not want to give to the producing provinces. That is the real reason.

I say, Mr. Speaker, that this government has had its chance. We gave it our support as long as it was following programs we thought would help this country. They have run out of steam, they have run out of ideas and they have run out of the courage which is necessary to restructure our society. I shall close with words which are well known in British parliamentary history—

Some hon. Members: Order.

Mr. Knowles (Winnipeg North Centre): "Go. In the name of God, go".

Some hon. Members: Order.

Mr. Douglas: Mr. Speaker—

Some hon. Members: Order.

Mr. Deputy Speaker: Order, please. It being 5.45 o'clock p.m., it is my duty pursuant to section 6 of Standing Order 60 to interrupt these proceedings and forthwith put the question on the subamendment now before the House.

All those in favour of the subamendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment to the amendment (Mr. Lewis) which was agreed to on the following division:

[Mr. Douglas.]

(Division No. 8)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Barnett
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Benjamin
Blackburn
Blenkarn
Brewin
Broadbent
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Diefenbaker
Dinsdale
Douglas
Ellis
Epp
Fairweather
Firth
Forrestall
Frank
Fraser
Gilbert
Gillies
Gleave
Grafftey
Grier
Hales
Haliburton
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Harding
Hargrave
Harney
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howard
Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Kempling
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
La Salle
Lawrence
Leggatt
Lewis
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.) (Vancouver Kingsway)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Mather
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neale (Vancouver East)
Neil (Moose Jaw)
Nelson
Nesdoly
Nielsen
Nowlan
Nystrom
Oberle
O'Connor
Olaussen
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reilly
Reynolds
Ritchie
Roche
Rodriguez
Rose
Rowland
Rynard
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Symes
Taylor
Thomas (Moncton)
Towers
Wagner
Whittaker
Wise
Woolliams
Yewchuk—137.

NAYS

Messrs.

Allard
Allmand
Andras
Basford
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Chrétien
Clermont

Messrs.

Comtois	Lajoie	Portelance
Corbin	Lalonde	Poulin
Corriveau	Lambert (Bellechasse)	Prud'homme
Côté	Lang	Railton
Cullen	Langlois	Reid
Cyr	Laniel	Richardson
Danson	Laprise	Rompkey
Davis	Latulippe	Rondeau
De Bané	Leblanc (Laurier)	Rooney
Demers	LeBlanc (Westmorland-Kent)	Roy (Timmins)
Dionne	Lefebvre	Roy (Laval)
Drury	Lessard	Sauvé (Mrs.)
Dubé	L'Heureux	Sharp
Dupont	Loiselle	Smith (Northumberland-Miramichi)
Dupras	MacDonald (Cardigan)	Smith (Saint-Jean)
Duquet	Macdonald (Rosedale)	Stanbury
Ethier	MacEachen	Stewart (Okanagan-Kootenay)
Faulkner	MacGuigan	Stewart (Cochrane)
Fleming	Mackasey	Stollery
Fortin	Marceau	Tétrault
Foster	Marchand (Langelier)	Thomas (Maisonneuve-Rosemont)
Fox	Marchand (Kamloops-Cariboo)	Trudeau
Gauthier (Roberval)	Matte	Trudel
Gauthier (Ottawa-Vanier)	McRae	Turner (London East)
Gendron	Morin (Mrs.)	Turner (Ottawa-Carleton)
Gillespie	Munro (Hamilton East)	Walker
Godin	Olivier	Watson
Goyer	Ouellet	Whelan
Gray	Pelletier (Hochelaga)	Whicher
Guay (St. Boniface)	Pelletier (Sherbrooke)	Yanakis—123.
Guay (Lévis)	Penner	
Guilbault		
Haidasz		
Herbert		
Hopkins		
Isabelle		
Jamieson		
Jerome		
Lachance		
Laflamme		

● (1820)

Mr. Speaker: Order, please. I declare the motion carried.

[*Translation*]

As the curtain falls, let me remind hon. members that, true to this happy tradition, they are invited to the Speaker's room.

[*English*]

Hon. members should know that according to traditional custom they are invited to attend in room 16.

The Budget—Mr. Douglas

Mr. Diefenbaker: Mr. Speaker, I rise on a question of constitutional order. I would ask a question of the Prime Minister. I had the same experience in 1963 as he has had, and I ask him to give the assurance to the country that—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I ask him to give the assurance to the country—

Mr. MacEachen: Order.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I remind hon. members that after six o'clock the Chair has no authority except to rise. I think that is the long-established tradition. I do not think I have the right to stand and listen to debate, points of order or questions of privilege: perhaps that might be the order of the day for tomorrow.

An hon. Member: There is no tomorrow.

Some hon. Members: Oh, oh!

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

Mr. Speaker: Order, please. Hon. members will appreciate that it is difficult for the Chair to hear what is being said. The right hon. member for Prince Albert (Mr. Diefenbaker) seeks the floor on a question of privilege. I have serious doubt whether the question of privilege can be heard. I know the precedent to which the right hon. gentleman refers, but my interpretation of the precedent and what happened before is that really the Chair must abide by the rules. I call on the right hon. gentleman to agree with the Chair and to appreciate my position.

Mr. Diefenbaker: Mr. Speaker, I rose to say that I always follow the orders of the Chair, but these people are afraid and they want to change the constitution.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. As it is after six o'clock, I do now leave the chair.

At 6.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

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The twenty-ninth parliament was dissolved on Thursday, May 9, 1974, by proclamation of His Excellency the Governor General.

END OF SESSION